

# Sustainability— Report

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**We** aim to build sustainable **growth** through a holistic approach across our business, a clear vision to guide us and a passionate team of experts to bring vision and reality **together**.

# 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 on sustainability practices among clients, investors and the broader public. It also took this step in the knowledge that it has the potential to influence its clients and partners, as well as its own sustainable business practices, by investing in this area. As part of this initiative – which took shape in the course of 2021 – 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 contribute to the sustainable development of our company and our ambition is to become a leading ESG provider for structured products.

In connection with our sustainability initiative, we are publishing an inaugural Sustainability Report as a chapter of the Annual Report 2021. The following chapter 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 current measures and initiatives in place at the company.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

## Our --- culture

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

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



### 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



**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.

## Corporate culture framework

In 2019, Leonteq's corporate culture framework, including its vision, mission statement and values, was recreated and redefined through a series of surveys, townhalls and workshops by employees from across the company. The framework was subsequently reviewed and approved by the Board of Directors, and throughout 2020 and 2021, the company took steps to apply this newly defined corporate culture to the Leonteq brand, to daily business activities and within the corporate environment.

A Corporate Culture Committee was established to lead these efforts. The Committee defines measures and launches initiatives to support the development of Leonteq's corporate culture.

## Corporate Culture Committee

Leonteq's Corporate Culture Committee is chaired by Leonteq's Chief People Officer and comprises members of different ranks and functions from across the company. Appointments to the Committee are made in the fourth quarter of each year, when employees are encouraged to run for election. Members are elected via a majority vote and their terms of service begin in January of the following year.

In 2021, the Corporate Culture Committee organised a variety of initiatives, including workshops, educational sessions, sports classes, competitions, activities and awards. In the spirit of our corporate value "Expertise", we launched a power hour series entitled "Ask the Experts". Leonteq additionally held leadership roundtables for managers and employees, and it organised fitness courses and sports competitions during the year. With an emphasis on living by the company's corporate values, the Corporate Culture Committee also established an award that is regularly presented to employees who demonstrate excellence in their approach to upholding Leonteq's corporate values. In 2021, 15 people were nominated for this award by their colleagues, and 5 of those nominees received an award.





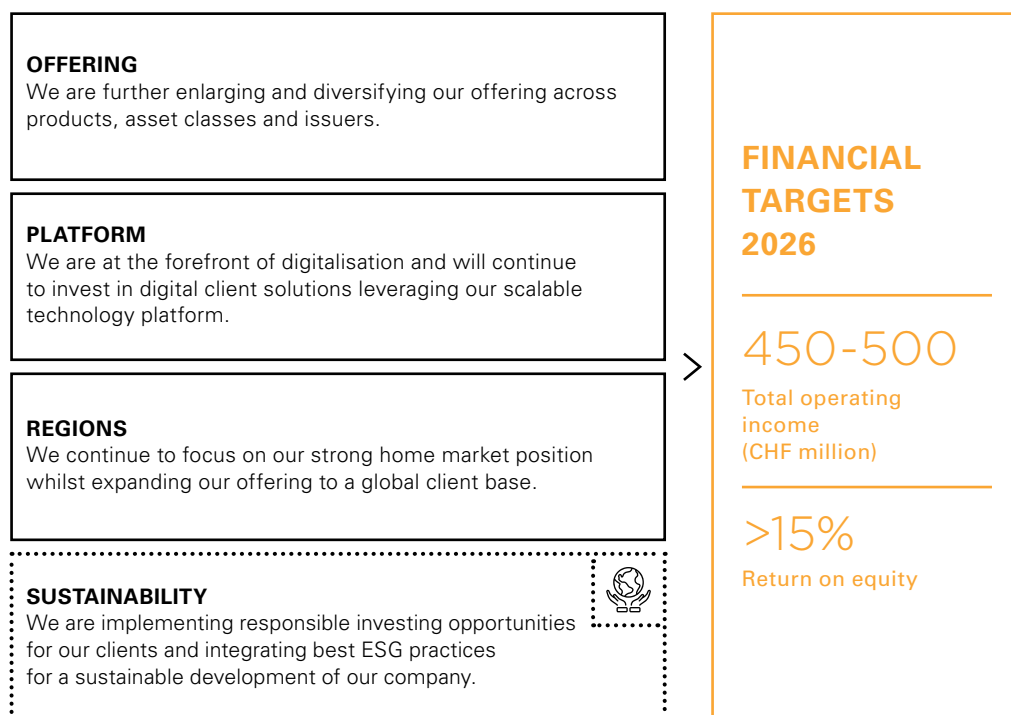
# Our sustainability strategy

## Growth Strategy 2026

Since the foundation of our company 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 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 company 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 marks the beginning of a new five-year strategy cycle: The pandemic-related trends affecting end-investor behaviour, digitalisation and online connectivity have accelerated the growth opportunities for Leonteq in terms of product distribution and white-labelling offerings. Against this backdrop, Leonteq has developed its Growth Strategy 2026, which it will execute through 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 end-2020, when it launched its dedicated sustainability initiative with the ambition of becoming a leading ESG provider for structured investment solutions. As a fintech company in the financial services industry with more than 500 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 best ESG practices to support the sustainable development of the company. We want to improve the ratings assigned to Leonteq by ESG rating agencies by 2026, and we are therefore intensifying our efforts to further integrate ESG aspects into our business activities as well as our product and service offering.

Our Sustainability Strategy is designed to support the sustainable development of our company. In particular, we want to strengthen our focus on responsible investing through the integration of environmental, social and governance (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.

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.

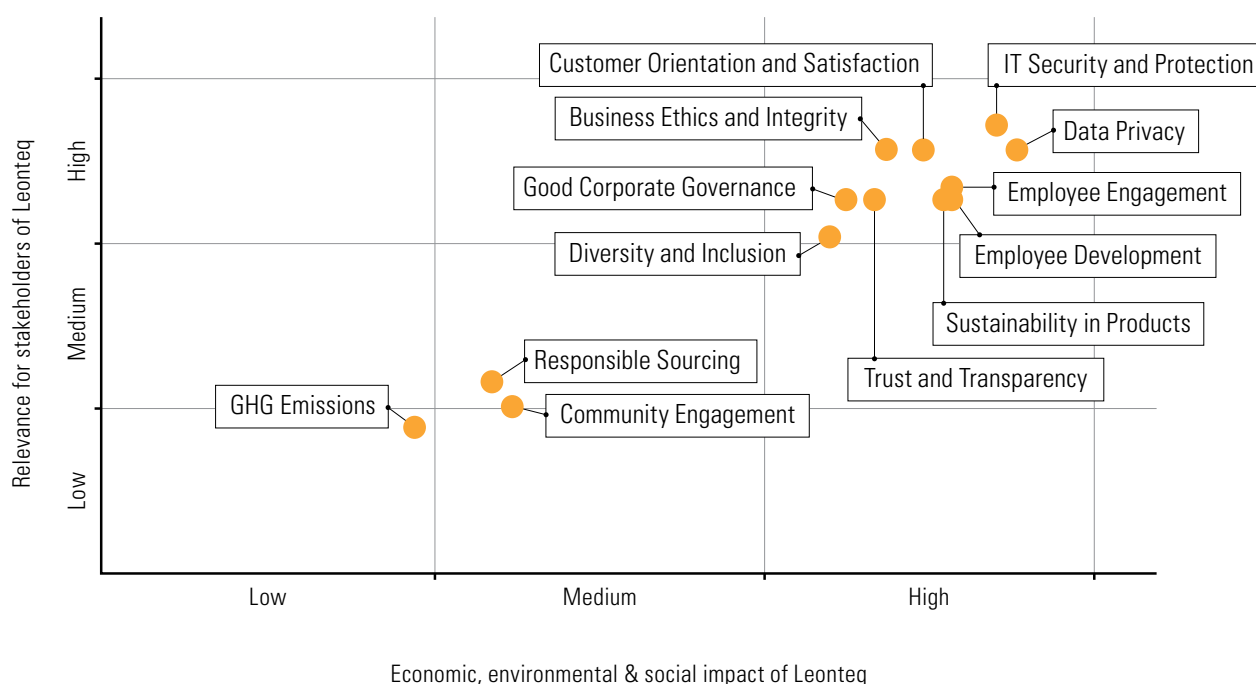
## Material topics

Our sustainability report covers the topics that matter most to our company and our stakeholders.

As part of our process to define our material topics, our sustainability team, comprising a Steering Committee (formed from members of the Executive Committee and Board of Directors), a core team led by Leonteq's Head Investor Relations, Communications & Marketing as well as members from across the company for the project's two workstreams (approach to sustainability and ESG in products) conducted a stakeholder engagement process together with external consultants specializing in the field of sustainability. This process involved two internal workshops comprising nine employees and four Steering Committee members and 12 external stakeholder interviews 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 the 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 below shows the priority of all topics Leonteq has identified during the above-mentioned stakeholder engagement process. Some topics refer to an existing Global Reporting Initiative (GRI) standard, others have been identified as Leonteq's own topics that best fit its business as a structured investment product service provider.

### Materiality matrix



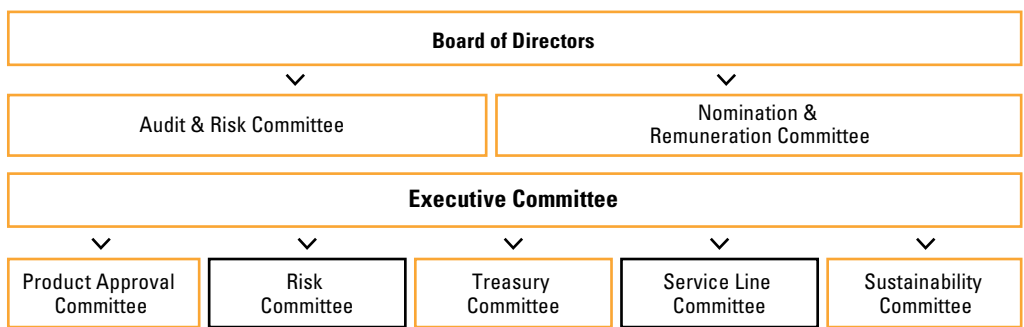



# Sustainability governance

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. Leonteq therefore established a Steering Committee and core project team back in 2020, in conjunction with the launch of our sustainability initiative, to ensure effective governance of our sustainability efforts.

