



# **REPORT**

## **of XTB S.A. Capital Group**

on non-financial information  
for 2022



## 1. Introduction

This report on non-financial information of XTB S.A. Capital Group (XTB Capital Group, Group, XTB Group) has been prepared in accordance with Article 55(2b) in conjunction with Article 49b of the Accounting Act.

This report includes information on XTB Capital Group companies for the year 2022. In preparing this report, XTB relied on the Non-Financial Information Standard (NFIS) developed by the Reporting Standards Foundation. This report on non-financial information in principle complies with the NFIS, subject to the incompatibility of the sectors included in the NFIS with the activities carried out by the XTB Capital Group, as well as the significantly limited operating activities of the subsidiaries operating within the XTB Capital Group, which affects the inappropriateness of assigning some of the NFIS ratios to the activities of a specific subsidiary.

## 2. Organization of XTB Capital Group

### 2.1 Profile of operations

The Group is an international provider of products, services and technological solutions for trading financial instruments, specializing in the OTC market and CFD derivatives in particular, which are investment products whose returns depend on changes in the price and value of the instruments and underlying assets. The Group also offers investments in shares and ETFs on the same trading platform. The Group operates in two segments: retail operations and institutional operations. The Group's retail operations mainly include, for retail customers, online trading in derivatives based on assets and underlying instruments traded on financial and commodity markets. For institutional customer, the Group offers technologies that enable them to offer their customer the opportunity to trade financial instruments under their own brand. The Group also acts as a liquidity provider for institutional customer.

For both retail and institutional customer, the Group offers two trading platforms:

- xStation and
- MetaTrader 4 (MT4), a platform offered to new customers until 18 January 2021

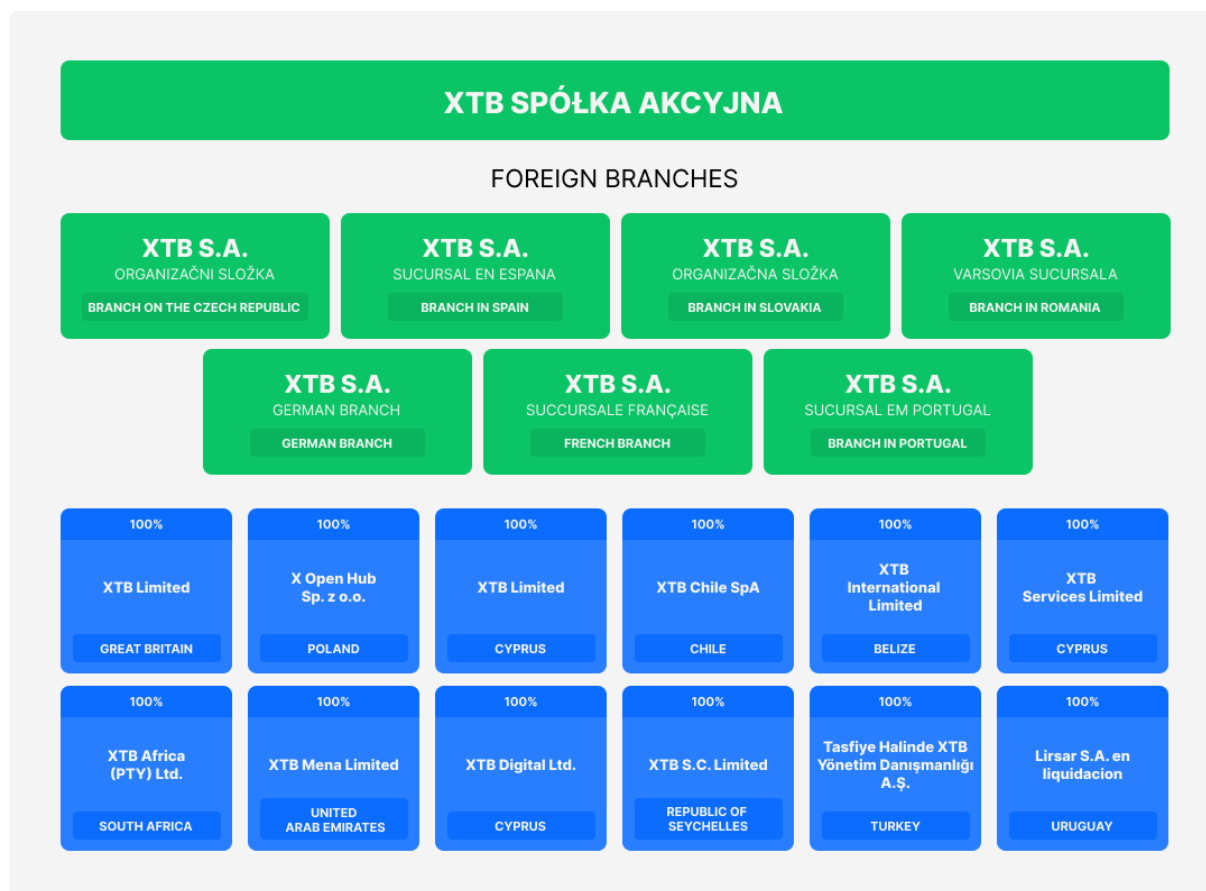
which are supported by an advanced technological infrastructure developed by the Group. The Group's retail customers receive access to one of the aforementioned front-end trading platforms and a number of its components, as well as back-office systems. Institutional customers receive full access to settings and management functions, the branding system and risk management tools.

The Group also offers its customers a variety of trading options, depending on the level of sophistication of the customer in question (from beginner to expert) and the method of access (from smartphone to web interfaces to desktop applications). The applications include tools for retail customers investing in CFD derivatives based on various financial instruments, including charts, analysis, research and the ability to trade online.

Funkcjonalność oferty Grupy XTB umożliwia klientom otwieranie rachunków, wpłacanie na nie środków, składanie zleceń i przenoszenie środków między rachunkami oraz zamawianie wyciągów przez Internet. Podstawowa technologia Grupy XTB wykorzystuje oprogramowanie zaprojektowane w sposób zapewniający funkcjonalność i skalowalność.

### 2.2 Management of non-financial aspects at the XTB Group

As of 31 December 2022, the XTB Group consisted of XTB as the Parent Company and its 12 subsidiaries. XTB also has 7 foreign branches. The diagram below shows the Group's structure as of 31 December 2022.



Two new companies: XTB Digital Ltd., Cyprus and XTB S.C. Limited, Republic of Seychelles were established in Q4 2022. As of the date of submission of this report, the aforementioned companies were not in operation.

Detailed information on individual subsidiaries and branches is presented in the Management Report under Description of the Group's organization.

There were no significant changes in the XTB Group's business model during the fiscal year.

The processes related to providing users with its proprietary information technology (an area for which XTB's IT department is responsible) as well as processes related to acquiring and supporting customers are crucial for the operating activities. Processes related to customer acquisition and support, on the other hand, are carried out both directly by XTB in Poland and by branches and subsidiaries operating in local markets. XTB is also responsible for coordinating the activities of individual subsidiaries and branches, management processes, setting development goals for businesses operating in individual countries, setting budgets and financial targets, standards of conduct and overseeing their achievement. Subsidiaries and branches employ from a few to several dozen people. Thus, by far the largest number of operational processes are carried out at XTB in Poland and the activities of subsidiaries and foreign branches are, as a rule, of a nature supporting sales and ensuring compliance with local regulations required for their operations. Consequently, also from the point of view of ESG issues, the most important processes and solutions for managing non-financial issues are carried out at XTB in Poland and the creation of extensive corporate solutions and dedicated policies for individual subsidiaries would be considered ineffective.

With the above in mind, the identification of significant areas of management and related risks, including non-financial aspects, is carried out at the XTB level in consultation with individual organizational units operating in subsidiaries.

This process is related to the ongoing assessment of the impact on the environment and risks associated with individual areas of interaction with stakeholders. The assessment also takes into account current changes (among others: legal, economic and social) in the environment. In detail, these aspects are identified and assessed in accordance with the relevant procedures relating to the identification of risks and risk assessment for the given area.

In doing so, particular XTB Group companies take individual measures to meet the requirements of local regulations. XTB, on the other hand, is the recipient of information on the results of its actions in individual ESG areas, particularly in situations in which these results could result in a violation of applicable regulations and related financial or image liability. Thus, to the best of our knowledge, this report on non-financial information does not omit information that could have a material impact on the accuracy of the description of the XTB Group's impact on social, labour, environmental, respect for human rights, anti-corruption or climate issues.

In the course of business operations and management processes, the following areas are identified in which relationships of significant importance occur. In the course of work related to the preparation of this report, the above-mentioned areas were reviewed, as a result of which no discrepancies were identified compared to the previous reporting period.

<b>Relation area</b>	<b>Examples of impact</b>
<b>Relations with customers</b>	<ul style="list-style-type: none"> <li>• delivery of reliable software</li> <li>• marketing communications</li> <li>• education and training activities</li> </ul>
<b>Relations with employees</b>	<ul style="list-style-type: none"> <li>• ensuring good working conditions</li> <li>• development of employee competence</li> <li>• educational activities</li> </ul>
<b>Relationships with regulatory institutions</b>	<ul style="list-style-type: none"> <li>• ensuring compliance of the business with local regulations</li> <li>• prevention of violations of applicable regulations</li> <li>• prevention of unethical behaviour</li> </ul>
<b>Occupational health and safety</b>	<ul style="list-style-type: none"> <li>• ensuring a safe working environment</li> </ul>
<b>Environmental impact</b>	<ul style="list-style-type: none"> <li>• energy consumption</li> <li>• education in the environmental area</li> </ul>

### **Identification of stakeholders**

Given the nature of the XTB Group's operations, the following key stakeholder groups have been identified for the purposes of the management processes carried out:

- employees,
- retail and institutional customers,
- potential customers - those interested in education about financial markets,
- providers,

- competitors,
- state institutions, including local supervisory authorities,
- the media,
- shareholders, analysts and potential investors.

The needs and expectations of interested parties are systematically identified through, among other things, the identification of regulatory requirements and feedback from the various stakeholder groups.

In the course of preparing this non-financial report, the list of identified stakeholders was analyzed and no changes were made compared to the previous reporting period.

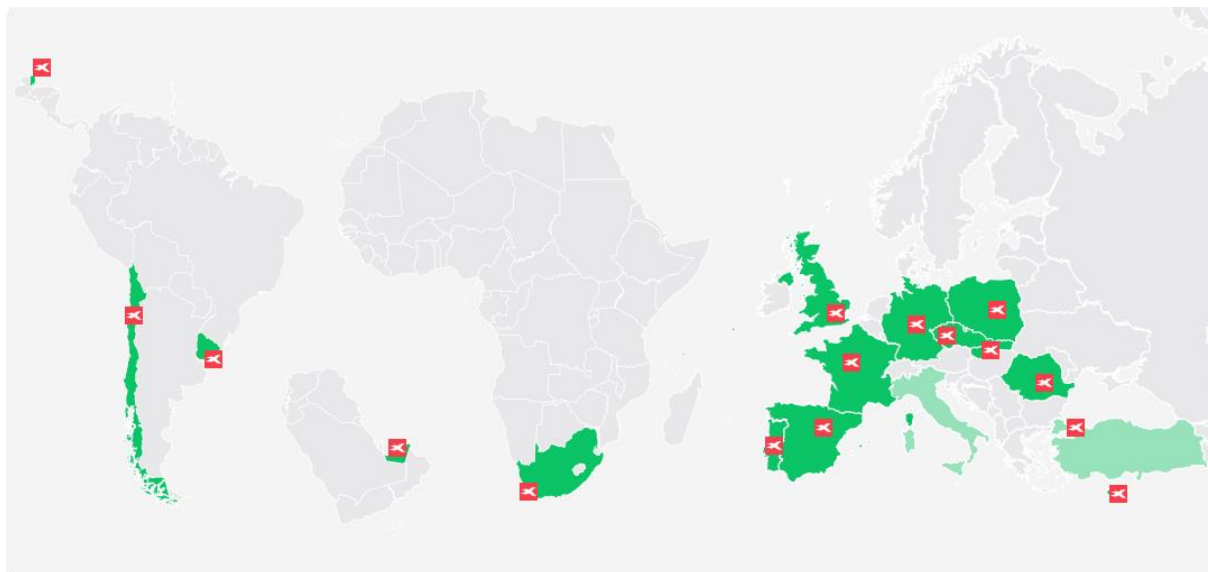
### Communication with stakeholders

XTB, in order to properly communicate with its stakeholders, posts information on its website about the objectives of its strategy, including long-term goals and planned activities.

