

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") POLICY

THEME	COMPLIANCE – GOVERNANCE AND ETHICS
SUB –THEME	ESG POLICY
ADOPTED ON	Updated on 12/03/2026 based on last version dated 30/09/2024
ADOPTED BY	GROUP AUDIT COMMITTEE

CONTENT

.....

INTRODUCTION

Environmental social and governance (“ESG”) is the set of standards by which a company measures and manages its impact on the environment and society.

The integration of material ESG factors into business development is considered by Compagnie Financière Tradition (“Tradition” or “the Group”) as an important part of fulfilling its mission to enhance returns, identify new business opportunities, and create better outcome for people.

The following key functional drivers support the successful integration of ESG standards within the Group:

- Driving ESG culture across the organization,
- Integrating ESG into decision making,
- Implement sustainable practices, where feasible,
- Act responsibly by addressing environmental and social impacts whilst enhancing operational efficiency and values,
- Monitoring and reporting on ESG performance,
- Reviewing periodically ESG policy and management systems.

This policy outlines the overall Group commitment to ESG standards, including how ESG factors are integrated and managed throughout the Group decision-making process and demonstrate the manner in which Tradition aims to drive its individual operational ESG performance.

1. BUSINESS MODEL

The Group has a worldwide network of offices covering all the key financial centres around the globe. It operates across various regions including Europe, the Middle East and Africa (hereafter “EMEA”), the Americas (North America and Latin America) and Asia-Pacific.

Tradition’s main activity is to act both as a marketplace and an intermediary to facilitate trading amongst financial institutions and other professional clients in the capital markets.

The Group provides to its clients electronic trading platforms and offers voice, hybrid and electronic execution as well as information services, fostering price formation and transactional liquidity across a variety of financial and commodity-related asset classes, for cash and derivative instruments and transactions ranging from the simplest to the most complex.

Tradition’s second business is the sale of real-time, end of day and historical data sourced from a variety of internal sources. Initially viewed as an ancillary business, it is becoming core with significant growth opportunities. This data enables market participants, researchers, regulatory authorities and end users to mark book value with external data sets, accurately control their internal risk management process, backtest models, and to make intelligent and informed trading decisions.

Tradition’s activities contribute to helping clients navigate imbalances between supply and demand and to manage crises in local or global markets. The Group constitutes a conflict-free and highly efficient venue for a global network of clients to trade, offset positions or transfer risks.

Tradition also contributes to the development of active and deep secondary markets, whether in emerging economies or for new instruments. As one of the largest global brokers in energy markets, the Group have been growing activities in renewable energy and carbon credits since the inception of these market segments. As a bond broker, Tradition also takes an active part in the secondary markets for green bonds.

2. DOUBLE MATERIALITY ASSESSMENT

The Group established a double materiality matrix of its ESG impacts, risks and opportunities in order to determine Tradition's ESG strategy. The matrix was built based on the following parameters:

- The business model and strategy of the Group,
- Relevance of each priority for the Group's external and internal stakeholders part of the Group value chain,
- the Group ESG impact, risk and opportunity assessment,
- ESRS (European Sustainability Reporting Standards) applicable to the investment banking and brokerage industry, and the United Nations Sustainable Development Goals.

The environmental, social and governance related risks are considered as part of the enterprise risk management framework.

Identified ESG impacts, risks and opportunities were mapped to key performance indicators defined to be able to evaluate the achievements for each one of the priority issues as presented in the tables below.