Leonteq's Sustainability Steering Committee is composed of the Chief Executive Officer, Chief Financial Officer, Chief People Officer and Head Investment Solutions, as well as one member of the Board of Directors. The Steering Committee was supported by a core team, with the Head Investor Relations, Communications and Marketing acting as project leader. This core team worked together with senior leaders from across the company to foster sustainability awareness and the integration of ESG aspects and responsible investing measures into our product and client offering and our business activities.

Going forward, Leonteq intends to establish a Sustainability Committee, which will be positioned at Executive Committee-level alongside the existing Product Approval Committee, Risk Committee, Treasury Committee and Service Line Committee. It is envisaged that the Sustainability Committee will work jointly with the Board of Directors and its subcommittees, the Nomination and Remuneration Committee and Audit and Risk Committee, as well as the Product Approval Committee and Treasury Committee. Its focus will be on further integrating ESG aspects and on implementing the Sustainability Strategy and targets into the company's activities and offering, while continuing to monitor and assess the effectiveness of the related sustainability programmes and initiatives. The Sustainability Committee thus intends to maintain a comprehensive oversight of each of Leonteq's defined material topics and to monitor the implementation and achievement of the measures and targets for each topic.



 Involved in ESG efforts

# Stakeholder engagement

## 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 company. We consider open and transparent communication to be vital to build relationships of trust with all our stakeholders. Trust and Transparency therefore represent one of our 13 material topics and are 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 company's product offering. We use targeted communication methods and various platforms, and we publish all our corporate and product news on our website. We report all relevant information on time 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 necessary information to its stakeholders. At the same time, the company 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 company at a competitive disadvantage.

Our stakeholders include:



## Our stakeholders

<b>Clients and partners</b>	<p>Our clients and partners are served by a dedicated sales force of industry professionals with the support of a distribution system that includes an in-house ideation, structuring and trading team, as well as a digital, automated pricing engine. Clients and partners have regular personal contact with our client relationship officers and key account managers and they receive regular newsletters with product and business updates and can subscribe to the e-mail distribution service to receive free and timely notifications about potentially price-sensitive facts. We also have a comprehensive client complaint process in place to ensure that good relationships with clients are maintained and that errors are handled appropriately to avoid any detrimental impact on clients.</p>
<b>Employees</b>	<p>Employees receive regular updates on business developments, changes within the company and the industry as a whole. Communications are shared through several channels, including (digital) events such as townhalls and power hours, e-mail announcements, monthly and quarterly newsletters, the company intranet, office TV screens and chat channels. Every month, Leonteq holds a virtual “Meet &amp; Greet” session to welcome new employees to the company and celebrate service anniversaries.</p> <p>To facilitate the consistent and transparent flow of information to employees, the Communications department holds monthly newsroom meetings with stakeholders from across the company. This ensures the active exchange of information and the appropriate distribution and reach of all internal and external corporate news. Leonteq also conducts periodic roundtables and company-wide surveys to monitor employee satisfaction and engagement and to ensure employees understand its business strategy. The feedback provided by employees is shared with the Executive Committee.</p>
<b>Shareholders, investors and analysts</b>	<p>The Group maintains regular contact with its shareholders, investors and analysts. Leonteq holds individual and group engagement meetings throughout the year and especially in conjunction with the half-year and full-year results roadshows, as well as at investment conferences. When new analysts begin covering Leonteq, they are invited to attend a detailed onboarding process to give them an insight into the company. Throughout the year, the Investor Relations department engages in a regular dialogue with investors and analysts, updating them on business or market developments.</p> <p>Notices to shareholders required under Swiss law are published in the Swiss Official Gazette of Commerce. Notices required under the listing rules of the SIX Exchange Regulation are published on the company’s website and simultaneously distributed via press releases to all interested parties, at least two Swiss newspapers of national importance, at least two electronic information systems and SIX Exchange Regulation.</p>
<b>Credit rating agencies</b>	<p>The rating agencies Fitch Ratings Ltd. (Fitch) and Japan Credit Rating Agency, Ltd. (JCR) have evaluated and assigned ratings to Leonteq AG and Leonteq Securities AG (including the Guernsey and Amsterdam branches), respectively. To ensure the most accurate and up-to-date rating possible, Leonteq maintains regular contact with these rating agencies and routinely informs them about business developments. This includes holding calls with credit rating agencies following important announcements or the publication of financial results. In addition, Leonteq organises a half-day or full-day meeting each year at which the management team updates the rating agencies about recent strategic progress, including key initiatives, the company’s financial performance, risk management and IT infrastructure.</p>

<b>ESG rating agencies and proxy advisors</b>	<p>ESG rating agencies including MSCI, ISS, Sustainalytics, S&amp;P Global Ratings and Inrate have evaluated and assigned ratings to Leonteq AG. Leonteq reviews these ratings annually and provides feedback to each rating agency where necessary.</p> <p>Additionally, Leonteq is subject to the recommendations of proxy advisors, which can influence voting results at Leonteq's Annual General Meetings. Leonteq seeks an open and transparent dialogue with proxy advisors and provides the information needed to facilitate facts-based voting recommendations.</p>
<b>Media and the general public</b>	<p>Information is provided to shareholders and other stakeholders each year in annual and half-year reports, together with press releases, presentations and brochures. Leonteq communicates openly with journalists and the media on an ongoing basis and responds promptly to requests for information and other enquiries. Interested parties can additionally subscribe to the e-mail distribution service to receive free and timely notifications of potentially price-sensitive facts. The company publishes a regularly updated financial calendar with details of important publication and event dates on its website. It also publishes the latest information on matters of corporate governance, as well as its current Articles of Association on its website.</p> <p>Leonteq simultaneously uses media and social media monitoring to follow what is being written about the company in the media and on the Internet every day, based either on data provided by the company itself or information from independent sources.</p>
<b>Suppliers and service providers</b>	<p>Leonteq maintains frequent contact with its suppliers and service providers. Each supplier or service provider is subject to a pre-qualification screening to ensure compliance of operations and correspondences are maintained throughout the business relationship to review requirements, submit payments and negotiate contracts, as needed.</p>
<b>Counterparties and stock exchanges</b>	<p>Leonteq maintains close contacts and relationships with counterparties and stock exchanges within Switzerland and abroad. Throughout these relationships (exchange) regulations are monitored and processes are adopted where applicable.</p> <p>The relationship with stock exchanges includes for product listings the SIX Swiss Exchange and BX Swiss in Switzerland. Furthermore Leonteq's products are traded on multilateral trading facilities in Europe, such as Börse Frankfurt Zertifikate and EuroTLX and SeDeX markets of Borsa Italiana.</p> <p>Given the diversity of markets and asset classes in which Leonteq operates, the company has established a broad network of counterparties covering custody, clearing and execution. There remains a continual evaluation of this network to ensure that Leonteq is not exposed to any one counterparty; ensuring market access, business continuity whilst also maintaining cost discipline.</p>
<b>Regulators</b>	<p>Leonteq regularly engages with regulators in the course of its business, including to provide updates and to comply with its notification and regular reporting obligations. Leonteq holds ongoing reporting obligations to the regulatory bodies of the markets in which it operates. These include FINMA, AFM, BaFin, CCAf, SFC, MAS, FAS and DFSA. Further information about the regulatory bodies by which Leonteq is regulated can be found within the Corporate Governance section on page 95.</p>
<b>Internal and external auditors</b>	<p>Leonteq's Audit and Risk Committee (ARC) works closely with Leonteq's internal and external auditors to ensure the adequacy and effectiveness of the internal control system. Regular dialogues are held between the internal and external auditors and the ARC meets the lead partner of the internal audit as well as the external auditor on a regular basis. At least once a year, the ARC Chairman and lead partner of the external audit convene to discuss the audit work performed. The external auditor has direct access to the Audit and Risk Committee at all times.</p>

## The Leonteq brand

Our brand identity is at the heart of 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 company what it is: “leon” and “teq”. “Leon” is associated with the botanical name for the Edelweiss flower (*Leontopodium alpinum*) and represents the company’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 logo  
is a symbol  
of our  
networks  
created**

## Association memberships and participation in external initiatives

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 properly. Leonteq is an active member of the Swiss Structured Products Association (SSPA), with representatives in the workgroups “Categorization”, “Documentation” and “Tax”.

In 2021, Leonteq additionally became a member of Swiss Sustainable Finance, started to participate in the United Nations Global Compact (UNGC), and became a signatory of the UN-supported Principles for Responsible Investment (PRI).

Leonteq recognises the potential it has to offer and implement sustainable investing opportunities for its clients and partners. Its ambition is to become a leading ESG provider for structured products within its home market of Switzerland as well as globally. With its membership of Swiss Sustainable Finance (SSF), Leonteq is committed to driving sustainable investment approaches across this field.

Since 2021, Leonteq has been committed to the UN Global Compact corporate responsibility initiative and its principles in the area of human rights, labour, the environment and anti-corruption. Leonteq aims at integrating these principles in its strategy, culture and day-to-day operations and will annually report on its progress. It has also pledged to engage in collaborative projects that advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

As a professional service partner that has signed up to the PRI, Leonteq recognises the influence it has over how its clients address ESG issues and acknowledges the relevance of ESG issues for investment management. Further, it is committed to providing, promoting and improving services that support the implementation of the PRI’s six Principles for Responsible Investment.