The progress of its implementation, determined by financial and non-financial metrics, is presented in current and periodic reports. The company holds quarterly meetings for investors, inviting in particular shareholders, analysts, and industry experts and media representatives. XTB, as a listed company, publishes periodic reports on a quarterly basis, while reports to supervision institutions are prepared at least monthly.

Later in this report, under Customer Communications, information is provided on communication activities and retail customer education.

### Location of operations

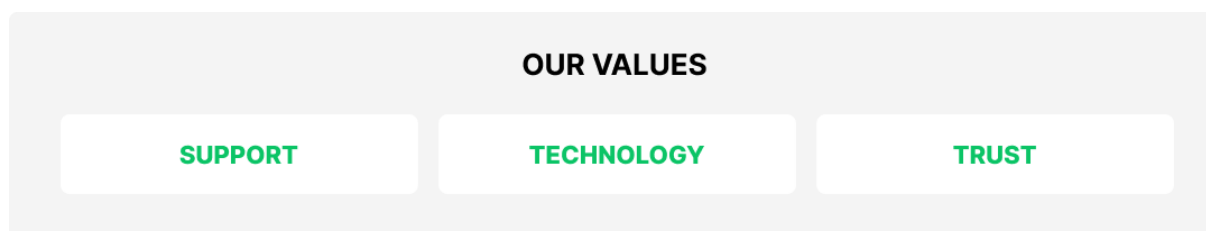


The XTB Group operates under licenses granted by regulatory authorities in Poland, the United Kingdom, Cyprus, Belize and the United Arab Emirates. The XTB Group's activities are regulated and subject to supervision by the competent authorities in the markets in which the Group operates, in these EU countries, on the basis of the so-called Single European Passport. Currently, the Group is focused on developing its operations in 12 key markets, including Poland, Spain, the Czech Republic, Portugal, France and Germany. Meanwhile, the Group considers Latin America, Asia and Africa as a priority region for further expansion. Currently, the XTB Group's efforts are focused on reaching the mass customer with its offerings. This is crucial for XTB's further dynamic growth and building a global brand. This goal is also served by the addition of new products to the offer in 2023 and subsequent years. The Management Board assesses that the above activities are characterized by greater potential than placing its resources in launching operations in South Africa. For this reason, the launch of operations in XTB Africa (PTY) has been postponed until at least 2024.

Both in Poland and in other countries, the Group operates exclusively in leased properties. These include office space and space for IT infrastructure.

### 3. ESG strategy

The XTB Group's ESG Strategy was adopted in Q4 2021. Within the framework of the adopted ESG Strategy, XTB emphasizes the continuation of existing solutions and the fulfilment of commitments in the area of environmental protection and sustainable development. In connection with the above, goals have been set, which will be gradually implemented. Undertaking various initiatives in this area will help build environmental awareness not only among employees, but also customers and business partners. XTB's intention is to constantly increase its involvement in projects in the area of social responsibility.



The ESG strategy is based on three pillars, i.e. i) Environment, ii) Social responsibility, iii) Corporate governance.

Environment	Social responsibility	Corporate governance
<ul style="list-style-type: none"> <li>• Taking care of the environment in the workplace.</li> <li>• Introducing a number of solutions to manage natural resources more efficiently.</li> <li>• Striving to reduce the organization's carbon footprint.</li> <li>• Building environmental and climate awareness among employees and co-workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing immediate access to financial markets from around the world.</li> <li>• The XTB Group's overarching goal is to educate the society economically.</li> <li>• XTB shares knowledge and experience by collaborating with universities and other institutions.</li> <li>• XTB's team is made up of ambitious people who are supported to continuously develop and achieve their goals.</li> </ul>	<ul style="list-style-type: none"> <li>• XTB is one of the world's largest listed Forex &amp; CFD brokers.</li> <li>• XTB Group's operations are subject to financial supervision in the international financial markets including: FCA, BaFin, ACPR, CySEC, IFSC.</li> </ul>

The ESG Strategy document is available on XTB's corporate website. Information on the implementation of the ESG Strategy will be presented in subsequent reports and non-financial reports of the XTB Group.

Information on implemented and planned initiatives in specific areas is described in the following sections of this report.

As of December 2020, XTB shares are included in the WIG-ESG index. The WIG-ESG Index aims to measure the value of a portfolio of listed companies, qualified for the WIG20 and mWIG40 Indices, verified using the adjustment factor of assessing the degree to which they fulfil environmental, social and corporate governance principles in their operations.

## 4. Description of the Group's operations

### 4.1 Description of basic products and services

The XTB Group is an international provider of products, services and technological solutions for trading financial instruments, specializing in the OTC market and CFD derivatives in particular, which are investment products whose returns depend on changes in the price and value of the instruments and underlying assets. The Group also offers investments in shares and ETFs on the same trading platform.

#### XTB's product offering



##### FOREX

Forex (Foreign Exchange Market) is the largest financial market in the world. Forex trading takes place 24 hours a day, 5 days a week. XTB offers about 50 CFD instruments based on currency pairs.



##### INDICES

CFDs are derivatives. This means that you don't actually own the underlying asset - you just speculate whether its price will go up or down. XTB offers about 30 CFD instruments based on share indices from around the world: USA, Germany, China.



##### COMMODITIES

With commodity CFDs, you can invest in instruments based on commodities such as gold, silver and oil. This allows you to make money by speculating on commodity prices by playing on price increases and decreases. At XTB, you can choose from more than 20 commodity-based CFDs.



##### SHARES

XTB offers access to CFD instruments on shares as well as listed shares. Exchange-traded shares are securities that confirm a stake in a particular company. They combine a property right (the right to dividends) with a non-property right (voting rights).



##### ETF

Exchange-traded fund (ETF) - is an investment fund, the purpose of which is to faithfully reproduce a designated index, and the titles are listed on the stock exchange. And XTB offers both CFD instruments on ETFs and cash instruments.



##### CRYPTOCURRENCIES

Cryptocurrencies are a form of digital currency created and held electronically. XTB offers a CFD instrument, which means you don't have to make a physical purchase of a cryptocurrency. All you have to do is invest and speculate on future price movements without owning the underlying instrument. XTB provides about 45 CFD derivatives based on cryptocurrencies.

At the end of 2022, the Group had a total of nearly 5,800 financial instruments on offer from around the world. This number consisted of 2,300 leveraged CFD derivatives, including more than 50 based on currency pairs,

about 20 based on commodities and about 30 based on indices and 50 on cryptocurrencies, about 1,900 based on shares of companies listed on exchanges in 16 countries, and more than 150 based on US and European ETFs. The second arm of XTB's offering consists of more than 3,500 cash instruments, more specifically, almost 3,200 equity instruments and more than 300 ETF instruments from European markets. In 2022, the Company's main focus was on improving existing processes for acquiring new customers, optimizing transaction costs for both customers and the Company, as well as any processes leading up to customers starting to trade, and the very experience of them trading at XTB. The Group is constantly actively making improvements to the trading platform that make it more intuitive and easier to use.

Environmental and social aspects are not a dominant factor in the design of the product offering. Nonetheless, XTB offers financial instruments (e.g. ETFs) that allow investments in climate-conscious entities or entities classified in ESG-sensitive indices. In 2022, the Company added ESG rating information to its investment platform for most of the securities of companies on offer and for ETF instruments. In addition, XTB offers financial instruments linked to CO2 emission rights (EMISS contract) as well as it is considering expanding offering to include instruments that support direct management of selected aspects of climate risk, i.e. weather derivatives, for example.

## **4.2 Providers**

### **Materials used and services provided to the Group**

As part of its operations, the XTB Group cooperates with providers providing services that support organizational processes, marketing, analytics, IT development and support for the trading area. The activities of these entities are mainly located in Europe and the USA.

In most cases, cooperation with providers should be attributed to permanent character. In certain cases, one-time cooperation is also established in order to achieve a specific goal.

XTB's key providers are providers supporting XTB's customer service processes (including, in particular, providers whose services contribute to the automation of the aforementioned processes) and providers of services for the needs of the trading area (e.g. market data providers). As far as other provisions are concerned, it should be noted in particular purchases of IT equipment, energy and office supplies.

In 2022, no labour rights violations were identified among the XTB Group providers. Given the profile and location of its providers' operations, the XTB does not identify providers that may pose a threat to the right to freedom of association and the right to collective disputes or violate these rights.

### **Dependence on providers**

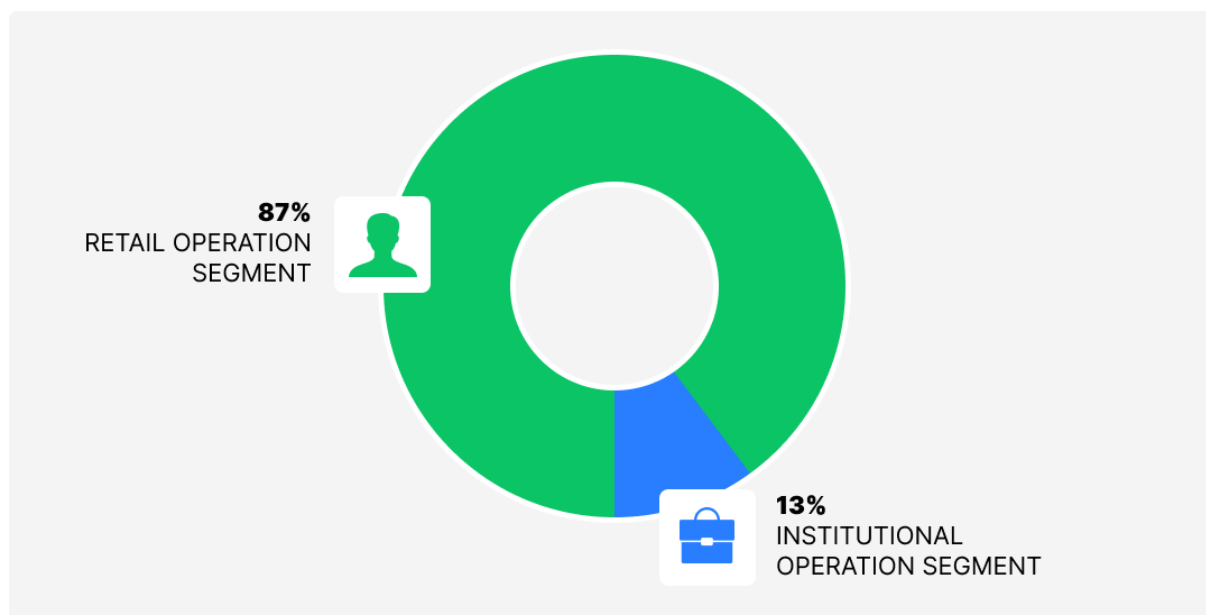
Due to the nature of its business, the XTB Group is not dependent on any providers.