GOVERNANCE – Business Conduct

Topic	Description of the IRO	Type of IRO (Positive impact (I+)/ Negative impact (I-)/ Risk/Opportunity)
Corporate culture	Ambitious sustainability policy, based on a solid governance arrangement that enhances the company's reputation among investors	O
Corporate culture	A non-transparent and non-proactive ethics policy that leads to a loss of clients trust	R
Corporate culture	Loss or poor management of client data leading to penalties, a loss of client trust and reputational damage	R
Corporate culture	Conflicts of interest or conduct that does not comply with the code of ethics and that exposes the company to the risk of sanctions	R
Corporate culture	Difficulties implementing new regulations, exposing the company to the risk of penalties or loss of authorisations	R
Corporate culture	Legal dispute with clients or partners related to a breach of contract or unethical conduct	R
Corporate culture	Lack of managerial experience or expertise or inability to transfer knowledge leading to a lack of employee engagement, staff turnover and weakening of the company's long-term resilience and competitiveness	R
Protection of whistle-blowers	Failure to comply with regulations related to whistle-blowers or absence of whistleblowing alerts due to a fear of repercussions (pressure, redundancy) on whistle-blowers, leading to penalties	R
Corruption and bribery	Anti-corruption policies not sufficiently robust and lack of regular training to ensure impartial decision-making and effective governance, exposing the company to penalties	R
Management of relationships with suppliers, including payment practices	Risk of increased costs imposed by major suppliers not dependent on the company	R

SOCIAL – Own workforce

Topic	Description of the IRO	Type of IRO (Positive impact (I+)/ Negative impact (I-)/ Risk/Opportunity)
Working conditions	Flexible organisation of work, allowing a better work/life balance while preserving social cohesion	I+
Working conditions	Lack of flexibility, recognition or development opportunities, leading to departures and affecting talent retention and business continuity	R
Working conditions	Legal disputes, reputational risk and penalties related to a failure to comply with regulations (safety, privacy, equal pay, fare pay, working hours, discrimination)	R
Equal treatment and equal opportunity for all	Regular training deemed essential to maintain employees' skills levels	I+
Equal treatment and equal opportunity for all	Inclusive culture that promotes gender diversity, including in managerial roles	I+
Equal treatment and equal opportunity for all	Psychological and social impact of discriminatory conduct (ethnic/gender/age discrimination in recruitment or in operations)	I-
Equal treatment and equal opportunity for all	Regulatory and reputational risks arising from discrimination	R

ENVIRONMENT			
Topic	Theme	Description of the IRO	Type of IRO (Positive impact (I+)/ Negative impact (I-)/ Risk/Opportunity)
Climate change	Climate change adaptation	Offices and data centers jeopardised by extreme events and no longer able to meet the Group's needs	R
Climate change	Climate change mitigation	Risk of investors divesting because of the lack of climate strategy	R
Climate change	Climate change mitigation	GHG emissions that contribute to global warming, contrary to the Paris Agreement targets	I-
Climate change	Energy	Exposure to increase in operating costs because of higher energy prices / Also an opportunity to reduce operating costs	R/O
Climate change	Energy	Load shedding interrupting the activity of in-house and supplier electronic platforms	R
Pollution	Pollution	Mining necessary for the manufacture of electronic devices causing various types of pollution (water, soil)	I-
Water	Water consumption	Water consumption required for the manufacture of metals and digital equipment	I-
Biodiversity	Direct drivers of biodiversity loss	Direct impacts (deforestation due to mining) and indirect impacts (pollution, climate change) of the life cycle of digital equipment (manufacture, use, end of life)	I-
Circular economy	Waste	Poor management of electronic waste from digital infrastructure	I-
Circular economy	Resource inflows, including use of resources	Consumption of resources, particularly metals, but also water in the development of digital infrastructure	I-

OTHER – Value chain		
Topic	Description of the IRO	Type of IRO (Positive impact (I+)/ Negative impact (I-)/ Risk/Opportunity)
Work force in the value chain	Child labour or forced labour practices in the value chain	R
Work force in the value chain	Forced labour in the manufacturing chain of digital equipment (mining in particular)	I-
Affected communities	Destruction of the local ecosystem and social environment and fuelling armed conflicts in mining regions necessary for the manufacture of electronic equipment	I-

3. [STRATEGY](#)

Each one of the issues identified on the materiality matrix and the approach of the Group to manage them are presented below.