Signatory of:



# Sustainability in our \_\_\_\_\_ \_\_\_\_\_ products and client offering \_\_\_\_\_



## Responsible investing

### 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 provide transparency regarding structured product underlyings and to offer exposure to ESG indices, as well as giving clients access to a wide range of investment solutions with ESG aspects.

Integrating ESG factors into our range of products and services is a key aspect of Leonteq's sustainability strategy. In particular, this includes offering innovative solutions for different client needs, creating awareness of ESG, promptly identifying trends and risks, offering ESG-related investment opportunities and reporting transparently on ESG aspects in our products.

To offer investors a broad range of investment certificates with integrated ESG criteria, Leonteq has introduced ESG scores on product termsheets and has a large range of products on third-party indices, as well as offering the world's first donation certificates.

Working in close cooperation with Leonteq's Sales, Structuring and Legal teams, Leonteq's Product Services function is responsible for the documentation and issuance of structured products. It also ensures the proper ESG labelling of each product termsheet by producing the necessary regulatory, legal and marketing documents for each structured product.

### Product offering

Leonteq has been offering sustainability-themed products and tracker certificates to investors for a number of years. In May 2021, Leonteq, partnered with Daubenthaler & Cie. to launch the world's first donation certificate as part of the BeneFaktorZertifikate® product series together with LIXX. BeneFaktorZertifikate® are the first charitable certificates, which give investors the opportunity to invest in different thematic certificates that provide an automatic donation (10% of the annual product fee) to a pre-defined good cause. With this innovative offering, Leonteq is playing a pioneering role in shaping the future of sustainably conscientious tracker certificates.

15

**BeneFaktor products  
launched**

11

**charitable causes supported  
via BeneFaktor**

5,000

**CHF donated to charities via  
BeneFaktor**

In 2021 and recent years, Leonteq also launched tracker certificates on the Morningstar Developed Europe Renewable Energy 30 Index, on the H2 Technology index, Women in CEO Positions, the MSCI Europe ESG Leaders index and the FuW Eco Portfolio index. Leonteq additionally provided a TCM Green Bond Repack as well as tracker certificates on various Swissquote indexes, including the Hydrogen index, Global eMobility index, Rainbow Rights index, Vegetarian index and Global Recycling index.

In recognition of the Group's efforts to support its clients in investing responsibly, Leonteq was awarded Best ESG Product at the 2021 Swiss Derivative Awards.



## Leonteq ESG label

Leonteq offers investors the opportunity to invest in structured products that incorporate responsible investment approaches and screens its own product universe according to ESG criteria. ESG scores are measured on a scale from D- to A+ based on a company's environmental, social and governance evaluation. When selecting structured products or underlyings, Leonteq assesses the underlying's ESG score issued by Refinitiv and includes it in each structured product termsheet so that the product's sustainability credentials are visible at a glance. Leonteq applies an ESG label to all termsheets whose underlyings achieve a certain minimum score.

## Leonteq hedge portfolio

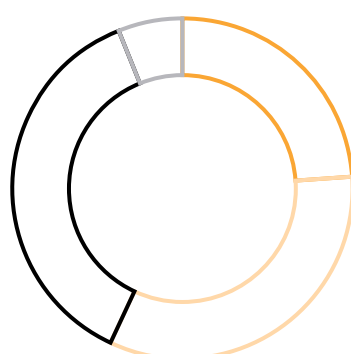
As an issuer of structured investment products, Leonteq hedges part of its exposure by purchasing listed equity securities. The hedge portfolio currently consists of 2,832 listed companies with a market value of around CHF 3.7 billion as of 31 December 2021. While this portfolio is not based on an active 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, given the size of its hedge portfolio.

In the course of 2022, Leonteq therefore plans to appoint proxy advisor(s) to execute the voting rights of the shares that it invests in for hedging purposes.

## Leonteq investment portfolio

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 among others the following key parameters: credit spread, credit curve, interest rates, credit rating, asset liquidity, sector, region and diversification. Presently, the ESG rating data available from Leonteq's current provider only covers 35% of the bonds Leonteq invests in. To obtain a more comprehensive overview of its investments, Leonteq is seeking to expand its data sources and intends to look for an appropriate data provider in the course of 2022 who covers a large majority of Leonteq's investment universe. Once in place, Leonteq intends to establish a responsible investing framework that will define how the company considers ESG criteria going forward when investing in bonds.

**Investment portfolio  
by credit rating 2021**  
(CHF 2.3 billion)



24%

Aaa

33%

Aa1-Aa3

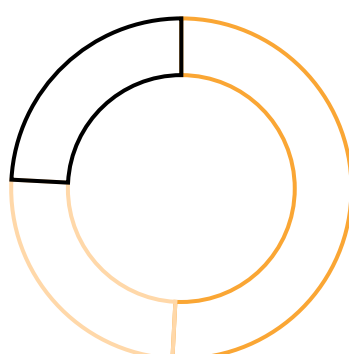
37%

A1-A3

6%

Baa1-Baa3

**Investment portfolio  
by type of investment 2021**  
(CHF 2.3 billion)



51%

Corporates/  
Institutions

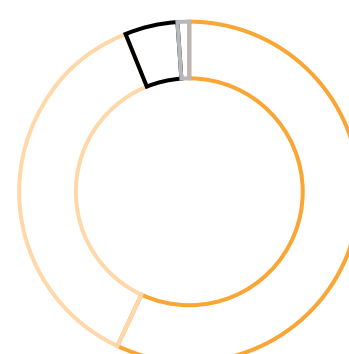
25%

Banks

24%

Governments  
& agencies

**ESG rating distribution**  
(CHF 0.8 billion)



57%

A+/A/A-

37%

B+/B/B-

5%

C-

1%

D

## Customer orientation and satisfaction

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. Ensuring satisfaction and consistent value for our clients and business partners is of key importance to us in everything we do, from offering quality products and services to the delivery of transparent and responsible solutions.

Leonteq's award-winning services cover the entire lifecycle of a structured product. Our clients are serviced by an experienced sales team 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.

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.

Specifically, the documentation and issuance of structured products is created and designed in accordance with Swiss rules and regulations, being the Swiss Financial Services Act (FinSA). Leonteq is as well supporting the needs of its clients to provide regulatory documentation and processes in accordance with local requirements, such as Key Information Documents (KID) in accordance with the PRIIPs Directive and 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 those 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.

## 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 includes adequate clarification of a complaint's legitimation and all complaints and claims are forwarded to the Complaints Department, the General Counsel and the head of the division a complaint or claim is relating to. If a complaint or claim is submitted, Leonteq issues a confirmation that it has been received within one week and informs 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 detrimental impact on clients.

# Sustainability in \_\_\_\_\_ \_\_\_\_\_ our business activities



## Governance

### Good corporate governance

Leonteq recognises that having robust corporate governance and a clear governance structure with defined roles and responsibilities is vital for the long-term success of the company.

The company's corporate governance complies with internationally accepted standards and 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.

Over the past five 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% to 25%. 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 assessment and resulting compensation outcomes. In 2020, the company elevated the role of the Chief People Officer (CPO) to the Executive Committee which is testimony to firm believe that Leonteq's success is based on attracting, developing and retaining talented professionals while ensuring a strong culture and compliant organisation.

Additional information about Leonteq's corporate governance can be found in the Corporate Governance section on pages 94 to 127.

### 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 reputation, avoid negative impacts on its business and protect against the financial penalties associated with non-compliance. We have a number of policies that are communicated to all employees to ensure they understand what is expected of them in terms of ethical conduct and integrity.

Leonteq has additionally created a new publicly available Leonteq Code of Conduct & Ethics, which is available to the general public through Leonteq's corporate website.



<https://www.leonteq.com/investors/corporate-governance/governance-framework#corporate-governance-policies>

Leonteq policies are issued and overseen by the Executive Committee. Together with members of our Legal and Compliance department, they manage and monitor each policy.

Additionally, our employees are required to complete online compliance training courses annually. These courses address specific areas of business integrity and include an annual compliance self-certification and training on personal account dealings and how to prevent market abuse, money laundering and financial crime.

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 Legal and 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 suspected breaches of legal or regulatory requirements, internal guidelines or ethical standards, Leonteq has grievance mechanisms in place, including a whistleblowing system in Europe. The company is additionally in the process of expanding its whistleblowing system to the entire Group, including its operations in Asia.

### **Market abuse & 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 (PAD). Prior to any PAD, 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 PAD are compliant with Leonteq's Code of Conduct for employees. Compliance also takes measures to detect PAD market abuse in the form of front running or insider trading. It also establishes information barriers ('Chinese Walls') 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 company itself upholds 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 on 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 monitors anti-corruption activity continuously and compliance risk assessments, including risks related to corruption, are performed by Leonteq's team of experts on a semi-annual basis. Should adjustments to staff compliance trainings or communications be necessary, the Compliance department updates trainings annually and increases or decreases its internal communication, where needed. A compliance report is additionally submitted to the Executive Committee and Board of Directors twice a year.

These among 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.

## **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 are the main pillar of Leonteq's financial contribution to the macroeconomic stability of the different jurisdictions in which it operates.

Leonteq is committed to preventing any form of tax mitigation, 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 complex system that is subject to a rapid rate of legislative, regulatory, and technological change. Leonteq's tax management activities shall ensure tax compliance of all Leonteq Group entities.

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 on a basis that generates 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.