## **4.3 Customers**

### **The XTB Group operates in two segments:**

- retail operations
- institutional operations.





In 2022, the retail operation segment generated about 87% of the Group's total turnover volume, and the institutional operation segment generated about 13%.

### Retail segment

The XTB Group's retail operations mainly include, for retail customers, online trading in derivatives based on assets and underlying instruments traded on financial and commodity markets, as well as activities related to trading in shares from selected exchanges from around the world and ETF instruments.

The Group's retail customers receive access to the front-end trading platform and a number of its components, as well as back-office systems.

In the retail segment, XTB's customer base is characterized by the following parameters i) new customers, ii) total number of customers and iii) average number of active customers.

In 2022, the XTB Group attracted 196,864 new customers, with a total number of 614,934, while the number of active customers (i.e., customers who conducted at least one transaction in the 2022 period) was 258,799.

### Communication with individual customers and educational activities

Since its inception, XTB has paid special attention to education about the functioning of financial markets. XTB's overriding goal is to build investment awareness and facilitate access to economic knowledge for every interested person. XTB makes sure that everyone who is interested in the functioning of financial markets has the opportunity to obtain the necessary knowledge. Most of the educational materials prepared by XTB are available free of charge to potential customers

These materials include nearly 100 hours of educational video training available on the xStation platform developed by XTB, as well as dozens of articles made available as part of the so-called Trading Academy.



The authors of the trainings are both XTB specialists and external experts in financial markets. The variety of topics and the level of sophistication make them create value for both beginners and advanced investors.

In addition, depending on individual needs, customers can participate in regularly held conferences and webinars organized by XTB.

Since 2016, XTB has organized the Masterclass Conference, which is attended by several thousand people every year.

In 2022, there were no situations of penalties/violations of competition regulations by XTB Group companies as well as no penalties related to violations of marketing communications regulations in 2022.

### **Institutional segment**

XTB's institutional customers are offered technology that allows them to offer their customers the ability to trade financial instruments under their own brand. XTB also acts as a liquidity provider for institutional customers. Institutional customers include brokerages, banks, start-ups and other financial institutions. Institutional customers receive full access to settings and management functions, branding system, reports, front and back-office tools.

In the institutional segment, the number of customers at the end of 2022 was 56.

### **Dependence on customers**

Due to the nature of the core business focused on individual customers, there is no risk of becoming dependent on any recipient.

## **4.4 Cooperation with counterparties**

Contracts with counterparties do not contain clauses on ethical, environmental or human rights aspects other than those arising from laws generally applicable to the location.

XTB's business model does not provide for participation in public procurement. In 2022, the XTB Group companies did not participate in such procurements.

In 2022, no audits were carried out on behalf of the XTB Group companies in the environmental, occupational health and safety, human rights or ethical areas. The counterparties of the XTB Group also did not commission any audits to be performed at XTB in the above areas.

## **4.5 Trading contracts and transactions**

Due to the characteristics of its operations and the generation of revenues based mainly on individual contracts with natural persons while having a dispersed group of providers, the XTB Group did not enter into any significant contracts for its operations in 2022.

## **4.6 Public aid**

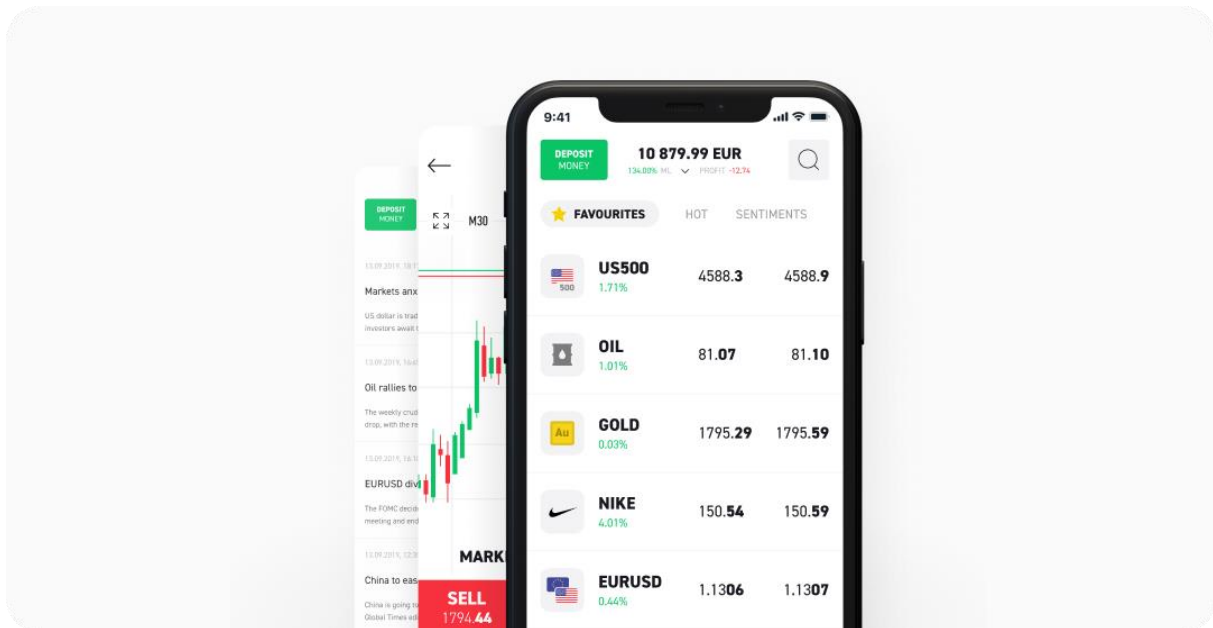
The XTB Group companies did not benefit from public support in 2022.

The XTB Group companies did not benefit from support resulting from the so-called anti-crisis shields.

## **4.7 Technology development**

As part of its IT work, XTB is expanding the functionalities of its proprietary desktop and mobile version of the xStation trading system, modules to ensure effective execution of orders and other support systems available to customers and employees. During the reporting period, work was carried out to design and develop highly innovative, comprehensive solutions in the field of transactions and online investments ("R&D work"). The

purpose of the above work is to develop innovative technologies and solutions to further develop the products offered to customers.



The R&D work carried out in 2022 was aimed at the development of tools necessary for the efficient operation of XTB's trading systems, effective execution of orders, efficient onboarding of customers, and further development of tools to support the company's internal processes as a result of identified development needs. Research areas focused on the functionality and security of the operation of systems, processes and databases. The R&D work focused on the development of new electronic trading systems was also carried out. The main types of activities performed as part of the R&D work included:

- creation of new or improvement of current software solutions used by XTB customers in the process of trading on financial instruments,
- creation of new or improvement of current software solutions used by XTB customers in the process of account opening and during the use of back office modules (deposits, withdrawals, account updates, etc.),
- development of XTB's IT infrastructure to, among other things, ensure an appropriately efficient network, continuously upgrade servers and other active equipment at XTB,
- creation of new or improvement of current software solutions to support XTB's operations,
- creation and development of key transactional applications and CRM systems,
- development of solutions to increase security of network operations as well as external access,
- development of solutions for data storage security,
- creation and implementation of new innovative hardware, hardware-software and software solutions in the company,
- analysis of product development opportunities, in terms of current technological solutions,
- work on improving the security level of processed data both in terms of data storage and transmission protocols.

## 5. Employment

### 5.1 XTB's Human Resources Policy

XTB's Human Resources Policy is closely linked to the company's mission and strategy. The guidelines of the Human Resources Policy are aimed at effective management of human resources through effective selection, choice, support of development and retention of a team of employees that will guarantee the implementation of the Company's planned business activities at the highest possible level. The Human Resources Policy is based on the assumption that the most important factor in the Company's success is its employees, so the overriding goal is to constantly strive to create the best possible jobs and employment conditions that enable the development of competencies.

#### **In particular, the implementation of the Human Resources Policy is aimed at:**

- acquiring, in the process of professional recruitment, the optimal number of employees with specific qualifications and professional potential, necessary to ensure staffing of XTB's various organizational units;
- supporting the process of employee identification with the organization's goals and mission;
- shaping employees' attitudes and standards of conduct in accordance with XTB's internal regulations, orders and procedures;
- ensuring professional stability, preventing employee turnover and retaining a highly qualified, valuable workforce;
- supporting the development of specialized skills necessary to perform tasks and achieve set goals;
- creating an incentive system based on the proper formation of working conditions in conjunction with the system of remuneration, promotion and bonus along with the assessment of professionalism and effectiveness of work provided.

#### **Areas of activity in the field of Human Resources Policy are:**

- employment planning;
- recruitment;
- employee evaluation;
- employee retention (motivating, rewarding, promoting, bonuses);
- employee development (individual professional development programs, training).

All entities in the XTB Group are based on the assumptions of the Human Resources Policy.

Detailed provisions relating to the above area are included in the Human Resources Policy document and related procedures.

#### **Dialogue with employees**

Documented dialogue with employees is most often carried out through email communication or online meetings. In quarterly or semi-annual cycles, employees are communicated by the CEO with the XTB Group's results, current implementation of the strategy and strategic plans for the next period.

At XTB, cyclical meetings are held with employee representatives, during which proposals for regulatory changes linked to changes in the Labour Code, changes in benefits, improvements in work organization are discussed, and other suggestions and proposals from employees are presented for discussion with the Management Board.

At the end of 2021 and the beginning of 2022, an anonymous global satisfaction survey of XTB employees was conducted, within the framework of which it was possible to express opinions on such areas as training and development, motivation, communication, work environment, productivity and management and relations.

In addition, employees had the opportunity to voice their opinions about their employer and provide free conclusions. The results of the global satisfaction survey are published for the information of all XTB employees.

As of January 2022, the return to hybrid work at XTB began, which was preceded by consultations with employee representatives on the topics of changes to work rules and regulations for remote work, as well as rules for the XTB office during the COVID-19 epidemiological emergency.

## 5.2 Ensuring diversity

### Management approach to diversity

The XTB Group employees differ in talents, skills, character traits, personalities, experiences, personal situations, views and other attributes. The XTB Group considers diversity, and equal treatment towards all employees, authorities and key managers, to be fundamental due to the firm belief that diversity as a fundamental value of modern society significantly affects the development, competitiveness and innovation of the organization. This approach aims to fully utilize the potential of employees, their skills, talents, passions, knowledge and qualifications.

The XTB Group creates an organizational culture focused on achieving the organization's goals by building gender-, age- and qualification-diverse internal teams, which enables more effective problem solving, a better working atmosphere, higher creativity of project teams and effective knowledge sharing. The XTB Group employs employees who are diverse in terms of gender, age, education, qualifications, work experience, nationality, ethnicity, religion, creed, irreligion, political beliefs, health status, psychosexual orientation, family status, lifestyle, place of residence, form, scope and basis of employment, and ensures that all employees are respected, tolerated and treated equally in the workplace, and that a work environment is created that is



conducive to using these differences to the benefit of the organization.

Diversity management also involves incorporating into XTB's policies and procedures, provisions on anti-discrimination, anti-bullying and other regulations setting standards for equal treatment, protection against violence, harassment, or unjustified dismissal. The principles of equal treatment in employment are described in internal documents, including, among others, in the work regulations, and are generally available to employees.

In accordance with the anonymous whistleblowing procedure in place, all employees and co-workers are required to respond if they witness the exclusion or stigmatization of co-workers.

As of 2021 XTB is a signatory to the Diversity Charter.

In 2022, no cases of discrimination, bullying or sexual harassment were found in the XTB Group. No human rights violations were also identified during the above period.