3.1. GOVERNANCE

Corporate culture and business ethics

The Group is committed to maintaining high standards in terms of ethics and integrity. Tradition is aware that companies able to comply strictly with regulations through robust internal controls and to offer services that meet the sector's highest professional standards are better placed to build trusted relationships with clients, leading to higher revenue, and to protect shareholders' value by minimising reputational losses and losses from legal proceedings.

Regulatory requirements, market rules and client interests, excluding any conflict of interest, guide the decision-making processes within the Group.

The Group's code of ethics and anti-corruption code of conduct give all employees advice about best practices and required standards of business conduct. They are supplemented by more detailed group policies, such as those relating to corruption, money laundering, market abuse and conflicts of interest, along with other policies and guidelines at both Group and local levels.

The corruption policy provides details of the Group's solid anti-corruption system. Tradition pays special attention to potential exposure to public officials, relations with third parties, recruitment, gifts and entertainment, and take care to ensure compliance in relation to donations and sponsorship, acquisitions and partnerships, lobbying activities.

The Group's policy on conflicts of interest contains provisions about how to identify and manage them. Practical examples and scenarios of conflicts of interest are provided to help employees identify risky situations and respond in a way that is appropriate and consistent with the policy.

The market abuse policy reflects Group's commitment to a culture of compliance and financial integrity to the fight against market abuse or unethical market conduct and defines principles and rules for preventing it.

The policy on combating money laundering and terrorist financing aims to inform all Group employees of their duties under the laws and regulations on combating money laundering and terrorist financing, as well as the measures taken by Group to implement these regulations.

Furthermore, the Group's third-party risk management policy encompasses rules for managing supplier relationships, beginning with a detailed analysis conducted as part of the process of establishing relationships with new suppliers via a KYS ('Know Your Suppliers') process.

The Group has also set up a whistleblowing system, allowing employees to report serious events that are inconsistent with the rules governing the way the Group conducts its business.

Through these efforts, Tradition has never been sanctioned for any fraudulent behaviour insider dealing, breach of trust or other conduct that could damage the integrity of its activities.

The following indicators are in place to monitor business ethics risks and all Group entities should report them on a quarterly basis:

- Number of gifts above authorised limits
- Number of expense claims rejected for Compliance reasons
- Percentage of T&E expenses
- Number of declared conflicts of interest
- Number of ethics and conduct incidents
- Number of disciplinary sanctions
- Negative media.

With its international positioning, in order to reinforce business ethics and allow for personal and professional development of its employees, the Group entities should organise training programs and ensure their execution. The rate of mandatory training is also considered as a key indicator.

Furthermore, the status of the recommendations issued by internal and external auditors should be monitored on a quarterly basis.

Management of legal and regulatory environment

Ensuring compliance with regulations related to the sustainability of the company and its business model is a major challenge for the Group. Regulatory environment evolves rapidly and requires prompt adaptation in terms of governance and reporting.

Group entities should ensure, through their regulatory watch, that they are capable to anticipate regulatory changes and closely supervise the quality of their relationships with regulators. The quality of the relationships are monitored by the Group via the quarterly Compliance reports.

Furthermore, the regulatory and legal environment should be taken into account and assessed in all new initiatives undertaken by Group entities. Committees should be organized locally to validate new initiatives. These committees should examine and propose measures to ensure alignment with regulations before initiatives are approved by senior management and the Board of Directors, if applicable. The status of new initiatives should be followed at a Group level through the quarterly Compliance reports.

The following indicators are in place to monitor weaknesses in the management of legal and regulatory requirements:

- Number of sanctions from regulators
- Number of exchange/clearing house rule sanctions
- Negative media.

In addition, the Group monitors on a quarterly basis recommendations resulting from inspections conducted by regulators and ensures that they are adequately addressed.