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

## **Data privacy & IT security and protection**

In an increasingly digitalised world, Leonteq recognises the fundamental importance of data privacy and IT security and protection, which are key topics to many companies, particularly in the financial services sector. In times of volatile markets, 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. Hence, risk control and risk management are crucial. Our clients, employees, business partners and other stakeholders trust Leonteq to protect their personal data and sensitive information.

### **Data privacy**

Leonteq is responsible for all the information and data where we are the designated data controller and define the use and management of that data. The majority of our data resides 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 client privacy at Leonteq are managed by a group that is composed of members of the legal, compliance and security teams. This group reports to the General Counsel, who is also a member of the Executive Committee. This group is responsible for making recommendations or creating policies to support the safe and secure processing of data, for assessing new critical systems using the dual-control principle, and, in the event of an incident, for advising the company on the appropriate response. Leonteq also retains the services of an external security forensic service that specializes in cyber security and responses to cyberattacks as well as in data privacy.

## **IT security and protection**

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.

Leonteq has a dedicated information security team led by Leonteq's Chief Information Security Officer (CISO). It is additionally 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 testing and automated vulnerability scans as well as through a broad range of security tests conducted by external cyber security specialists on an annual basis as well as 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.

Cyber security and the protection of assets and data fall within the remit of Leonteq's CISO, 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 staff on this topic to support compliance.

## **Privacy and protection measures**

Leonteq's data protection and cyber security functions are in constant contact with the Risk, Legal and Compliance departments of Leonteq to ensure the company's compliance with regulatory requirements in all the jurisdictions in which we operate. The measures used to ensure data privacy and IT security and the protection of clients, employees, business partners and other stakeholders include the establishment and implementation of processes and training, technical defences and monitoring systems, security configuration reviews and the regular regulatory audits and external audits of internal IT functions.

## **Processes and training**

Information sessions are regularly held for our employees as part of the company's onboarding programme to ensure that Leonteq conducts its business in a safe and secure manner.

To ensure data privacy, Leonteq strictly controls access to information using the identity access management tool Omada. 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.

Leonteq has a comprehensive incident response plan in place. In the event of a breach, Leonteq informs the relevant supervisory authorities within 72 hours of the issue being identified, where feasible, in accordance with General Data Protection Regulations (GDPR). In addition, where there is a significant risk that the breach could adversely affect the impacted individuals' rights and freedoms, Leonteq informs those individuals without undue delay.



## **Monitoring systems and 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 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 176.

## **Security configuration reviews**

Leonteq engages external security specialists to test, check and advise on how it can improve its operational security and 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 unauthorized collection, processing, alteration and disclosure.

Leonteq only ever processes the personal data of its employees, clients, partners, service providers, shareholders or other counterparties where this is necessary 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 interest of Leonteq or third parties.

In 2021, Leonteq did not have any substantiated complaints concerning breaches of customer privacy or losses of customer data.

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.

## **Audits**

IT security is an important measure in the protection of the company's data and information systems and is 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 annually audited by our internal audit. Furthermore, Leonteq performs annual penetration tests via external companies specialising in IT and cyber security.

## **Certifications**

Leonteq's internal control system is audited 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.

## Business continuity management

The Business Continuity Management (BCM) team works closely with our information security management as well as infrastructure teams to ensure 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, Leonteq maintains a comprehensive BCM plan. This includes contingency measures for a number of potential events and scenarios that could affect the Group's ability to operate. These events include loss of human resources, potential IT failures, damage to premises, natural disasters and diseases, including pandemics.

Key elements of the Group's BCM plan are: The establishment of a crisis management team, including the CEO, 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 analysis, interested parties analysis and risk assessments for departments across the company. Employees are also informed about BCM as part of the induction day for new joiners. The company conducts annual reviews of its business continuity plans and holds biweekly BCM management reporting meetings. BCM tests are held multiple times per year (2-3 major BCM tests and 3-4 minor BCM tests per year). Leonteq maintains a dedicated disaster recovery site.

The Group's BCM programme, which covers its disaster recovery and crisis management procedures, is aligned with all regulatory requirements and internationally recognised standards and is audited in accordance with ISO 22301:2012. 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.

More information about BCM at Leonteq can be found in the Risk and Control section of the Annual Report 2021 on page 176.

### BCM & COVID-19

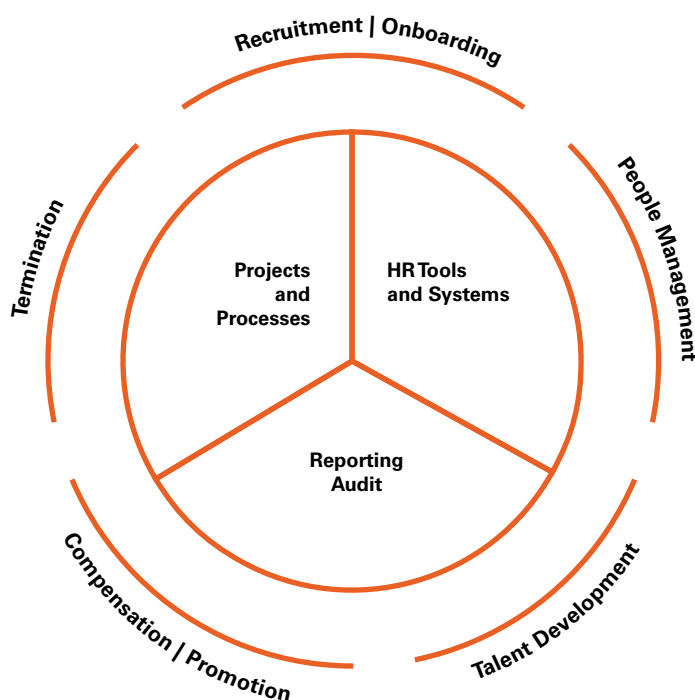
The Group's BCM plans were implemented promptly at the start of 2020 in response to the Covid-19 pandemic. Leonteq's priority at all times is to protect the health and safety of employees, clients and other stakeholders, as well as safeguarding the business and profitability. All Leonteq offices had to close or operate with significantly reduced occupancy through much of 2020 and 2021 in line with regulatory requirements. Employees were able to work from home for extended periods of time without any disruptions. Specifically, Leonteq did not experience any issues relating to its trading and risk management activities, with all hedging and risk management activities continuing uninterrupted. Working conditions have been actively managed by the company on an ongoing basis to ensure employee safety and compliance with local government recommendations. Leonteq set up full home office capabilities, including sophisticated trading and IT development set-ups, at an early stage. Once lockdowns were imposed, employees were thus able to seamlessly transition to working from home from one day to the next. As some governments eased restrictions, Leonteq also took a phased approach to bringing staff back to the office. The sophisticated remote access set-up that Leonteq implemented has allowed for a swift transition between onsite and remote working since the start of the pandemic.



## Employee engagement

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 company. Leonteq recognises its responsibility for supporting the personal and professional development of its employees and the impact it has on their private lives. Leonteq is therefore committed to giving its employees interesting work, attractive training and development opportunities 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 staff during 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 have been hired from major investment banks, leading law firms, Big 4 audit and management consulting companies, FINMA and SIX Swiss Exchange.

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

Leonteq hired a total of 138 employees in 2021 across all its locations and has a total of 524 full-time equivalents (FTEs) as of 31 December 2021. This corresponds to a total headcount of 535 employees. Of these, 503 (97 female and 406 male) are permanent employees and 32 (1 female and 31 male) hold temporary employment contracts. Regionally, Leonteq employs 333 headcounts (317 permanent and 16 temporary) in Switzerland, 136 (123 permanent and 13 temporary) in Europe and 66 (63 permanent and 3 temporary) in Asia including the Middle East.

## People management

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

Leonteq's Human Resources department is a constant contact point for employees and line managers throughout their time with the company as part of Leonteq's HR open door policy. Employees are assigned a designated HR Business Partner and appropriately supported in all matters related to their employment during their entire journey at Leonteq.

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

In 2021, as part of Leonteq's new flexible work set-up, we decided to give employees the opportunity to work from home for up to two days per week, depending on their function and department. Additionally, it is intended that they benefit from the possibility to "work from anywhere" for up to one week every six months.

## Employee development

Positions and functions that provide opportunities for development and give our employees a sense of purpose, satisfaction and inspiration are important for employee wellbeing and thus also for the long-term success of the business.

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 within a company in 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 onboarding and induction process and Education & Talent Management programme.

In 2021, Leonteq launched a power hour series titled "Ask the Experts", which focuses on the company's corporate value "Expertise". This event aims to bring both internal and external speakers into the Leonteq spotlight, providing employees with information and ideas on specialist topics from within the company as well as across the industry. The topics presented to date include Special Purpose Vehicles, Bitcoin, LynQs API as well as Leonteq's AMC Gateway and the Digital Savings Solution.

Leonteq also offers special training for employees, such as Leonteq-IMD certification (available to employees beginning in 2022), leadership training and roundtables, foreign language courses and various other learning courses and certifications.

## Young talent

As part of its goal to develop the next generation of leaders, Leonteq values and recognizes young talent in its workforce. We offer internships, graduate training programmes and an IT apprenticeship for young employees, which are temporary contracts for students and young professionals at the start of their career. The internship programme, lasting 6 to 12 months, gives university students and new graduates their first professional experience within the industry, and in 2021, Leonteq hired 20 interns. In the last three years, Leonteq hired 62 interns, 15 of whom subsequently took on graduate positions and 12 of whom were hired directly for permanent roles. Leonteq's graduate programme, which was initiated in 2015 and ran in 2016, 2018, 2019 and 2021, offers long-term career development opportunities for new graduates in the form of tailored, business-specific professional training. 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 of full-time employment. In 2021, Leonteq hired 19 Graduate Programme Attendees.