### **Diversity policy with regard to members of the Company's Management Board**

In terms of diversity in connection with the election of the Company's authorities, a Diversity Policy has been adopted with respect to the Company's Management Board Members. XTB ensures a plurality of qualifications and competencies in terms of education, work experience and skills of the selected personnel, including managers, in order to guarantee comprehensive and reliable performance of the tasks assigned to them. In addition, as part of the Diversity Policy, professional qualifications, reputation, work experience, predisposition to perform the duties of the position or function, as well as diversity in terms of gender, age, place of origin and education are taken into account during recruitment to the authorities. Members of XTB's authorities are specialists in different areas of expertise and have diverse industry experience corresponding to their current function. The individual competencies of the members of XTB's authorities complement each other in such a way as to make it possible to ensure an appropriate level of collegial management in the organization.

## **5.3 Employment structure**

The average annual FTE employment at the XTB Group was 659 in 2022 and 562 in 2021.

Given the XTB Group's business model, the main groups of people employed are IT specialists and people in customer support areas.

**Below are the employment figures as of the end of 2021-2022.**

Criterion		XTB Group		
		2022	2021	
Employment contract (per FTE)	up to 30 years of age	total	297	266
		women	88	93
		men	209	173
	30-40 years of age	total	333	284
		women	110	82
		men	223	202
	40-50 years of age	total	71	42

		<b>women</b>	<b>22</b>	<b>11</b>
		<b>men</b>	<b>49</b>	<b>31</b>
	<b>over 50 years of age</b>	<b>total</b>	<b>10</b>	<b>5</b>
		<b>women</b>	<b>2</b>	<b>0</b>
		<b>men</b>	<b>8</b>	<b>5</b>
<b>Employment contract for an indefinite period (per FTE)</b>	<b>up to 30 years of age</b>	<b>total</b>	<b>206</b>	<b>179</b>
		<b>women</b>	<b>66</b>	<b>57</b>
		<b>men</b>	<b>140</b>	<b>122</b>
	<b>30-40 years of age</b>	<b>total</b>	<b>286</b>	<b>262</b>
		<b>women</b>	<b>96</b>	<b>73</b>
		<b>men</b>	<b>190</b>	<b>189</b>
	<b>40-50 years of age</b>	<b>total</b>	<b>63</b>	<b>41</b>
		<b>women</b>	<b>20</b>	<b>11</b>
		<b>men</b>	<b>43</b>	<b>30</b>
	<b>over 50 years of age</b>	<b>total</b>	<b>9</b>	<b>4</b>
		<b>women</b>	<b>2</b>	<b>0</b>
		<b>men</b>	<b>7</b>	<b>4</b>
<b>other (contract of mandate)</b>	<b>total</b>		<b>other (contract of mandate)</b>	<b>18</b>
	<b>up to 30 years of age</b>	<b>total</b>	<b>39</b>	<b>17</b>
		<b>women</b>	<b>10</b>	<b>4</b>
		<b>men</b>	<b>29</b>	<b>13</b>
	<b>others</b>		<b>0</b>	<b>1</b>

The greatest diversity of employment, understood as the variety of functions and positions held, takes place in the Parent Company at XTB Headquarters. People employed at subsidiaries and branches are those mainly responsible for supporting sales processes on local markets.

**The shares of the key categories of positions and functions occurring at XTB Headquarters, i.e. excluding branch operations, which is characterized by the greatest diversity of employment, are presented below.**

Area/position	2022	2021
IT area	41%	39%
sales area	4%	3%
customer service area	24%	24%
other specialized positions	15%	13%
managerial positions	10%	14%
director positions	6%	7%

*\*the number of persons employed in a given area in relation to the number of persons employed at XTB Headquarters, expressed in %.*

**Below is information on employee turnover.**

Criterion			XTB Group	
			2022	2021
admissions of employees	up to 30 years of age	total	155	139
		women	42	47
		men	113	92
	30-40 years of age	total	76	54
		women	33	21



		<b>men</b>	<b>43</b>	<b>33</b>
	<b>40-50 years of age</b>	<b>total</b>	<b>9</b>	<b>7</b>
		<b>women</b>	<b>5</b>	<b>3</b>
		<b>men</b>	<b>4</b>	<b>4</b>
	<b>over 50 years of age</b>	<b>total</b>	<b>1</b>	<b>0</b>
		<b>women</b>	<b>0</b>	<b>0</b>
		<b>men</b>	<b>1</b>	<b>0</b>
<b>departures of employees</b>	<b>up to 30 years of age</b>	<b>total</b>	<b>53</b>	<b>68</b>
		<b>women</b>	<b>16</b>	<b>23</b>
		<b>men</b>	<b>37</b>	<b>45</b>
	<b>30-40 years of age</b>	<b>total</b>	<b>47</b>	<b>41</b>
		<b>women</b>	<b>8</b>	<b>12</b>
		<b>men</b>	<b>39</b>	<b>29</b>
	<b>40-50 years of age</b>	<b>total</b>	<b>11</b>	<b>2</b>
		<b>women</b>	<b>3</b>	<b>2</b>
		<b>men</b>	<b>8</b>	<b>0</b>
	<b>over 50 years of age</b>	<b>total</b>	<b>2</b>	<b>1</b>
		<b>women</b>	<b>0</b>	<b>0</b>
		<b>men</b>	<b>2</b>	<b>1</b>
	<b>including in connection with the acquisition of pension rights</b>	<b>total</b>	<b>0</b>	<b>0</b>
		<b>women</b>	<b>0</b>	<b>0</b>
		<b>men</b>	<b>0</b>	<b>0</b>

<b>Employee turnover rate *</b>	<b>2022</b>	<b>2021</b>
<b>Total</b>	<b>17,3%</b>	<b>20,0%</b>
<b>Women</b>	<b>13,2%</b>	<b>22,2%</b>
<b>Men</b>	<b>19,1%</b>	<b>19,4%</b>

\* the number of employees who left divided by the average of the sum including the initial and final number of employees in the period

The following is a summary of information on the XTB Group's cooperation under civil contracts.

Criterion			XTB Group	
			2022	2021
civil contracts	<b>number of civil contracts at the end of the period</b>	<b>total</b>	<b>38</b>	<b>54</b>
	<b>number of civil contracts concluded during the period</b>	<b>total</b>	<b>54</b>	<b>50</b>
	<b>number of civil contracts terminated/ended during the period</b>	<b>total</b>	<b>31</b>	<b>33</b>

In 2022, the XTB Group employed 3 people with disabilities.

In 2022, the XTB Group cooperated on the basis of employee outsourcing within the equivalent of 15 FTEs.

No labour unions were established in any of the XTB Group companies. At XTB's headquarters in Poland, employee representatives were appointed in accordance with labour laws.

There were no industrial disputes in 2022.

In 2022, there were three occasions when a woman, after giving birth and returning to work, resigned from her job within 12 months of returning to work.

Given its business model, the XTB Group does not envisage hiring employees from economically weaker countries to perform so-called low-cost tasks. The principle is to ensure equality of employment rules for similar positions. Thus, even if an employee comes from an economically weaker country, he or she is employed on equal terms as employees from Poland, the EU, or other regions of the world.

## **5.4 Employment conditions**

### **Remuneration system**

According to the internal remuneration system, employees receive remuneration for work corresponding to the type of work performed and the qualifications required for its performance, taking into account the quality and quantity of work performed. The internal remuneration regulations specify the terms and conditions of remuneration for work and work-related benefits and the conditions of their award.

At XTB, the system of remuneration, reassignment and promotion of employees is implemented by creating sustainable mechanisms to motivate employees to increase the quality and efficiency of their work. Due to the desire to enrich the remuneration system with non-wage solutions and the constant effort to increase the integration and identification of employees with the company, people employed at XTB Headquarters are covered by a package of additional benefits. The remuneration/promotion system is built in cooperation with the directors of XTB Headquarters' departments by the Human Resources Department. The system of employee remuneration and the scope of non-wage benefits in branches is set by branch directors in cooperation with regional directors.

The promotion, incentive and bonus policy takes into account the full-time needs, planned budgets of head office/foreign branch departments and funds allocated for human resources, as well as employee qualifications and performance evaluations.

The general principles of the remuneration policy aim to ensure the consistency of the system of remuneration and additional benefits for employees with the implementation of the long-term development strategy and taking into account the costs adopted in the financial plan, while maintaining compliance with risk management and operational stability.

### **Gender Pay Gap Ratio**

In terms of remuneration, the Company applies market principles, i.e. it makes the level of employees' remuneration dependent, in particular, on their knowledge, professional experience and substantive contribution to the development of the Company.

The organization conducts a periodic analysis of the development of men's and women's remunerations in each Department. If discrepancies are detected, the Department Director is consulted and corrective measures are taken if necessary.

Below is presented information on the Gender Pay Gap Ratios (GPGR) for XTB Headquarters. The Company presents the ratios for XTB Headquarters bearing in mind the greatest diversity of positions at XTB Headquarters compared to other organizational units, i.e. foreign branches and subsidiaries, which are dominated by people employed in sales positions.

The GPGR is calculated as a percentage as the absolute value of the difference of the quotient of the average monthly remuneration of women divided by the average monthly remuneration of men and the number 1. The ratios are presented taking into account base remuneration and base remuneration plus additional benefits, respectively.

<b>XTB Headquarters</b>		<b>2022</b>	<b>2021</b>
GPGR (based on base remuneration)	Employees in managerial positions	19%	12%
	Employees in director positions	1%	1%
	Employees in positions other than the above	14%	19%
GPGR (base remuneration plus additional cash benefits, awards, etc.)	Employees in managerial positions	10%	15%
	Employees in director positions	14%	6%
	Employees in positions other than the above	19%	12%

The Company explains that approx. 37% of the people employed at XTB Headquarters are IT employees (in particular, programmers) for whom the amount of remuneration as well as the dominant share of the male gender in this category results in a wage gap in the level of wages between men and women. High remunerations in this professional group are related to wage pressure in the labour market and the need to attract and retain high-class specialists in this area. However, this relationship is typical of the IT industry and does not apply only to XTB.

With the above in mind, the aforementioned ratios are presented excluding IT employees.

<b>XTB Headquarters excluding IT Department</b>		<b>2022</b>	<b>2021</b>
GPGR (based on base remuneration)	Employees in managerial positions	10%	0%
	Employees in director positions	0%	0%
	Employees in positions other than the above	0%	8%
GPGR	Employees in managerial positions	9%	8%

(base remuneration plus additional cash benefits, awards, etc.)	Employees in director positions	0%	7%
	Employees in positions other than the above	9%	6%

The difference in the size of the ratio based on base remuneration compared to base remuneration plus additional benefits is mainly related to the higher share of male employees in the Trading Department and Sales Department in which additional benefits (i.e., bonuses and incentives in particular) are higher than the corresponding benefits in administrative positions.

The ratio of the Company's lowest emoluments (on a full-time basis) to the average remuneration of members of the Management Board was approximately 0.07 in 2022.

### **Non-wage benefits**

Below is information on non-wage benefits available at the Company.

- private medical care - available to persons cooperating with the Company under both employment contracts and contracts of mandate;
- reimbursement of the cost of corrective glasses - available to Company employees;
- Christmas vouchers - available to employees;
- vacation leave subsidies - available to employees;
- MyBenefit platform and Multisport Package - available to persons cooperating with the Company under both employment contracts and contracts of mandate;
- group life insurance - available to employees;
- additional paid leave day for birthdays - available to employees;
- an additional day of paid leave for care for young parents - available to employees;
- days off for volunteer services-available to employees;
- meal subsidies - available to employees.

The scope and form of non-wage benefits at subsidiaries are adapted to local conditions and standards in the area of employee compensation and include, for example, additional medical benefits, group insurance or Christmas gifts.