Management experience and knowledge

The financial sector in which the Group operates is a relatively complex, highly technical and a very competitive one. The Group's positioning and strategy must be explicit to enable employees to act consistently. Therefore, the Group ensures that management has the necessary experience and skills to anticipate its objectives and transmit the knowledge to the teams on which strategy execution depends.

The length of service of the members of the executive management and of the managers of key functions confirms the level of experience and competence of Tradition's executive management.

The key indicators in place to monitor the risk of loss of experienced management are:

- Employee turnover
- Average number of years of experience of board members and heads of key functions.

Quality of service

The brokerage industry is highly competitive, and so the quality of service and the ability to offer services that meet clients' stated or implied needs are critical for the Group. To commit to delivering a certain level of service – both by providing high-quality intellectual services and ensuring robust and efficient IT systems – requires tight control of internal processes. The level of client satisfaction has a major impact on both client loyalty and the Group's reputation.

The Group is committed to establishing a framework in which exposure to internal and external threats on business continuity can be identified. The Group's entities should prepare business continuity plans that include an analysis of business interruption scenarios, so that they can respond suitably to disruptive events and take appropriate measures to manage any impact on their services.

The following indicators are in place to monitor client satisfaction and the readiness to ensure business continuity:

- Number of formal customer complaints
- Number of litigation cases
- BCP Readiness (BCP tested).

Client data privacy and security

The Group's business model relies on the use of software, infrastructure and IT services that are essential to its operations. Data and systems are increasingly under threat of cyber and social engineering attacks, which jeopardise the Group's activities and relationships with clients.

Given its strategic position in the market, Tradition is committed to managing data security in an exemplary way in order to mitigate regulatory and reputational risks, which, if realised, could have a substantial financial impact through lost market share, lower revenue and the cost of litigation.

The Group is committed to not using clients' personal data outside the strict framework of its direct business relationships.

Group IT teams should ensure that the adequate data breach and security incident management procedures, as well as relevant tools to ensure effective implementation of data, infrastructure and identity protection obligations are in place and are monitored.

Group entities should work on raising awareness and organise training programs on data and cybersecurity matters and ensure their execution. The completion rate of cybersecurity training should be also considered as a key indicator.

Furthermore, the requirements about data protection and security should be taken into account and assessed in all new initiatives undertaken by Group entities.

The Group closely monitors the number and nature of IT security incidents.

3.2. SOCIAL

Working conditions and labour practices

In order to comply with its legal obligations and commonly accepted labour standards, and to attract and retain talent, the Group aims to offer its employees the best possible working conditions and to create a secure, healthy and respectful working environment.

The Group favours stable and secure employment contracts, ensures decent and competitive remuneration aligned with local market practices (in accordance with applicable benchmarks, and in particular with regard to the statutory minimum wages in force in most of the countries where the Group operates), promotes work-life balance and allows a degree of flexibility in work organisation and working hours, where compatible with operational requirements. The Group encourages social dialogue, employee engagement and internal mobility.

The Group's flat organisational structure offers staff members direct access to management, flexible working arrangements where appropriate, and greater autonomy in managing their professional responsibilities. Particular attention is paid to maintaining high-quality, transparent and constructive dialogue between management and employees.

The Group is committed to ensuring compliance with applicable laws and regulations relating to working hours, rest periods, holidays, health and safety, and employee representation. The Group takes appropriate measures to prevent occupational risks and to protect the physical and mental health of its employees.

Group entities should implement local policies and procedures tailored to their regulatory, cultural and operational environments, in order to remain close to the expectations of local employees, maintain motivation and promote the Group's attractiveness as an employer. Local policies and procedures should comply with the fundamental principles of the International Labour Organisation ("ILO")

Key indicators are incorporated into the working conditions and labour practices monitoring within the Group, including:

- Percentage of employees covered by collective agreements, if applicable,
- Overall percentage of employees represented by employee representatives (applicable to major European sites),
- Decent wage rate,
- Percentage of employees covered by social protection (sickness, workplace accidents and acquired disabilities, parental leave, retirement),
- Percentage of employees entitled to family leave (marriage, maternity, death, etc.).