## Leonteq leadership

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, hybrid working models, and individual and professional growth. In 2021, we held a workshop on the topic "What makes me a leader?" for line managers with some experience in everyday leadership who were looking to broaden their management skills. The workshop covered topics such as what is expected of a leader and what attributes make someone a successful manager. Participants also learned how to deal with different personality types and to understand the basic needs of people. In 2021, we also held eight leadership roundtables for both managers and senior leaders as well as employees. The roundtables covered topics such as leadership and employee experiences, challenges and recommendations for future improvements.

## Leonteq rank structure

Employee Level	Male	Female
Senior Management	125	11
Professionals	312	87
<b>Total</b>	<b>437</b>	<b>98</b>

Employee Level	< 30	30 - 50	> 50
Senior Management	1	115	20
Professionals	130	251	18
<b>Total</b>	<b>131</b>	<b>366</b>	<b>38</b>

## Compensation and promotion

Appropriate compensation is an important factor determining employee satisfaction and loyalty. Leonteq is committed to offering its employees competitive and fair compensation and benefits in line with market standards. Fixed compensation varies according to the job's responsibility, requirements and rank as well as individual performance-relevant attributes of the incumbent like qualification and experience among others. Variable compensation components are a direct reflection of the performance of the company, division and individual and are not always awarded to everyone.

The performance of employees is evaluated annually based on diverse criteria through Leonteq's performance review, which includes the assessment of the job function, individual targets and living of culture values. The evaluation of rank promotion also takes place as part of this annual process and promotions are awarded based on various requirements. Depending on the rank, employees must present their case before the Executive Committee or other designated committee, they must fulfil a specific tenure within their previous rank, and they must have succeeded in achieving defined KPIs as part of their performance review, among others. Leonteq manages its rank structure through six different ranks: employees, analysts, associates and directors (together defined as 'professionals') and executive directors and managing directors (together 'senior management').



### Service anniversary benefits

Leonteq rewards employees for their loyalty to the company by offering additional vacation days and sabbaticals. Upon reaching a service anniversary of 5, 15, 25 or 35 years, employees are awarded 5 additional vacation days. Upon reaching service anniversaries of 10, 20, 30, or 40 years – depending on the employee's rank – they are granted between 10 days and 8 weeks (50% paid and 50% unpaid) of time off. In 2021, 43 employees were awarded a service sabbatical.

### Parental leave

New mothers and fathers are granted parental leave following the birth or adoption of a child. The amount of parental leave varies, depending on legal requirements in each country where Leonteq operates. In Switzerland, for instance, 14 weeks of maternity leave on full pay (rather than the required 80%) are granted to all female employees. They also have the option of taking up to six months of additional leave on an unpaid basis. Male employees are granted paid paternity leave of two consecutive weeks or 10 individual days during the first six months after the child's birth.

In 2021, 24 employees (4 females and 20 males) made use of their parental leave. Additionally, Leonteq welcomed 3 women and 18 men back from parental leave in 2021.

## Pension and insurance benefits

Leonteq employees in Switzerland additionally benefit from generous pension provision and are covered under Leonteq's accident insurance policy, which goes beyond statutory cover. In terms of accident insurance, employees are insured by the employer 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 the offering, Leonteq also contributes to each employee's pension fund, paying the highest level of savings regardless of the employee's chosen contribution level.

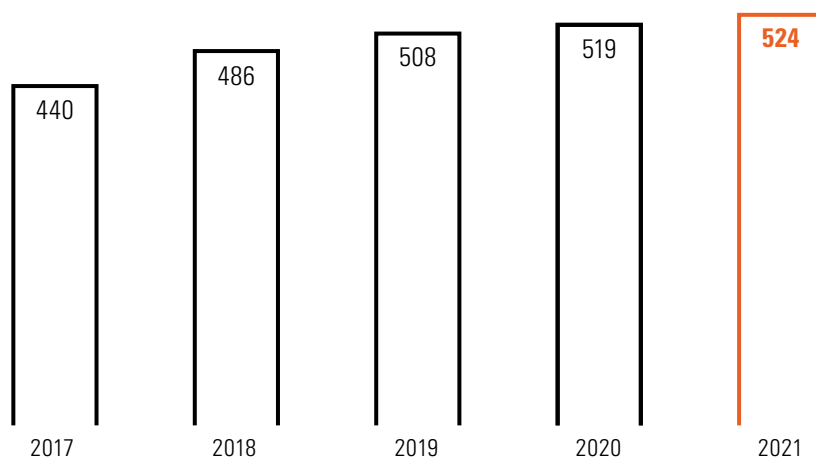
Such benefits for Leonteq employees outside of Switzerland vary depending on local legal requirements.

## Retention and tenure

Leonteq is a young and dynamic company that seeks to attract and retain the best talents. In 2021, 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 17%. This compares to the overall total employee turnover rate (defined as the total number of leavers irrespective of reason in relation to the average headcount for the respective period) of 24% (2020: 14%; 2019: 19%; 2018: 20%; 2017: 31%). Whilst we report fully on Leonteq's total 2021 turnover in the following tables, Leonteq considers voluntary turnover metrics when calculating against benchmarks. This turnover development is also to be viewed in the context of the continued Covid-19 pandemic and the overall rise in voluntary resignations globally.

Despite the higher employee turnover rate in the past year, Leonteq has a core group of employees who have been with the company for multiple years – meaning that we continue to benefit from their expertise and long-term experience. In total, 11% of employees have ten or more years of experience at Leonteq (2020: 12%), and 12% have been with the company for between seven and nine years (2020: 14%). 33% of our employees have worked at Leonteq for between four and six years (2020: 28%), and 44% have been with the company for three years or less (2020: 46%).

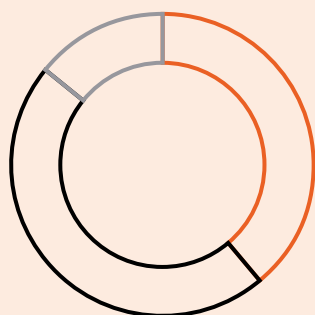
## Five year summary FTE





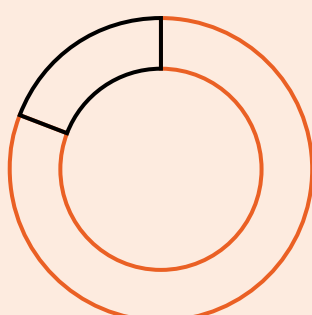
## Employee retention

New hires by region



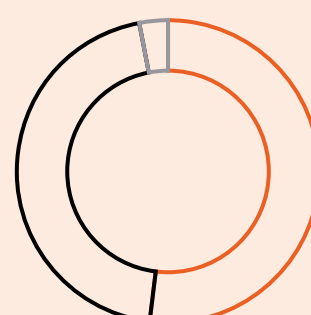
39% 47% 14%  
Switzerland Europe Asia

New hires by gender



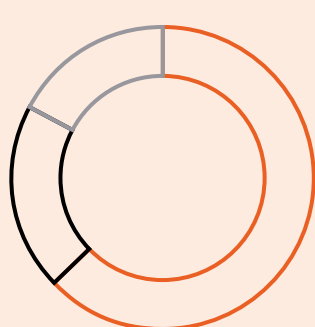
81% 19%  
Male Female

New hires by age group



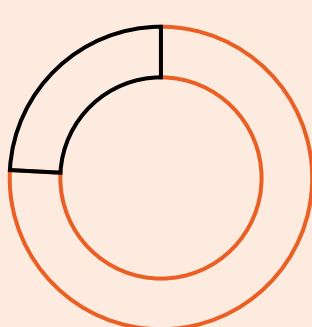
52% 45% 3%  
<30 30-50 >50

Leavers by region



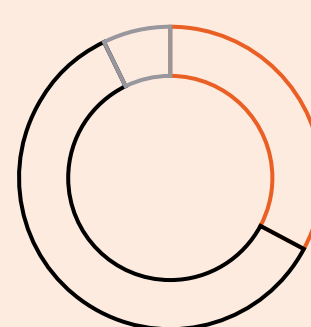
63% 20% 17%  
Switzerland Europe Asia

Leavers by gender



76% 24%  
Male Female

Leavers by age group



33% 60% 7%  
<30 30-50 >50

Leavers (headcount)	Switzerland	Europe	Asia
Voluntary	54	17	16
Involuntary	18	2	4
External Influence*	3	5	0
<b>Total</b>	<b>75</b>	<b>24</b>	<b>20</b>

Leavers (headcount)	Male	Female
Voluntary	64	23
Involuntary	19	5
External Influence*	7	1
<b>Total</b>	<b>90</b>	<b>29</b>

Leavers (headcount)	< 30	30 - 50	> 50
Voluntary	29	54	4
Involuntary	3	17	4
External Influence*	8	0	0
<b>Total</b>	<b>40</b>	<b>71</b>	<b>8</b>

\* Including employees with limited contracts or who retired

## 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.

Leonteq takes the physical and mental health and safety of its employees very seriously and has 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 HR department, led by the Chief People Officer, is always available and willing 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 HR 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 also acknowledges the impact that a desk job has on a person's physical health and the stress and strain the body endures from a lack of exercise. To promote its employees' physical health, Leonteq works with the Swiss company VIABZ to offer its staff live and on demand virtual fitness classes, workshops, webinars and team challenges and we participate in the Swiss health "bike to work" campaign each year, which benefits employee health and the environment. The company also has a staff football team that usually meets once a week. Our offices in Zurich have showers available for those employees who use their lunch break for sports. Leonteq's offices are also designed and furnished with our employees' mental and physical comfort and wellbeing in mind. Standing desks are arranged in consideration of the spatial feng shui energies of each room, lighting is adjusted and ergonomic chairs are provided for optimal comfort and posture support.