### **Health promotion**

In 2022, XTB held flu vaccinations for company employees for the twelfth time. Employees who did not participate or could not take the vaccination at the XTB office on a given date had the opportunity to be vaccinated free of charge within the framework of their medical subscription at a selected healthcare provider's facility.

XTB is strengthening employee awareness of environmental protection and health promotion. The promotion of health care is carried out by promoting actions such as European Breast Cancer Day and Movember - organizing webinar meetings with specialists in preventive health care, as well as organizing a series of internal first aid training courses for employees and blood donation campaigns.

In addition, XTB finances projects related to the promotion of sports activities among employees, supporting, among others, the XTB team playing in a business soccer league or the XTB Running Team. In addition, XTB is organizing the XTB Challenge sports challenge, the SKYBIKE and Rak'n'Roll Foundation cycling event, healthy

lifestyle webinars in cooperation with Multisport, and participating in the Operation - Two Hours for the Family, promoting the work-life balance approach.

There are plans to introduce a Day for Health for XTB employees, during which they will be able to perform the most relevant preventive examinations and increase their involvement in promoting more sports.

### **Satisfaction survey**

Satisfaction surveys are conducted once a year for the entire XTB Group. For the purposes of this survey, information is collected through anonymous surveys completed online by employees. The satisfaction survey report is made available to all employees.

## **5.5 Employee development**

### **Management approach**

XTB emphasizes the creation of favourable conditions toward long-term professional development of employees and continuous improvement of professional skills. Creating the right conditions for employee development is aimed at efficient use of human resources and ensures professional performance of duties and completion of assigned tasks. The planning and development of an employee's career is considered both in the context of his or her personal development and XTB's requirements for the desired competence and qualification of staff.

Funds for qualification enhancement are included in the budgets of individual XTB departments. In foreign branches, the training budget is set by the branch director. Employees are delegated to training by their immediate supervisor as required for upgrading their education.

XTB promotes employees' desire to acquire specialized qualifications by reimbursing the costs of successfully passing examinations, e.g. obtaining broker, investment advisor, CFA licenses etc.

### **External training**

#### **The main categories of training include:**

- technical (in the IT area);
- specialized (concerning the expansion of professional knowledge, including postgraduate studies, CFA, ACCA, MBA, ICA, course preparing to pass a broker's license, etc.);
- soft skills training;
- language training (tuition subsidies, reimbursement for courses, access to the eTutor e-learning platform for online foreign language learning).

#### **In 2022 at XTB Headquarters:**

- 6 persons took part in subsidized study and post-graduate studies (subsidies were maintained for employees who continue their studies in subsequent semesters, so it is planned to participate in the cost of education in future years as well);
- 49 persons took part in thematic conferences;
- 94 persons took part in technical training (in the IT area);
- 134 persons took part in specialized training courses;
- 6 persons benefited from subsidized language courses;
- 48 persons used the eTutor e-learning platform for online foreign language learning - 279 training hours were used within this platform.

In 2022, a total of more than 100 training courses were conducted within the XTB Group, including IT technical training, specialized training, language-related training, and soft skills training. In 2022, a total of about 520

people were trained in the XTB Group (about 1/3 women and 2/3 men) and about 5,000 training hours were dedicated to training (of which about 1/3 dedicated to women and 2/3 dedicated to men).

In 2022, 4 XTB employees used training leave.

In addition, webinars on cancer prevention, healthy living and responding to emotions in a war situation in Ukraine were conducted for employees in 2022. A first aid course was also conducted, which was attended by 89 employees.

### **Internal training system**

XTB exercises due diligence to ensure that employees have a level of knowledge and competence adequate to the scope and nature of their activities to comply with relevant legal requirements and recommendations of the supervisory authority, ethical standards, and that they act in accordance with the principles of fair trading and in the best interests of the customer or potential customer.

The principles of the training system are described in the dedicated Procedure for conducting educational training and confirming the knowledge and competence of employees.

Within XTB, from the point of view of training criteria, authorized and unauthorized employees for whom dedicated training platforms have been made available have been distinguished.

Authorized employees are employees authorized to provide customers or potential customers with information about brokerage services provided by XTB and financial instruments offered by XTB. Authorized employees are employed in the Global Customer Support Department, Analysis Department, Customer Services Department, Sales Department and External Partner Cooperation Department and are absolutely obliged to participate in a mandatory educational program.

Authorized employees are further required to:

- regularly participate in additional educational training on the rules and procedures of brokerage services provided by XTB in connection with changes in laws or the introduction of new regulations applicable to XTB's operations,
- regularly participate in additional educational training provided by XTB on the features and characteristics of financial instruments offered by the Company or introduced to XTB's offerings,
- join the annual review of knowledge and competence of authorized employees prepared and conducted and complete it with a positive result.

If an authorized employee fails to take part in the review of knowledge and competence, which shall be considered a grave violation of employee duties, this may result in the authorized employee's inability to continue working for XTB.

Unauthorized employees are also obliged to participate in the educational program for newcomers. Training materials are automatically provided in such a situation by the educational platform in the first days of work.

In addition, at XTB Headquarters, the HR Department conducts "First Day at XTB" training; this is an induction training on the first day of work for all new employees, including interns and employees employed under contracts of mandate. In 2022 287 people participated in the implementation training.

### **Employee evaluation system**

The employee evaluation system is an important area of human resources management at XTB. Obtaining reliable information for the formulation of an employee's performance appraisal, which takes into account the employee's competence, capabilities, motivation and contribution to the performance of tasks, is an important element of the Human Resources Policy.

Evaluations are carried out in order to:

- improve the quality and efficiency of XTB's employees;

- provide feedback to employees on how their work is evaluated;
- record and promote achievements;
- increase employee motivation;
- identify and analyze possible problems, errors in the performance of duties;
- enable the supervisor to make rational personnel decisions, including planning the individual professional development of the employee (posting for training).

Evaluations are carried out in an objective, professional and reliable manner, so that they reflect the actual level of performance of duties and work provided by the evaluated employee. Employees are subject to permanent, ongoing evaluation conducted by direct supervisors and periodic evaluations. Continuous evaluation is carried out by the immediate supervisor and serves to inform subordinates about the quality of their work and the degree to which they fulfil the duties imposed on them. It is carried out in the form of routine and cyclical communication between the employee and his immediate supervisor. Periodic employee evaluations are carried out on a quarterly or annual basis depending on the department and position. Quarterly evaluation of employees is carried out, among others, by supervisors of the Customer Service, Trading and Sales Departments.

Annual evaluation applies to employees of other departments, senior employees and managers, who are evaluated by their immediate supervisor.

#### **Development *Review program* - career planning**

A Development Review program has been introduced at XTB to support career planning, acquisition of necessary knowledge and new competencies.

In 2022, the "Your Next Best Step" survey was conducted twice to provide support in career development within the organization. The results of the survey help plan development paths and facilitate reaching employees with relevant career proposals.

#### **Internship programs**

As part of the implementation of one aspect of its diversity policy, XTB hires students and graduates from universities with different professional profiles for internships and placements. XTB has launched an internship program called the IT Academy. The IT Academy is aimed at spreading the knowledge that XTB is not just a brokerage house, but primarily a FinTech organization, where proprietary IT products are developed based on various technologies. XTB periodically recruits candidates for programming internships, who, after going through an implementation period under the guidance of a mentor, join selected teams using innovative technologies. In addition to the IT Department, internships at XTB Headquarters were carried out in the Analysis, Trading, Controlling, Sales Departments.

At XTB Headquarters, internships are implemented throughout the year. During 2022, a total of 48 interns completed internships at XTB Headquarters. The largest number of internships was carried out in the IT Department, where 37 people participated in the IT Academy program.

Internship programs are also carried out in foreign branches, but due to the scale of operations of individual branches, cooperation in this area usually involves one or two interns - mainly in the marketing and sales departments.

## **6. Occupational health and safety**

From January to September 2022, there was a systematic return of individual departments to work from the office. The implementation of hybrid (partially stationary) work was preceded by consultations with employee representatives and the occupational physician, during which the adopted safety measures specified were considered sufficient. In doing so, the principle was introduced that the number of people working stationary in the office and the number of people doing remote work depends on the internal decision of the director of the respective department.



Taking into account, among other things, the still large share of remote work and concern for the mental and physical condition of employees, webinars were conducted in February and March 2022 to promote prophylaxis in the field of healthy lifestyle, i.e. a series of 3 online meetings with experts on the following topics: training, diet and motivation.

At XTB, an information policy encouraging immunization was adopted in 2020, which was also implemented in 2021 and continued in 2022.

In 2022, there were no accidents at work or accidents equated to accidents at work in the XTB Group.

XTB has had an Occupational Health and Safety Committee established in accordance with applicable regulations since 2018.

There are no conditions of exceeding maximum permissible concentrations (MPC) or maximum permissible intensities (MPI) with individual workplaces, as well as no workplaces for which the level of assessed occupational risk is unacceptably high.

There are also no cases of occupational disease identified in 2022.

## **7. Environmental aspects**

### **Environmental impact**

Given the nature of its business based primarily on IT and office operations, the XTB Group does not identify any significant impact on environmental aspects.

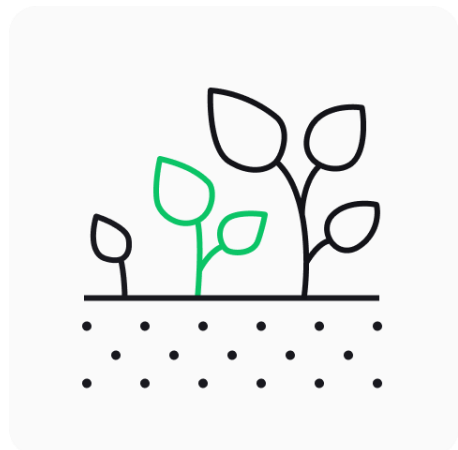
In providing services, XTB uses IT infrastructure, office supplies and electricity. The waste generated is mainly IT equipment and municipal waste.

Thus, the XTB Group's operations are characterized by a relatively low environmental impact. These activities do not cause significant emissions, do not generate a significant amount of waste, nor does the XTB Group consume significant raw materials and materials.

The leased office space is located in urban locations, largely in business centres - these locations are not protected areas from the point of view of biodiversity. Subject to the waste generated in the course of operations, the individual locations do not generate any particular negative impact on the environment.

Nevertheless, XTB undertakes a number of initiatives related to environmental protection, including, among others:

- initiatives related to the energy efficiency of the infrastructure used,
- digitization of documents,
- reducing waste production and segregating and recycling,
- employee education - the Natural Investment program,
- new company headquarters - as of January 2022, XTB's headquarters is located in a new location awarded with a sustainable construction certificate - the building of XTB's new headquarters was designed with care for ecology, which is confirmed by a BREEAM Certificate at Excellent and 100% of the energy used by the Skyliner comes from renewable energy sources,
- monitoring and calculation activities and initiatives to reduce the organization's carbon footprint.



## **Waste**

The waste generated is classified as usable waste and mainly includes packaging and typical office waste. Due to the small scale of waste generated, XTB Group companies were not required to make an entry in the waste database register.

Waste segregation is carried out in the offices. Appropriate garbage cans for segregation, along with full introductory information on how to properly segregate waste, are placed in kitchens.

Waste electronic equipment is regularly sent for recycling. Mainly desktop computers, laptops, monitors, phones and printers are sent for recycling. On the other hand, replaced computer equipment that is still usable is donated to charity.



## **Environmental education program**

XTB has introduced an environmental education program for XTB employees called Natural Investment. This program is designed to increase XTB's environmental awareness, creating a friendly workplace that attaches importance to caring for the environment and the efficient use of natural resources.