Equal treatment and opportunities for all

The Group's organic growth strategy creates employment opportunities in multiple jurisdictions. The brokerage business requires a high level of technical expertise and in-depth knowledge of financial instruments. To support the personal and professional development of its employees and enable them to enhance their skills, Group entities should offer training programmes and opportunities for career development, including mobility between roles and, where appropriate, between countries, leveraging the Group's international footprint.

Investing in the development of employees is essential to maintaining the Group's market position, service quality and long-term sustainability. Group entities should encourage motivated employees to take on increasing levels of responsibility, while offering ambitious, competitive and fair remuneration aligned with performance, experience and market conditions.

Clearly defined performance objectives should be established as part of employee appraisal and development processes to ensure that women and men receive equal pay and benefits for equal work or work of equal value.

The brokerage profession has historically been male-dominated. The Group supports diversity in leadership and decision-making positions and is committed to promoting equal opportunities for women and men at all levels of the organisation. Diversity is a key consideration when changes to directors or senior executives are being considered.

The Group is committed to taking appropriate steps to prevent and eliminate all forms of direct or indirect discrimination, harassment or favouritism based on protected characteristics, perceived characteristics, associative relationships or personal relationships, and to promote equal opportunity across all Group operations.

Group entities aim to recruit, develop and retain a diverse workforce that reflects the global markets in which they operate. The Group recognises that diversity and inclusion contribute to innovation, resilience and long-term performance, and is committed to fostering an inclusive and respectful corporate culture.

No job applicant or employee should receive less favourable treatment on the grounds of race, colour, age, nationality, ethnic or national origin, religion or belief, marital status, sex, sexual orientation, disability, gender identity or reassignment, or any other characteristic protected by applicable laws and regulations.

The Group is committed to providing a working environment in which harassment, bullying or inappropriate behaviour of any kind is not tolerated. Employees should be encouraged to report any incidents through local or Group Human Resources functions or via the whistleblowing channels available at both local and Group level. All reports must be treated seriously, confidentially and, where appropriate, investigated in accordance with applicable procedures and laws.

A Group Code of Ethics is in place, setting out the standards of professional conduct expected from all employees and reflecting the Group's core values. The Code serves as a reference framework for ethical behaviour and professional integrity.

Employees who believe that they or others have been subjected to discrimination, harassment or bullying are encouraged to raise their concerns with local or Group HR or through the whistleblowing mechanisms in place, without fear of retaliation.

Disciplinary procedures should be clearly documented, communicated to employees and applied consistently. Serious disciplinary matters should be recorded and addressed in accordance with internal policies and applicable laws.

The Group monitors key human capital indicators, including staff turnover, absenteeism and training participation, as part of its ESG framework, in order to assess employee engagement, talent retention and the effectiveness of its human resources policies.

Key indicators are incorporated into the diversity, equality and inclusion monitoring within the Group, including:

- Geographical mobility,
- Functional mobility,
- Number of brokers expected to be hired at key positions (heads of desks, or brokers developing a new activity/product/desk) with exceptional/unusual clauses in their contracts,
- Number of declared conflicts of interest,
- Number of disciplinary sanctions,
- Number of legal cases with employees.
- Percentage of employees by gender,
- Percentage of employees by age (<30, 30-50, >50),
- Average age of employees,
- Discrimination alerts raised via internal whistleblowing systems,
- Mandatory training attendance rate.

3.3. ENVIRONMENTAL

The most significant environmental issue in the context of the intermediation activity are climate change and energy management. The climatic resilience of the territories and infrastructures linked to the Group is an issue that is becoming increasingly important and is therefore particularly scrutinized.