General health and safety programmes are also offered at Leonteq, with regular safety protocols and education being provided to employees to keep them safe and informed. This offering includes onboarding sessions for all new employees from Leonteq's BCM manager about health and safety measures for emergency procedures, building evacuation and first aid assistance, among other topics. Staff also have the option of volunteering to provide first aid or to serve as fire and evacuation marshals, for which they receive annual training courses during non-pandemic periods and are expected to attend regular health and safety meetings. Hazard identification, risk assessments and incident investigations are also conducted when required.

## COVID-19

Leonteq has taken proactive steps to address the challenges created by the Covid-19 pandemic since the start of 2020. 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 its profitability.

The company 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. At our office in Singapore, all visitors were screened for symptoms and their temperatures taken prior to entry into the office. We also posted information posters throughout offices, instructing employees on safety measures, including good hygiene practices and social distancing.

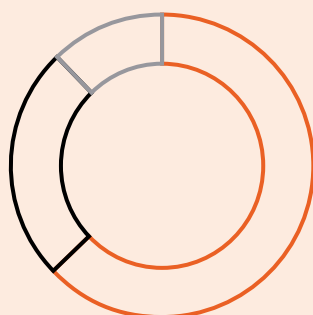
Throughout the pandemic, Leonteq tracked all corporate travel by employees and all in-person events were cancelled through July 2021 and again starting in December 2021.

In October 2021, when Leonteq's employees began returning to the office in a flexible work set-up, it began offering complementary pooled PCR testing kits at its headquarters in Zurich. Employees have been encouraged to take a test regularly, and at least once a week when they are in the office.

Throughout the pandemic, employees have received regular communications and coronavirus updates from Leonteq's Chief Executive Officer, Chief Operating Officer and Chief People Officer. Updates have been shared via e-mail, townhalls, office TV screen notices, and on the intranet. Leonteq's intranet additionally provides more detailed information, including FAQs, links and resources for all office locations.

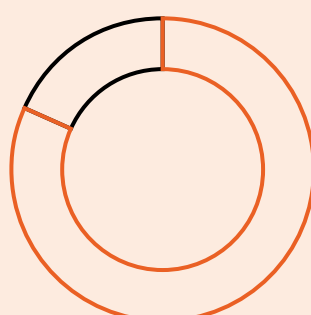
## Diversity at Leonteq

Headcount by region



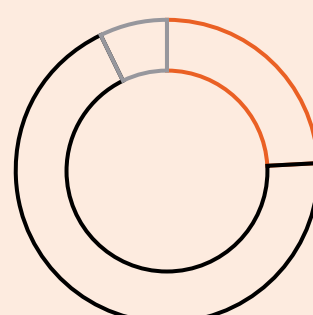
333 136 66  
Switzerland Europe Asia

Headcount by gender



437 98  
Male Female

Headcount by age group



131 366 38  
<30 30-50 >50



1-20 employees 21-40 employees 41-80 employees 81-100 employees >100 employees

Nationality



25% 16% 8% 7%  
Switzerland France Italy Germany  
7% 6% 5% 26%  
Portugal United Kingdom Singapore Other

**In 2021, our workforce included employees from 50 different nations.**

## Diversity and inclusion

Leonteq is a global company and employs people from many different backgrounds. The diversity of our workforce enriches the company, as each individual brings specific expertise to the company. 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 ensuring a range of perspectives – resulting in more diverse outcomes. Being a global employer also supports Leonteq's efforts to build a diverse workforce. In 2021, our workforce included employees from 50 different nations.

Leonteq has several Human Resources-led initiatives and policies in place to increase gender diversity within the company. As a fintech company in the financial sector with a large portion of its staff in sales and IT roles, Leonteq is aware of the challenges faced when seeking to increase gender diversity. As with the nature 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 company as an employer of choice. It is therefore working to improve its diversity ratios. Some of its efforts to attract a more diverse demographic of employees include its attendance at university job fairs and measures to promote part-time and flexible working. In 2021, 42 employees (21 males and 21 females) worked on a part-time basis of 90% or less.

## Non-discrimination

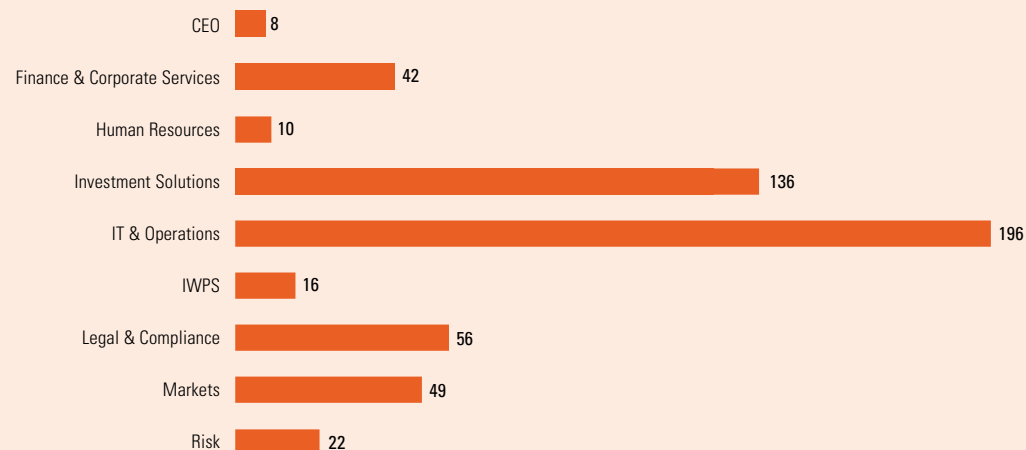
Ensuring the equal treatment of our employees, clients and other stakeholders at all times – regardless of race or ethnicity, gender, nationality, age, disability, sexual orientation, religion or any other status protected by law – is of the utmost importance at Leonteq. The company has a zero-tolerance policy on harassment and discrimination. Leonteq is 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 on the results in line 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.

We also strive to protect their personal integrity in the workplace throughout their hiring process, during their employment with the company and in the event of the termination of the employment relationship. 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 company and they have the right to submit complaints without subsequently facing the risk of any negative consequences.

There were no incidents of discrimination and no corrective actions taken in 2021.

## Our divisions



## Leonteq divisions by gender

Divisions	Male	Male %	Female	Female %	Total
CEO	6	75%	2	25%	8
Finance & Corporate Services	25	60%	17	40%	42
Human Resources	3	30%	7	70%	10
Investment Solutions	124	91%	12	9%	136
IT & Operations	166	85%	30	15%	196
IWPS	14	88%	2	13%	16
Legal & Compliance	38	68%	18	32%	56
Markets	44	90%	5	10%	49
Risk	17	77%	5	23%	22

## Leonteq divisions by age group

Divisions	<30	<30 %	30-50	30-50 %	>50	>50 %	Total
CEO	0	0%	6	75%	2	25%	8
Finance & Corporate Services	7	17%	32	76%	3	7%	42
Human Resources	3	30%	6	60%	1	10%	10
Investment Solutions	52	38%	82	60%	2	1%	136
IT & Operations	45	23%	139	71%	12	6%	196
IWPS	1	6%	11	69%	4	25%	16
Legal & Compliance	10	18%	36	64%	10	18%	56
Markets	9	18%	38	78%	2	4%	49
Risk	4	18%	16	73%	2	9%	22



## Community engagement

Our engagement with the communities in which we operate has both a positive impact on society as a whole as well as benefits our employees and our company by creating a sense of belonging and strengthening our ties to the community.

In the context of community engagement and broader philanthropy aspects, Leonteq is still a young company with little history of strategic engagements. Where active in the past, Leonteq primarily focused on supporting different activities that supported the health and wellbeing of children and young adults and spent many years supporting 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.

Currently, Leonteq does not have an overarching contract or strategy in place but seeks to support initiatives that either fall within the scope of the company's corporate culture and marketing strategies or that are driven by regional teams in the form of hands-on projects and employee volunteering, sponsorship and donations. Beyond our contribution as an employer, Leonteq's business activities currently have a relatively low impact on local communities but we remain committed to interacting with them and following our successful business development, we plan to develop a structured community engagement framework.

### Hands-on projects and employee volunteering

#### Volunteer week in Paris with the Benenova Association

In May 2021, Leonteq employees in Paris participated in a "Benenova" solidarity week. Benenova is an organisation that aims to make volunteering simple and accessible to all. Leonteq staff in France spent one week engaging with their local communities through activities such as the preparation and distribution of food parcels as well as the recovery and redistribution of unused goods. They also assisted the Salvation Army by providing French language tuition to members of the community.

In one week, more than 80 breakfasts were distributed to members of the community with La Chorba and the Salvation Army at Gaîté Lyrique. Further, around 10 kilograms of unsold fruit and vegetables were redistributed with Hologramme Global to locals in precarious situations and 10 young exiles were supported in their French language learning at the Halte Humanitarian Center of the Salvation Army.

### Donations

#### Girls Who Code

With the aim of linking Leonteq's core business to its community engagements, we donated CHF 20,000 to Girls Who Code in 2021 instead of distributing Christmas gifts to clients. The mission of this global non-profit organisation is to close the gender gap in technology and to change the image of what a programmer looks like and does. With the support of their 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. They have over 8,500 programmes worldwide, including summer immersion programmes, college loops, clubs and "code at home" activities for girls and young women.

#### Christmas Jumper Day

In 2021, Leonteq participated in the global "Save the Children Christmas Jumper Day" fundraising campaign. As part of this, employees were encouraged to wear a festive sweater on 10 December 2021 and contribute a personal donation of any amount to Save the Children. Leonteq also donated to the cause by matching the amount contributed by employees. Through this festive engagement, the company and employees raised GBP 2,090.