The program aims to encourage employees to adopt green behaviour in the workplace, which at the same time can translate into the application of good habits in daily life.

The program specifies a number of measures to reduce environmental impact, including, among others:

- conserving water and electricity by placing notices in specific locations around the office to remind people to turn off lights, conserve water, etc;
- reducing printing and copying of documents, etc., by periodic mailings and placing information at printers reminding them to save paper;
- segregating trash in common areas of the office with full segregation instructions. Special trash segregation garbage cans are placed in kitchens;
- collecting waste paper;
- collecting used batteries in a special container located in each kitchen, which are then transferred to the appropriate collection point;
- collecting plastic caps and donating them to the appropriate collection point or to support charitable causes;
- promoting green days, such as car-free day, by posting specific information in common areas of the office;
- stop for food waste - sharing food in refrigerators, monitoring discarded food;
- gradually replacing traditional flipcharts with erasable whiteboards;
- replacing plastic kitchen accessories with biodegradable and compostable ones;
- eliminating plastic cups at water dispensers;
- reducing disposable accessories in the procurement process;
- increasing the number of plants in office spaces.

The priority is to implement all the solutions covered by the program at XTB's new headquarters in Warsaw. XTB's goal in the environmental area is to continuously raise environmental awareness among employees. It

is planned to expand the Natural Investment program to branches and subsidiaries in order to achieve consistency in environmental policies at the workplace.

### Fuel and electricity consumption

Sources of direct fuel consumption include company cars and generators.

Below is information on the direct consumption of fossil fuels at the XTB Group.

Type of fuel	UNIT	2022	2021
diesel	t.	2,51	1,79
petrol		1,50	0,89

The most significant sources of electricity and heat consumption are offices and the server room. Below is information on the direct consumption of electricity and heat at XTB Group.

Type of energy	UNIT	2022	2021
electricity	MWh	1 016,21	385,0
thermal energy	GJ	319,1	4 374,8

Significant changes in the structure of electricity (increase) and thermal energy consumption (decrease) compared to the previous year are related to the change of headquarters. Since January 2022, XTB's headquarters has been located in a new location awarded a sustainable building certificate. In addition, the increase in electricity consumption is related to the increase in the scale of operations in Poland expressed through an increase in rental space and the number of employees.

### Climate-related issues

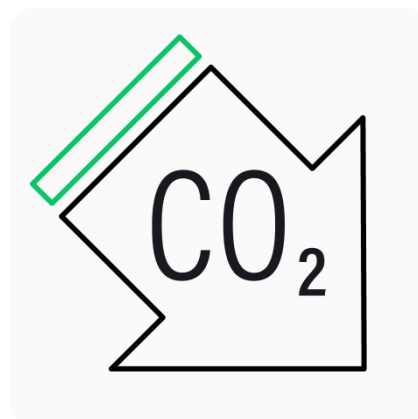
The nature of XTB's core business in the form of providing financial services (online trading in financial instruments) and delivering technological solutions means that from the point of view of the impact on the environment, including climate change, XTB's operations can be characterized as typical office and IT infrastructure maintenance activities for which the most significant area of impact is the consumption of purchased energy.

With the above in mind, the impact of its operations on greenhouse gas emissions is significantly limited compared to industries such as manufacturing, construction or energy.

XTB's intention, however, is to take measures to systematically reduce its carbon footprint and ultimately achieve climate neutrality for the organization.

Achieving the above is planned in particular through:

- initiatives to reduce energy intensity, including, in particular, those relating to its IT infrastructure,
- use of electricity from renewable sources,



- long-term cooperation in the area of increasing tree stands,
- more efficient management of resource consumption.

The XTB Group identifies impacts on the climate area in the following areas:

- impact on greenhouse gas emissions from direct fuel consumption,
- indirect impact related to consumption of purchased electricity and heat,
- indirect impact related to the activities of providers,
- education of employees and co-workers on climate awareness.

**At the same time, climate issues are having (or may have in the future) an impact in the following areas:**

- legislative changes imposing obligations to incur capital expenditures that reduce the energy intensity of IT infrastructure;
- impact on its product offerings in terms of instruments used for climate risk management;
- the possibility of increased local severe weather events that may affect the physical destruction of office locations and IT infrastructure;
- rising electricity and heat prices.

Below is information on greenhouse gas emissions of which the XTB Group is a source.

The sources of emission factors for Poland were publications of KOBIZE (National Balancing and Emission Management Centre), and the Energy Regulatory Office. The sources of emission factors for other countries were in particular the UK Government Conversion Factors (Defra) compilation.

	Unit	2022	2021
<b>Emissions from fuel consumption (Scope 1)</b>	<b>Mg CO2e</b>	<b>11,9</b>	<b>7,9</b>
<b>Emissions from energy consumption (Scope 2)</b>		<b>705,2</b>	<b>560,9</b>
<b>Total emissions (Scope 1 and 2)</b>		<b>717,1</b>	<b>568,8</b>

Climate issues have so far not been included in the XTB Group's decision-making processes. The impact of core operations (which also includes product offerings and the source of revenue and cost generation) on climate issues can be considered insignificant compared to the impact of an organization of similar scale operating in a traditional industry or construction sector. However, XTB's intention is for the reduction of

environmental impact (including climate in particular) to become one of the basic criteria taken into account when making decisions in the area of business support and administration.

The intention is also to include climate risk in the risk management system operating at the XTB Group level.

At the same time, the following actions are planned:

- monitoring the carbon footprint for the organization ultimately in three scopes;
- as a long-term initiative, to cooperate with an external organization that will plant trees and take care of the forest in cooperation with XTB employees;
- systematically reducing paper consumption;
- building environmental awareness among employees as part of further initiatives of the Natural Investment program and business partners by including the ESG area in the Company's business strategy.

### **Water consumption**

Water supply and wastewater collection are handled by local municipal entities in accordance with contracts with building owners. Due to the location of the headquarters and offices in office buildings, the Group companies use only water from waterworks. Total water consumption in 2022 at the XTB Group was approximately 836 m<sup>3</sup>.

## **8. Impact of COVID-19 on the XTB Group**

In March 2020, the World Health Organization declared that the disease caused by the COVID-19 coronavirus could be described as a pandemic. As the disease is increasingly spreading around the world, countries are taking numerous measures to limit or delay its spread. The Management Board of XTB S.A. does not identify the impact of the COVID-19 pandemic on the Group's operations.

### **Impact of Russia's invasion of Ukraine in the Group's results**

On February 24, 2022, Russian troops crossed the eastern, southern and northern borders of Ukraine attacking Ukrainian territory.

In connection with the above, XTB undertook a number of charitable activities directed at supporting Ukraine and its citizens.

In particular, the following actions were taken:

- As a signatory of the Diversity Charter, XTB signed the "Statement of the Forum for Responsible Business on the War in Ukraine"
- XTB made a donation of PLN 500,000 to UNICEF Poland for relief efforts in Ukraine
- XTB made a donation of PLN 500,000 to Polish Humanitarian Action for relief efforts in Ukraine
- XTB organized an auction for the SOS Ukraine goal of the Polish Humanitarian Organization, where MMA gloves signed by Joanna Jędrzejczyk were auctioned for PLN 4,250
- XTB participated in the auction of a bottle of Cantillon Brewery from Belgium organized by the Cooperative Brewery, the item was auctioned for 4,000 PLN, the amount was paid directly to the Polish Humanitarian Action as a donation to Ukraine
- XTB provided refugees from Ukraine with a total of several computers (laptops and desktop computers).

## 9. EU Non-Financial Taxonomy

### Contextual information - ratios for non-financial companies

Regardless of the disclosures on the Non-Financial Taxonomy dedicated to investment firms, for the purposes of this report, an analysis of the share of compliant and non-compliant business activities in the EU Non-Financial Taxonomy systematics in total turnover, capital expenditures and operating expenditures was carried out, as well as adequate qualitative information insofar as it relates to the above-mentioned ratios for fiscal year 2022. The presented ratios simultaneously relate to systematics related to climate change mitigation and climate change adaptation.

With regard to the presented ratios, compliance with the Taxonomy was assessed for the first time. The Group does not have comparative data for 2021 insofar as it relates to compliance with the Taxonomy.

The Group has not yet developed or implemented the plan referred to in Section 1.1.2.2. of Annex 1 to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Regulation 2178). The XTB Group does not have equity investments accounted for in joint ventures, in accordance with IFRS 11 or IAS 28. For the purposes of calculating individual ratios, double recognition of the items in question was avoided by assigning the item only separately to expense items or capital expenditures. For the purpose of calculating non-financial ratios, no disaggregation of data was performed. For none of the activities included in the Taxonomy was production for so-called own consumption.

#### a) turnover ratio

<b>Turnover ratio - percentage of turnover compliant with systematics</b>		
	<b>Value of revenues (PLN thousand)</b>	<b>Proportion of revenues (%)</b>
<b>Business activities compliant with systematics</b>	<b>0</b>	<b>0.0%</b>
<b>Business activities non-compliant with systematics</b>	<b>PLN 1,444,249 thousand</b>	<b>100.0%</b>
<b>SUM</b>	<b>PLN 1,444,249 thousand</b>	<b>100.0%</b>

For the turnover ratio:

- the basis was the Group's total consolidated revenues in 2022 as disclosed in the consolidated financial statements, i.e. PLN 1,444,249 thousand;
- for the purposes of the analysis of the numerator, no revenues were identified from the sale of products and provision of services related to the XTB Group's activities included in the EU Non-Financial Taxonomy.

The XTB Group companies did not issue green bonds or debt securities to finance certain identified business activities compliant with systematics.

b) capital expenditures ratio

<b>Capital expenditures ratio - percentage of capital expenditures compliant with systematics</b>		
	<b>Capital expenditures (PLN thousands)</b>	<b>Proportion of capital expenditures (%)</b>
<b>Business activities compliant with systematics</b>	<b>PLN 0 thousand</b>	<b>0,0%</b>
<b>Business activities non-compliant with systematics</b>	<b>PLN 41,771 thousand</b>	<b>100%</b>
<b>SUM</b>	<b>PLN 41,771 thousand</b>	<b>100,0%</b>

For the capital expenditures ratio:

- the basis was capital expenditures in the XTB Group in the total amount of approximately PLN 41,771 thousand calculated on the basis of the IAS/IFRS provisions indicated in the annex to Regulation 2178;
- for the purposes of the numerator analysis, capital expenditures related to business activities included in the EU Non-Financial Taxonomy were identified in the amount corresponding to the equivalent of approximately PLN 297 thousand and were related to the business activity;
- expenditures classified as included in the Taxonomy do not meet the compliance criteria provided for this type of business activity.

The capital expenditures classified as included in the Taxonomy represent investments including property, plant and equipment (means of transportation) financed by leasing and related to activities included in Section 6.5 of the Taxonomy related to climate change mitigation and adaptation. The capital expenditures in question have been recognized in accordance with the provisions of IFRS 16 Leases Section 53(h).