Even if as an interdealer broker, Tradition does not engage in activities regarded generally as having a significant environmental impact, compared with heavy industry sectors, the Group pays particular attention to transition related issues and energy consumption

The energy, its availability and its decarbonisation are at the heart of the Group's challenges, as its activities are highly digitized - terminals, data centres, trading platforms, data providers - and one of the Group's development axes is driven by digital technology. Particular attention is paid to assessing the impact of digital technology on the Group's carbon footprint.

The office-based business activities, data centers, business travel, as well as and most importantly the indirect energy consumption (via suppliers) are the main contributors to the Group carbon footprint.

The Group monitors closely the following environmental indicators:

- Energy consumption in kWh,
- GHG emissions in kgCO₂e.

The Group is engaged in a transition plan to decrease its carbon impact and to develop energy-saving and environmental friendly actions. Group subsidiaries should integrate in their local policies the following reinforcements:

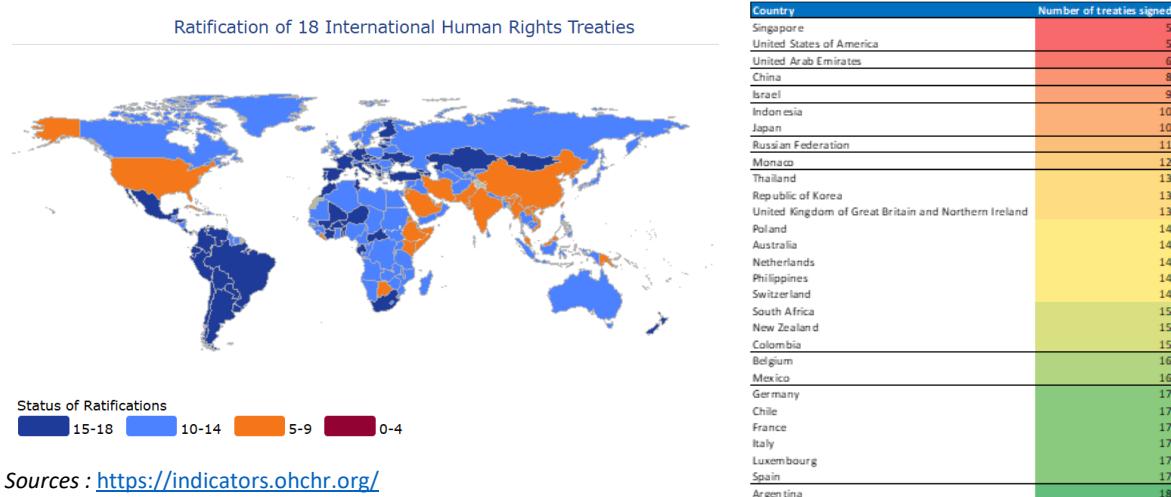
- Reinforcing office policy to improve the resilience and energy performance of premises
 - ✓ When office relocation is planned – to consider in the selection process criteria relating to the building's climate risks and impacts, in order to increase the resilience of operations, reduce greenhouse gas emissions, and improve energy efficiency (local energy mix and low emissions heating/cooling infrastructure , wherever possible
 - ✓ When renovation of a current office is planned – to consider improving energy efficiency and low-carbon solutions, wherever possible.
- Reinforcing IT policy with measures to streamline digital infrastructure and implement a sustainable digital policy
 - ✓ To consider lean devices management reducing the number of IT equipment through constant infrastructure rationalisation, deploying terminals only when operationally necessary, and extending the life of equipment to the maximum allowed by manufacturers (support and security patches).
 - ✓ To promote virtualised desktop infrastructure to strengthen continuity plans and reduce the need for IT terminals
 - ✓ To consider resilience (energy-climate local risks), energy efficiency (local electricity energy mix) and water consumption criteria when selecting new data centre operators local electricity energy mix
 - ✓ To consider ESG labels (TCO, EPEAT) when purchasing new hardware
 - ✓ To collect end-of-life equipment for reuse or recycling
- Reinforcing travel policy
 - ✓ To reduce business travel by favouring conference calls whenever possible
 - ✓ To prioritise train travel when door-to-door travel time is less than or equal to that of air travel and multi-cities flight trips
- Reinforcing company cars policy
 - ✓ To consider replacing the fleet of company cars with electric vehicles, if the infrastructure allows.