#### Sarah Groves Foundation Val De Terres Everest Challenge

In January 2021, Leonteq employees in Guernsey participated in the Val De Terres Everest Challenge with the goal to complete 115 1.6-kilometre laps, which is the equivalent to ascending Mount Everest. The Leonteq team of 11 completed the laps and raised a total of GBP 525. These funds were donated to the Sarah Groves Foundation, a local non-profit organisation that seeks to enhance young lives. The Foundation distributed the funds to two local charities: The Guernsey Sports Commission and the Guernsey Youth Commission.

## Sponsorships

### Leonteq sailing

In 2021, Leonteq began sponsoring a sailing team in Monaco for the Monaco Winter Series European and World Championships. As a popular sport in Monaco that draws a large amount of attention from potential Leonteq clients, we are contributing EUR 20,000 for a one-year sponsorship that supports the sailing team and promotes the Leonteq brand. The Leonteq boat and sailing team captained by Pierrik Devic placed 8th out of 55 teams overall in their first and second act races that took place in November and December 2021.



### 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 12 teams and 210 active members, 150 of whom are juniors. Each season, the top team plays in the National League A, and the club aims to have two or three U21-A players make it into the NLA.

As part of this commitment, we donate CHF 5,000 annually for our "silver sponsor" status and 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 enable 200 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 competent trainers and offer players meaningful leisure time activities.



**Leonteq has been a sponsor of local women's floorball club since 2016.**



## Environment

### Responsible sourcing

Leonteq is active in 13 countries around the globe and works with a variety of suppliers worldwide. As our business grows, so too does our environmental and social footprint 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. Leonteq does not reserve a specific procurement budget amount for local suppliers but makes efforts to purchase local products and services 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. It does not include considerations for payments directly recorded in revenues, like trading related fees and interest expenses. Leonteq defines its headquarters in Zurich, Switzerland as the sole significant location of operations. In 2021, the head office of Leonteq Securities AG, and the head office of Leonteq AG, spent a total of CHF 71.7 million on products and services, whereby 66% was purchased from a total of 355 local suppliers. While we aim to support Swiss businesses, we are aware that more complex supply chains exist behind the products that we buy from our Swiss suppliers.

### Green footprint

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. 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 company's operations. Additionally, some Leonteq employees have to travel internationally in connection with their work, and all members of staff commute to their local office locations.

With the support of EWZ (Elektrizitätswerk der Stadt Zürich) in Switzerland, Leonteq makes efforts to reduce and improve its energy consumption and GHG emissions through several programmes and initiatives that help drive the company towards a less GHG-intensive footprint.

### Minergie standards

Our Zurich office is located in a building built and operated according to the Minergie building standard, which is a registered label for new and refurbished low-energy buildings. The emphasis is on creating comfortable working conditions while reducing energy consumption. The Zurich office is also equipped with a controlled air exchanger.



## Renewable energy

Leonteq is continuing to optimise its energy consumption as part of its commitment to the cantonal target agreement ("Kantonale Zielvereinbarung") to lower energy usage over the coming decade. 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 energy, and is 100% renewable energy (2020: 95%). In 2021, our Zurich headquarters used a total of 1,677 megawatt hours (MWh) of energy, and our data centres used 1,802 MWh, with a total combined annual consumption of 3,478 MWh in our headquarters and our data centres.

## Greenhouse gas emissions

	Total emissions Switzerland tCO <sub>2</sub> e	Leonteq HQ tCO <sub>2</sub> e	Leonteq data centre tCO <sub>2</sub> e	CO <sub>2</sub> Intensity (in kg CO <sub>2</sub> e/FTE)
<b>Scope 1:</b> Direct emissions through burning fuels	--	--	--	--
<b>Scope 2:</b> Indirect emissions from energy production	69.31	42.34	26.97	133.2
<b>Scope 3:</b> Indirect emissions from business travel	64.90	64.90	--	204.2
<b>Total net carbon emissions*</b>	<b>134.21</b>	<b>107.24</b>	<b>26.97</b>	<b>337.4</b>

\* Scope 1, 2 and 3 are in line with the Greenhouse Gas Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org))

In 2021, Leonteq's operations in Zurich generated 69.31 tons of CO<sub>2</sub>e emissions and 64.90 tons of CO<sub>2</sub>e from air travel. As 2021 was the first year in which Leonteq reported its CO<sub>2</sub> emissions data, it has limited the system boundaries to its operations in Zurich, where the majority of its employees (317.8 FTEs) are located. Further, the company intends to use the 2021 reporting year as the baseline for data reporting in the coming years as it adds further locations to its calculations. The data collected in Leonteq's Zurich location includes its headquarters, which accounts for 61 % of Leonteq's FTEs, and its two data centres.

### Scope 1 and 2

Leonteq considers its scope 1 emissions to be negligible, as there is only one company car (with a combustion engine) 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 CO<sub>2</sub>-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 come from 100% renewable energy sources.

### Scope 3

Leonteq's scope 3 emissions only encompasses data from air travel.

The requirement to work from home continued to apply at certain times in 2021, resulting in less business and commuter travel. 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. In 2021, the amount of business air travel by Leonteq employees was also limited.

For the past few years, Leonteq has additionally taken part in the Switzerland-wide 'bike to work' campaign, which benefits employee health and the environment. In 2021, 28 Leonteq employees formed seven teams and took part in the challenge to support sustainable mobility by cycling a total of 7,921 kilometres.



# Financial performance

As a fintech company with a leading marketplace for structured investment products, we aim to provide best in class services and reliable tools for our clients to efficiently manage their portfolios of investment solutions and achieve their financial goals. At the same time, we also strive for attractive returns for our shareholders honouring their long-term support.

## Our results in 2021

2021 was a record year for Leonteq, demonstrating the effectiveness of the investments in key initiatives that it has made over the past few years. The Group achieved record total operating income of CHF 417.8 million, up 78% year-on-year. This result was driven by strong fee income and very positive net trading result on the back of disciplined risk management in a benign market environment. Group net profit tripled to CHF 155.7 million, our capital base increased to CHF 873.6 million and the return on equity improved to 21%.

417.8 +78%

Total operating income (CHFm)

155.7 +290%

Group net profit (CHFm)

873.6 +21%

Capital base (CHFm)

21% +15PP

Return on equity

During the year, Leonteq continued to systematically execute against its strategic priorities set and further strengthened its position as a leading service and technology platform. It also significantly expanded its ecosystem for investment solutions. The targeted measures taken in recent years have contributed significantly to revenue growth and improved Leonteq's overall the earnings quality.

16.0 +13%

PLATFORM assets (CHF billion)

28.9 +9%

Turnover (CHF billion)

264,213 +28%

Client transactions processed

41,663 +29%

Products issued

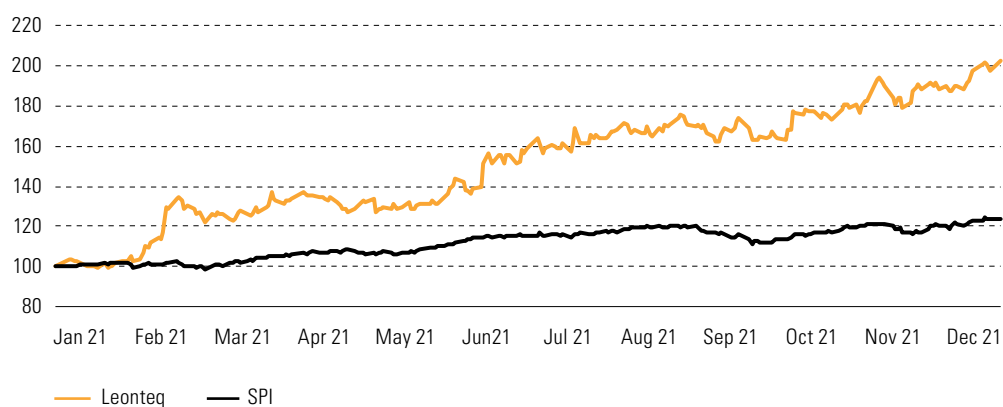
## The Leonteq share

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

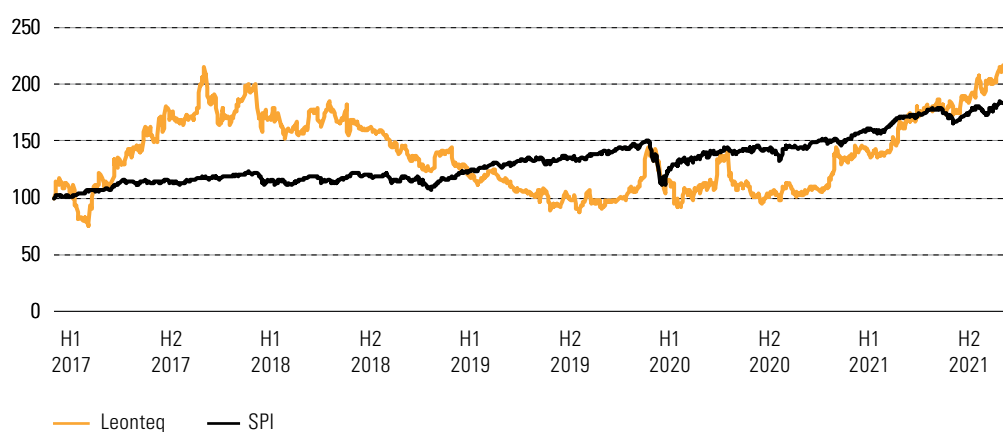
### Share price development in 2021

Leonteq's share price started the trading year 2021 at CHF 36.40. It increased significantly in connection with the announcement of the full-year 2020 results on 11 February 2021 to CHF 45.55 and moved sideways thereafter until end of May. In June, the announcement of new partnerships and in particular the profit hike statement mid-June 2021 resulted in an increase of the share price to CHF 53.10 on 15 June 2021. With the publication of record half-year results on 22 July and the announcement of several crypto-related initiatives, the share price gained further momentum. Driven by the announced raise of our full-year 2021 profit outlook the Leonteq share price marked its year-high at CHF 70.60 on 28 December 2021 and closed the trading year at CHF 69.30, corresponding to an increase of 97%, compared to a closing price of CHF 35.05 on the last trading day in 2020. It significantly outperformed the SPI in 2021, which posted a gain of 23% over the same period. Leonteq's market capitalisation reached CHF 1.3 billion at the end of 2021.