The XTB Group has not adopted the capital expenditure plan referred to in Item 1.1.2 of Annex 1 to Regulation 2178. The Group companies have not issued green bonds or other securities to finance certain identified capital expenditures compliant with systematics.

c) operating expenditure ratio

<b>Operating expenditures ratio - percentage of operating expenditures compliant with systematics</b>		
	<b>Investment operating expenditures (PLN thousands)</b>	<b>Proportion of operating expenditures</b>
<b>Business activities compliant with systematics</b>	<b>0</b>	<b>0,0%</b>
<b>Business activities non-compliant with systematics</b>	<b>PLN 57,461 thousand</b>	<b>100,0%</b>
<b>SUM</b>	<b>PLN 57,461 thousand</b>	<b>100,0%</b>

For the operating expenditures ratio, an analysis of the component items of operating expenditures was carried out in accordance with the definition of the EU Non-Financial Taxonomy, as a result of which the denominator value for the turnover ratio was calculated at approximately PLN 57,461 thousand. The aforementioned value consists, in particular, of non-capitalized research and development costs in the total amount of approximately PLN 56,789 thousand, which corresponds to approximately 99% of the value of identified operating expenditures, as well as expenditures related to the day-to-day operation of the Group's fixed assets and keeping them in proper condition (in particular, costs related to repairs and renovations or cleaning costs) in the total amount of approximately PLN 671 thousand.

Taking into account the XTB Group's business model of providing products, services and technological solutions for trading in financial instruments, and the fact that the value of the identified operating expenditures is considered insignificant from the point of view of the scale of the XTB Group's operations, for the purposes of calculating the operating expenditures ratio, the possibility of assigning a value equal to zero to the numerator of this ratio was used.

The tables of results for the ratios of turnover, capital expenditures and operating expenditures, respectively, are included in Section 15 of this non-financial report.

At the same time, bearing in mind that the XTB Group's activities are not related to natural gas and nuclear energy (and therefore the XTB Group's activities do not qualify for the activities indicated in Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities, the presentation of the tables included in Annex III to the aforementioned Regulation was waived.

#### **Contextual information - ratios for investment firms**

Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy") provides for the publication by investment firms of information on how and to what extent their activities are related to and compliant with business activities that qualify as environmentally sustainable under Articles 3 and 9 of the aforementioned Regulation.

In turn, Article 10 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, provides for simplification of the scope of disclosures for financial companies. The simplification of disclosures is applicable for 2023 information. The introduction of the aforementioned disclosures is aimed at preparing financial enterprises for future reporting of key performance indicators.

Due to the simplification of the disclosures mentioned above, the disclosures indicated in Annex VII and the template constituting Annex VIII of Regulation 2021/2178 are not applied for investment firms.

Thus, the Issuer presents and provides explanations on certain data related to its portfolio of assets related to transactions for its own account. Information on investment activities other than those related to the conclusion of transactions on own account is not presented.

The Issuer deems it appropriate to clarify that, given the specific business model of the XTB Group, which includes operating on the FOREX market, the key disclosure ratios related to its asset portfolio resulting from the proprietary trading activity of concluding transactions on its own account, differ significantly from the significance of such data for other financial companies and investment firms.

This is because, in particular, it should be pointed out that while XTB has a portfolio of financial assets, this portfolio of assets does not have the character of a classic investment portfolio. The XTB Group is not in the business of financing business activities or investment projects. Instead, given the XTB Group's business model, income of an operational nature is generated from its portfolio of financial assets. The result from



financial assets measured at fair value through profit or loss represents the result on financial instruments from transactions with customers and brokers.

Below is information on the portfolio of assets at fair value through profit or loss. The assets included in this portfolio correspond to assets invested as part of the investment firm's activities related to the conclusion of transactions on own account.

	As of 31.12.2022		
	(IN PLN THOUSAND)	Share in total Group assets (%)	Share in financial assets at fair value through profit or loss
Derivatives -contracts for differences (CFDs)	470 151	11,4%	55,8%
Debt instruments (treasury bonds)	362 074	8,8%	43,0%
Shares and ETFs	10 284	0,2%	1,2%
<b>Total assets invested in the investment firm's activities related to the conclusion of transactions on own account</b>	<b>842 509</b>	<b>20,5%</b>	<b>100%</b>
<b>Total assets (balance sheet total)</b>	<b>4 114 323</b>	<b>100,0%</b>	<b>nd</b>

The structure of the portfolio of financial assets indicated above consists of:

- derivatives - for which the percentage of total assets invested within the framework of investment firms' activities related to the conclusion of transactions on their own account of exposures, referred to in Article 7 (2) of Regulation 2021/2178, i.e. derivatives, is 55.8%,
- treasury bonds - for which the percentage of total assets invested in the framework of investment firms' activities related to the conclusion of transactions on their own account of exposures, referred to in Article 7 (1) of Regulation 2021/2178, i.e. exposures to central governments, central banks and supranational issuers, is 43.0%.

The remainder of XTB's asset portfolio consists of shares and ETF (Exchange Traded Fund) units. The shares and ETF units held account for about 1.2% of the aforementioned portfolio and 0.2% of total assets. The shares that are in the portfolio in question are collateral for the purchase of a so-called synthetic share by an XTB customer. Thus, the composition of the share portfolio is mainly driven by the structure of orders received from customers and brokers. The composition of the share portfolio held is adjusted on an ongoing basis to subsequent customer orders. Accordingly, at no stage of the formation of the portfolio in question does the Issuer evaluate or consider aspects that would be related to the eligibility or compliance of the assets in

question from the perspective of the Non-Financial Taxonomy. The above significantly distinguishes the XTB Group's portfolio of assets from the credit portfolio of a credit institution or the investment portfolio of an investment fund or analogous entity. In practice, the composition of the portfolio of non-financial assets within the XTB Group may change on a daily basis, significantly and unintentionally. Therefore, the structure of the portfolio, especially the share portfolio, is almost random in terms of the eligibility of the activities of individual issuers to the Non-Financial Taxonomy.

It should be pointed out, at the same time, that the technical process of detailed analysis of eligibility with respect to the issuers of individual shares in the portfolio at the end of the reporting period from the point of view of the KPI for non-financial companies would require a significant amount of work. This, in turn, would have to be assessed as an inadequate measure from the perspective of the XTB Group's operations and its business model in relation to the potential level of utility of the calculated ratios for other market participants.

Consequently, for the purpose of disclosures for 2022, the Issuer has assumed that the exposure (percentage) of total assets invested in the investment firms' activities related to the conclusion of transactions on own account against:

- business activities non-eligible for systematics is 100%,
- business activities eligible for systematics is 0%.

Taking into account the assumption made regarding the non-eligibility of assets for systematics, the Issuer also assumed that the percentage of total assets of the exposure referred to in Article 7 (3) of Regulation 2021/2178, i.e. exposure to companies that are not subject to the obligation to publish non-financial information in accordance with Article 19a or 29a of Directive 2013/34/EU, is 0%.

The XTB Group is disclosing the above information for the first time. The Issuer explains that so far compliance with Regulation 2020/852 has not been taken into account with regard to business strategy, product design process and cooperation with customers and counterparties. The XTB Group does not engage in third-party financing activities.

At the same time, the Issuer indicates that in 2023, analyses will be carried out on the mode of aggregation, presentation and usability of data provided for disclosures by investment firms in accordance with the target scope of disclosures provided for in Article 10 of Regulation 2021/2178.

### **Minimum guarantees**

According to Article 3 of the EU Non-Financial Taxonomy Regulation<sup>1</sup>, for the purposes of determining the extent to which an investment is environmentally sustainable, an economic activity qualifies as environmentally sustainable if the activity: (i) makes a significant contribution to one or more of the environmental objectives set forth in Article 9 in accordance with Articles 10-16 of the Regulation; (ii) does not cause serious harm to any of the environmental objectives set forth in Article 9 in accordance with Article 17 of the Regulation; (iii) is carried out in accordance with the minimum guarantees set forth in Article 18 of the Regulation; and (iv) meets the technical qualification criteria that were established by the Commission in delegated acts to the EU Non-Financial Taxonomy Regulation.

The minimum guarantees are, on the other hand, the procedures followed by the business enterprise to ensure compliance with the OECD Guidelines for Multinational Enterprises (the "OECD Guidelines") and the UN Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the principles and rights set forth in the International Bill of Human Rights. In applying the procedures referred to above, companies comply with the "do no serious harm" ("DNSH") principle referred to in Article 2(17) of the SFDR<sup>2</sup>.

The Company's examination of compliance with the minimum guarantees was carried out by taking into account, among other things, an assessment of the degree of implementation of the six due diligence steps

referred to in the OECD Due Diligence Guidelines for Responsible Business Conduct. The assessment was made after first analyzing the risk of a negative effect on individual principles, values and rights, and evaluating the seriousness of individual issues. The analysis omitted those risks to which the XTB Group contributes on a small scale or slightly contributes to their occurrence. In the course of the study, the conclusions of the Platform Report<sup>3</sup> and the TEG Report<sup>4</sup> were also applied, with conclusions and interpretations regarding the methods of implementing the guidelines and assessing compliance with the minimum guarantees, taking into account, among other things, the principles of prioritization (implementing solutions first in relation to the principles and values about which the risk of their violation and negative impact are the greatest) and proportionality (taking into account the scale and structure of the company and the so-called "position of the company" in terms of its ability to influence co-operators). The examination also took into account the requirement to respect the DNSH principle, and not to violate the principles of cooperation with the National Contact Point referred to in Part II of the OECD Guidelines and the Business & Human Rights Resource Centre.

Subject to the caveat made below, in the Company's assessment, in all key areas, the individual activities carried out by the Company identified as eligible and compliant with the Non-Financial Taxonomy, both for the Company and the XTB Group, overwhelmingly meet the requirements of the minimum guarantees referred to in Article 18 of the EU Non-Financial Taxonomy Regulation. However, the assessment is affected by the fact of being subject to "ultimate liability," i.e., the final statement by the Supreme Administrative Court against XTB in March 2023, of violations of the principles and rights set forth in Chapter VIII of the OECD Guidelines.

Due diligence in the responsible conduct of business activities within the XTB Group is reflected in an extensive compliance system, based on procedures, other regulations and system solutions, which is designed to ensure compliance with the principles, values and rights set forth in the acts mentioned above, among others.

As of 2019, XTB has a Code of Ethics in place, which defines the basic norms, principles of conduct and values to be observed by employees and associates. The Code of Ethics contains provisions relating to:

- ethical principles in mutual relations;
- ethical principles regarding loyalty, integrity and conflict of interest;
- ethical principles regarding gifts and loyalty to counterparties, business partners and retail customers.

Formal reference to respect for human rights within the XTB Group can be found in the Work Regulations and the Code of Ethics. Any doubts about the compliance of conducted activities with aspects of human rights protection, according to the provisions of the Code of Ethics, should be reported under the anonymous whistleblowing procedure.

XTB has a procedure for anonymous whistleblowing, which defines the rules for employees to make anonymous reports of actual or potential violations of the law, including violations of anti-money laundering and terrorist financing regulations, internal procedures and ethical standards. Violations are reported in a dedicated electronic form that ensures anonymity. Reports are received by the Management Board Member for Legal Affairs and if the violation involves the Management Board or individual Management Board Members, the report is received by the Supervisory Board. Employees are required by internal regulations, among others, the ethical standards described in the Code of Ethics, to respond to any irregularities. Any person has the right and may report the aforementioned violations confidentially and in a manner that protects them from retaliatory actions, discrimination or other types of unfair treatment in accordance with the procedure for anonymous reporting of violations.

Incentive management policies and conflict of interest management regulations have been adopted within the XTB Group. In addition, all centralized purchases (i.e., made in Poland) are carried out in accordance with a dedicated procedure for the purchase of goods and services.

XTB is an obligated entity within the meaning of the provisions of the Anti-Money Laundering and Countering the Financing of Terrorism Act. In view of the need to ensure compliance with the aforementioned regulations, XTB adopted an AML/CFT Procedure (the "AML Procedure") defining detailed solutions, including the

responsibilities of employees of individual departments in the area of anti-money laundering and financing of terrorism. The AML Procedure sets out, among other things, the rules of conduct and responsibilities related to the above area for employees of the Sales Department, Global Customer Support Department, Finance and Accounting Department, Legal and Compliance Department, External Partner Cooperation Department and IT Development Department, respectively.