3.4. OTHER RELEVANT ISSUES

Human rights and modern slavery

The Group's international footprint brings it to operate in countries with different degrees of maturity in terms of human rights.

The "Human rights" map published by the United Nations allows to rank the countries in which the Group operates by number of Human rights treaties signed and thus to perceive the potential human rights related risk.



Due to the nature of the activities, the Group is not directly exposed to the problems of forced labour, child labour, or work in hazardous environments that could affect its employees. Tradition does not use child, forced, bonded or involuntary labour and comply with internationally recognised human rights standards and incorporates them across its operations.

Group entities should provide clear terms and conditions of its staff employment. Work performed by employees should be based on recognised employment law practices and their working hours should be reasonable and comply with the law and industry standards. Employees should be free to leave after giving a reasonable notice, with all wages owed to be paid.

Tradition's main clients are mainly large financial institutions with a strong commitment to social and societal initiatives.

Even if direct suppliers overwhelmingly consist of providers of intellectual services that are located in countries with strict employment requirements under local labour laws, the Group is committed to reinforce its selection and engagement procedures especially for suppliers of IT equipment and services (a sector that is fairly exposed to these risks) to verify their transparency in respect of compliance with human rights.

4. ROLES AND RESPONSIBILITIES

ESG matters are addressed at the highest organisational level, i.e. by the Board of Directors, which is responsible for devising the Group's long-term strategy according to identified risks and opportunities in relation to ESG, and the measures taken as a result.

The Group ensures the independence of its Board of Directors, requesting the participation of independent directors. All directors has the appropriate experience and expertise and are subject to strict rules and procedures related to ethics and conduct, including among others conflicts of interest, confidentiality, diligence and duty of care.

The Audit Committee helps the Board of Directors oversee processes intended to maintain compliance with laws and regulations, and ensures that the Group is prepared for upcoming regulatory developments.

Strategic decisions are translated into actions through effective governance in the Group's local entities. In accordance with its long-term objectives, the Board of Directors delegates to its entities' Executive Boards the tasks of implementing the ESG strategy, relying particularly on the double materiality matrix.

The Executive Boards play an active role in fostering an ESG culture within their respective local structures and in executing the Group's commitment to implement a robust framework and to incorporate ESG considerations in its risk management, decision-making process and day-to-day activities.

There is a network of compliance and risk management officers responsible for analysing and assessing ESG risks and opportunities. They report periodically to the Group's governing bodies on developments in existing risks and the emergence of new ones, and may suggest ways to adjust the system in response to the changing environment.

Tradition's head of Compliance and Operational Risk participates in an in-house working group focusing on ESG matters, which prepares and regularly examines the ESG policy and initiatives at the parent-company level, taking into account modifications in laws and regulations, and any changes in the organisation.

The Group Head of Compliance and Operational risk is also responsible for deploying and monitoring the Group ESG strategy and regularly reporting to the Audit Committee on ESG matters.

Local Compliance officers/acting Compliance officers are in charge of:

- Implementing locally and monitoring the application of the Group ESG strategy
- Ensuring the ESG regulatory watch
- Ensuring periodic reporting on ESG indicators to the Group Head of Compliance and Operational risk.

The Legal function ensures the right interpretation of the ESG laws and regulations at a Group and local level.

The HR function ensures that HR management processes take under consideration the Group ESG policy.

The Finance function is responsible for the implementation of finance and accounting requirements in terms of reporting on environmentally sustainable initiatives.

The Internal Audit function takes under consideration ESG risks in the calibration of the internal audit plan. Internal audit should ensure that the ESG policy is deployed in accordance with the Group requirements.