#### Share price performance 2021 (indexed)



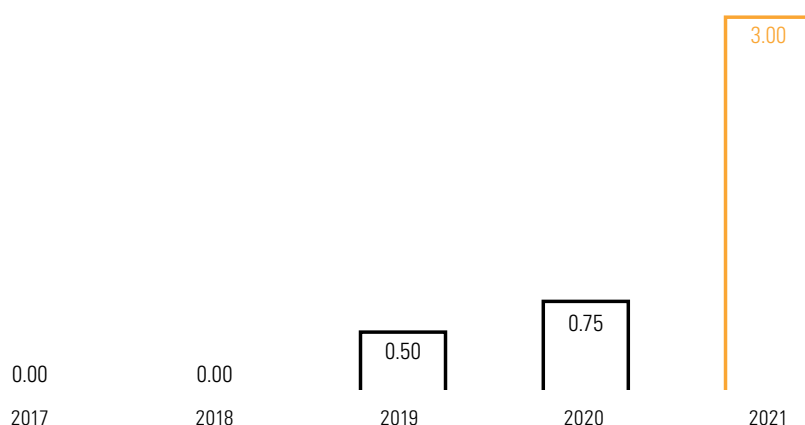
#### Share price performance trend 2017 - 2021 (indexed)



## Dividend policy

In line with its full-year 2020 results communication, Leonteq is transitioning towards a progressive dividend policy after reaching its targeted capital base of CHF 800 million. The Board of Directors will propose a shareholder distribution of CHF 3.00 per share for the financial year 2021 (up 300% from CHF 0.75 per share for 2020) to the Annual General Meeting on 31 March 2022. The proposed distribution to shareholders for 2021 represents a payout ratio of 36%, and an attractive dividend yield of 4.3% (based on a year-end share price of CHF 69.30). Subject to approval by the Annual General Meeting, the distribution is to be paid in equal amounts out of retained earnings and capital contribution reserves. Retained earnings are used to strengthen the company's capital position and to finance key strategic investments in future growth.

### Dividend history 2017 - 2021 (CHF)



Key figures per share	2021	2020	2019	2018	2017
Book value (CHF)	42.9	34.4	34.9	35.4	26.3
Net profit (CHF)	8.3	2.1	3.3	5.3	1.5
Price/earnings ratio	8.3	16.5	10.0	7.7	42.0
Dividend (CHF) <sup>1</sup>	3.00	0.75	0.50	—	—
Dividend yield <sup>1</sup>	4.3 %	2.1 %	1.5 %	N/A	N/A
Payout ratio <sup>1</sup>	36.0 %	35.4 %	15.2 %	N/A	N/A
Share price at year-end (CHF)	69.30	35.05	32.84	41.00	60.92
Full-year high (CHF)	70.60	47.74	47.42	65.70	70.54
Full-year low (CHF)	34.80	30.20	28.92	40.60	24.75

<sup>1</sup> 2021 dividend: Board of Directors' proposal to the Annual General Meeting



# GRI

## content index

GRI Standards 2020	Description	Reference / Response
<b>Organisational profile</b>		
GRI 102-1	Name of the organisation	Leonteq AG
GRI 102-2	Activities, brands, products, and services	Annual Report, page 16
GRI 102-3	Location of headquarters	Zurich, Switzerland
GRI 102-4	Location of operations	Annual Report, page 16
GRI 102-5	Ownership and legal form	Annual Report, pages 96, 98 to 99
GRI 102-6	Markets served	Annual Report, pages 36 to 41
GRI 102-7	Scale of the organization	Annual Report, page 16
GRI 102-8	Information on employees and other workers	Annual Report, pages 72 to 81
GRI 102-9	Supply chain	Annual Report, pages 32 to 41, 44 to 47
GRI 102-10	Significant changes to the organisation and its supply chain	No significant changes to the company or its supply chain.
GRI 102-11	Precautionary Principle or approach	Annual Report, pages 161 to 169
GRI 102-12	External initiatives	Annual Report, page 62
GRI 102-13	Membership of associations	Annual Report, page 62
<b>Strategy</b>		
GRI 102-14	Statement from senior decision-maker	Annual Report, page 11
<b>Ethics and integrity</b>		
GRI 102-16	Values, principles, standards, and norms of behavior	Annual Report, pages 52 to 54
<b>Governance</b>		
GRI 102-18	Governance structure	Annual Report, pages 94 to 96
<b>Stakeholder engagement</b>		
GRI 102-40	List of stakeholder groups	Annual Report, pages 59 to 61
GRI 102-41	Collective bargaining agreements	Annual Report, page 73
GRI 102-42	Identifying and selecting stakeholders	Annual Report, pages 59 to 61
GRI 102-43	Approach to stakeholder engagement	Annual Report, pages 59 to 61
GRI 102-44	Key topics and concerns raised	Annual Report, pages 59 to 61
<b>Reporting practice</b>		
GRI 102-45	Entities included in the consolidated financial statements	Annual Report, page 190
GRI 102-46	Defining report content and topic Boundaries	Annual Report, page 57
GRI 102-47	List of material topics	Annual Report, page 57
GRI 102-48	Restatements of information	Annual Report, page 192
GRI 102-49	Changes in reporting	Annual Report, page 57
GRI 102-50	Reporting period	1 January 2021 to 31 December 2021
GRI 102-51	Date of most recent report	Annual Report, page 52
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	Annual Report, page 272
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Annual Report, page 52
GRI 102-55	GRI content index	Annual Report, pages 89 to 91
GRI 102-56	External assurance	This Sustainability Report has not been externally audited.



GRI Standard	Description	Reference / Response
GRI 201	Economic Performance 2016	Annual Report, pages 86 to 88
GRI 201-1	Direct economic value generated and distributed	Annual Report, pages 86 to 88
<b>Sustainability in Products</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 63
Leonteq topic	Sustainability in products	Annual Report, pages 63 to 64
<b>Customer Orientation and Satisfaction</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 65
GRI 417	Marketing and Labeling 2016	
GRI 417-1	Requirements for product and service information and labeling	Annual Report, page 65
<b>Trust and Transparency</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 59
Leonteq topic	Trust and Transparency	Annual Report, pages 59 to 61
<b>Good Corporate Governance</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 66
Leonteq topic	Good Corporate Governance	Annual Report, pages 66, 94 to 127
<b>Business Ethics and Integrity</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 66
Leonteq topic	Market abuse & insider trading	Annual Report, page 67
GRI 205	Anti-Corruption 2016	
GRI 205-1	Operations assessed for risks related to corruption	Annual Report, page 67
GRI 205-2	Communication and training about anti-corruption policies and procedures	Annual Report, page 67
GRI 207	Tax 2019	
GRI 207-1	Approach to tax	Annual Report, page 68
GRI 207-4	Country-by-country reporting	Annual Report, page 68
<b>IT Security and Data Protection</b>		
GRI 103-1 through 3	Management approach	Annual Report, pages 68 to 69
Leonteq topic	IT security and data protection	Annual Report, pages 68 to 70
Leonteq topic	Business continuity management	Annual Report, page 71
<b>Data Privacy</b>		
GRI 103-1 through 3	Management approach	Annual Report, pages 68 to 69
Leonteq topic	Data privacy	Annual Report, pages 68 to 70
GRI 418	Customer Privacy 2016	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report, page 70
<b>Employee Engagement</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 72
GRI 401	Employment 2016	
GRI 401-1	New employee hires and employee turnover	Annual Report, pages 72, 75 to 76
GRI 401-3	Parental leave	Annual Report, page 74
GRI 403	Occupational Health and Safety 2018	
GRI 403-3	Occupational health services	Annual Report, pages 77 to 78
GRI 403-5	Worker training on occupational health and safety	Annual Report, pages 77 to 78
GRI 403-6	Promotion of worker health	Annual Report, pages 77 to 78
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Report, pages 77 to 78
<b>Employee Development</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 73
GRI 404	Training and Education 2016	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Annual Report, page 73

<b>Diversity and Inclusion</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 80
GRI 405	Diversity and Equal Opportunity 2016	
GRI 405-1	Diversity of governance bodies and employees	Annual Report, pages 74, 79 to 81, 104 to 106, 122 to 124
GRI 406	Non-Discrimination	
GRI 406-1	Incidents of discrimination and corrective actions taken	Annual Report, page 80
<b>Community Engagement</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 82
Leonteq topic	Employee volunteering and sponsor projects	Annual Report, pages 82 to 83
<b>Responsible Sourcing</b>		
GRI 103-1 through 3	Management approach	Annual Report, page 84
GRI 204	Procurement Practices 2016	
GRI 204-1	Proportion of spending on local suppliers	Annual Report, page 84
<b>GHG Emissions</b>		
GRI 103-1 through 3	Management approach	Annual Report, pages 84 to 85
GRI 302	Energy 2016	
GRI 302-1	Energy consumption within the organization	Annual Report, pages 84 to 85
GRI 305	Emissions 2016	
GRI 305-1	Direct (Scope 1) GHG emission	Annual Report, page 85
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Annual Report, page 85
GRI 305-3	Other indirect (Scope 3) GHG emissions	Annual Report, page 85
GRI 305-4	GHG emissions intensity	Annual Report, page 85

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