The XTB Group operates in a highly regulated environment, imposing certain significant obligations on the XTB Group in terms of many international and local regulations and laws.

The XTB Group has established a compliance (compliance supervision) function for each XTB Group company providing brokerage services to ensure compliance with the laws and regulatory requirements to which the XTB Group is subject. The Legal and Compliance Department at the XTB Group level is headed by the Head of the Department, who is also a Management Board Member for Legal Affairs and reports directly to the President of Management the Board. The Legal and Compliance Department has been divided into the following four teams: the Internal Control Team, the Compliance Supervision Team, the Operational Support Team and the Anti-Money Laundering and Terrorist Financing Team.

The XTB Group has adopted a dedicated Personnel Risk Management Procedure that sets out the principles and procedure for managing this risk as part of the Operational Risk Management Policy. Identification and assessment of risks and determination of the method of counteracting the risk are carried out by the Human Resources Management Department on an ongoing basis.

The main role in the area of compliance is performed at XTB by the Compliance Officer acting on the basis of the Compliance Regulations and the Organizational Regulations of the Legal and Compliance Department ("LCD Regulations"). The purpose of the aforementioned Regulations is, among other things, to establish a system for supervising compliance with the law (the "compliance system") for the purpose of disclosing and preventing violations by XTB of its obligations under the laws governing the conduct of brokerage activities. The objectives of the compliance system implemented at XTB are achieved by, among other things, taking steps to ensure that XTB complies with its obligations under the laws governing the conduct of brokerage activities, advising and providing ongoing assistance to persons performing activities as part of XTB's brokerage activities in fulfilling their obligations in accordance with the laws governing its conduct, and by examining and regularly assessing the adequacy and effectiveness of the compliance system adopted, as well as actions taken to ensure that XTB complies with its obligations under the laws governing the conduct of brokerage activities. Ensuring the proper operation of the compliance system in XTB branches is the responsibility of a person designated in the structure of a given XTB branch, who in this respect reports directly to the Supervision Inspector.

The Supervision Inspector at XTB is primarily responsible for developing and implementing the XTB's policy on the compliance function and supervising its compliance by XTB's various organizational units, directing the process of identifying and assessing compliance risks in various areas of XTB's operations, preparing and presenting to the XTB's Management Board and Supervisory Board a report on the functioning of the system for supervising operations with the law, and directing the process of verifying, analyzing the assessment of information received on violations of internal regulations in terms of compliance risks.

The XTB's compliance risk management process includes identifying compliance risks, assessing the likelihood of their occurrence, evaluating the consequences of the occurrence of a given compliance risk, assigning weights to individual risks, applying risk mitigation measures and documenting the measures applied.

As part of the compliance system at XTB, control proceedings are also conducted at XTB's organizational units in accordance with generally applicable regulations.

The involvement of the Management Board is also important from the perspective of the functioning of the compliance system at XTB. As part of the compliance system, the Management Board Member for Legal Affairs is responsible for, among other things, expressing opinions and making decisions on all legal issues concerning XTB, overseeing the process of identifying and assessing compliance risks in various areas of XTB's operations, preparing, executing and settling the budget of the Legal and Compliance Department, and supporting the Supervision Inspector in supervising the compliance of XTB's operations.

The Company also indicates that it has an effective and adequate set of identified and described processes and procedures for managing the performance of its tax law obligations and ensuring their proper execution. The Company has adequate control over its tax processes, ensuring that risks are identified on an ongoing basis and that tax returns containing correct data are filed on time. In addition, XTB is able to ensure the proper functioning of internal control mechanisms for the tax function, has appropriate procedures for internal tax supervision, adequate personal, technical and financial resources necessary to implement them and maintain supervision of the proper execution of tax obligations.

For example, the Company has implemented an instruction defining the scope of responsibility for carrying out tasks on the Company's tax liability settlements. The Procedure in question defines the processes for identifying economic events that give rise to certain tax consequences and the procedures used to fulfil XTB's obligations as a taxpayer and payer, as well as the tasks of individual employees working in the Company's various organizational units in the process of fulfilling the tax law obligations indicated in the Procedure.

The Company also has an internal procedure for counteracting the failure to comply with the obligation to provide information on tax schemes. The indicated Procedure establishes uniform rules for the application of the requirements set forth in Articles 86a - 86o of the Tax Ordinance Act at XTB related to the obligation to submit information on tax schemes to the Head of the National Revenue Administration.

The Company's tax strategy is to strive to create and maintain an effective, efficient and transparent tax function within the company, which in effect ensures compliance of conduct with tax regulations and certainty in the control of tax risks.

In accordance with Article 27c (1) of the Corporate Income Tax Law, XTB prepares and publishes the Information on the implemented tax strategy.

In summary, the XTB Group has implemented and is developing an advanced and effective multi-faceted compliance system aimed at complying with the principles and rights expressed, among others, in the acts referred to in Article 18 of the EU Non-Financial Taxonomy Regulation. The compliance supervision system is based on such key solutions as the adoption of a Code of Ethics, the adoption and implementation of Compliance Regulations, or the introduction of Organizational Regulations of the Legal and Compliance Department. In addition, the Company has established and is developing a risk management system that also covers legal and regulatory risks. The above measures allow us to conclude that the Company overwhelmingly meets the requirements of the minimum guarantees referred to in Article 18 of the EU Non-Financial Taxonomy Regulation, subject to Area VIII of the OECD Guidelines. Areas in which the Company plans to increase its activity in developing a compliance system based on the guidelines indicated in this provision are deepening structured dialogue with stakeholders and broadening the spectrum of supply chain analysis.

## **10. Business Ethics**

### **Code of Ethics**

The XTB Group exercises due diligence to ensure that its operations comply with the law, internal regulations, the standards recommended for the anti-corruption compliance management system and the whistleblower protection system for companies listed on the markets organized by the Warsaw Stock Exchange, the principles of social coexistence, good market practices and the principles of fair competition, and all decisions regarding the XTB Group's operations are made in an appropriate manner, on the basis of reliable data and in a manner that minimizes the risk of a conflict of interest.

As of 2019, XTB has a Code of Ethics, which sets out the basic standards, principles of conduct and values to be observed by employees and associates.

All employees are obliged to behave responsibly and ethically, adhere to the principles of the Code of Ethics, as well as act with integrity in all employee and business activities and interactions.

The Code of Ethics contains provisions relating to:

- ethical principles in mutual relations;

- ethical principles regarding loyalty, integrity and conflicts of interest;
- ethical principles regarding gifts and loyalty to counterparties, business partners and retail customers.

Analogous solutions are applied by subsidiaries through customary application of developed rules of conduct and corporate relationships within the XTB Group.

Ethical aspects are an important part of the induction training for every new employee hired at the Company. All new employees familiarize themselves with internal procedures and regulations, including the Code of Ethics, and agree to abide by its provisions.

Formal reference to respect for human rights within the XTB Group can be found in the Work Regulations and the Code of Ethics. Any doubts about the compliance of ongoing activities with aspects of human rights protection, in accordance with the provisions of the Code of Ethics, should be reported under the anonymous whistleblowing procedure.

In 2022, there were no complaints regarding potential violations of ethical standards.

In 2022, there were no complaints of potential ethical violations.

### **Counteracting corruption**

However, no formal anti-corruption policy has been adopted at XTB. Nevertheless, the nature of the business and regulatory requirements for the XTB Group companies as financial market entities (in particular, regulations relating to the area of counteracting money laundering and financing of terrorism) impose numerous restrictions on employees that shape the awareness of individual organizational units regarding ethical conduct and legal restrictions in relations with partners and the sanctions associated with their violation.

Within the XTB Group, incentive management policies and conflict of interest management regulations have been adopted. In addition, all centralized purchases (i.e., in Poland) are carried out in accordance with a dedicated procedure for purchasing goods and services.

There were no reported/confirmed cases of corruption within the XTB Group in 2022.

### **Counteracting money laundering and financing of terrorism**

XTB is a so-called obligated entity within the meaning of the provisions of the Anti-Money Laundering and Countering the Financing of Terrorism Act.

In view of the need to ensure compliance with the aforementioned regulations, XTB adopted the so-called AML Procedure defining detailed solutions including the duties of employees of individual departments in the area of anti-money laundering and financing of terrorism. The procedure in question defines, among other things, the rules of conduct and responsibilities related to the above area for employees of the Sales Department, Global Customer Support Department, Finance and Accounting Department, Legal and Compliance Department, External Partner Cooperation Department and IT Development Department, respectively.

In 2022, no irregularities involving the XTB Group employees in the area of anti-money laundering and financing of terrorism were identified.

### **Anonymous reporting of violations**

XTB has an anonymous whistleblowing procedure that defines the rules for employees to make anonymous reports of actual or potential violations of the law, including violations of anti-money laundering and countering the financing of terrorism regulations, internal procedures and ethical standards. Violations are reported in a dedicated electronic form that ensures anonymity. Reports are received by the Management Board Member for Legal Affairs and if the violation involves the Management Board or individual Management Board Members, the report is received by the Supervisory Board. At the same time, if local laws or regulations are stricter than the rules set forth in the above procedure, the stricter rules should be applied.

Employees are obliged by internal regulations, among others, the ethical standards described in the Code of Ethics, to respond to any irregularities. Any person has the right and may report the aforementioned violations confidentially and in a manner that protects them from retributive actions, discrimination or other types of unfair treatment in accordance with the anonymous reporting procedure. All reports shall be handled with due seriousness, integrity, fairness and in full discretion.

Verification of reports is carried out by authorized employees, which allows for fair and impartial clarification of objections.

## **11. Data protection**

The following internal procedures are in place at XTB to protect privacy and personal data:

- Regulations for the protection of the flow of confidential information and information constituting professional secrets at XTB,
- Security policy for the protection of personal data at XTB,
- IT security policy.

In 2022, the Company did not receive any notifications from regulatory authorities regarding customers/employees/co-workers regarding violations. In 2022, there were isolated situations in which customers reported a violation of their personal data. In each such case, appropriate measures were taken to minimize the negative potential consequences of these incidents. In isolated, justified cases, the President of the Office for Personal Data Protection was informed about violations of the confidentiality of customers' personal data.

In 2022, there were no incidents in the XTB Group related to leakage, theft or loss of customer/employee/co-worker information.

## **12. Regulatory compliance**

The XTB Group operates in a highly regulated environment that imposes certain significant obligations on the XTB Group with respect to a number of international and local regulations and laws. The XTB Group is subject to regulations regarding, among other things:

- sales practices, including customer acquisition and marketing activities;
- maintenance of capital at certain levels;
- money laundering and terrorist financing prevention practices and customer identification procedures (KYC);
- reporting obligations to regulatory authorities;
- obligations to protect personal information and observe professional secrecy;
- obligations to protect investors and provide them with adequate information on the risks associated with the brokerage services provided; and
- supervision of the Group's activities;
- insider information and its use, prevention of unlawful disclosure of inside information, prevention of market manipulation;
- making information public as a listed entity on a regulated market.

The Group is subject to the supervision of certain regulatory supervision authorities and public administration authorities in the jurisdictions in which the Group operates.

The Group has established a compliance function for each Group company providing brokerage services to ensure compliance with the laws and regulatory requirements to which the Group is subject.

The Legal and Compliance Department at the XTB Group level is headed by the Head of the Department, who is also the Management Board Member for Legal Affairs and reports directly to the President of the Management Board. The Legal and Compliance Department is divided into the following four teams: the Internal Control Team, the Compliance Supervision Team, the Operational Support Team and the Anti-Money Laundering and Terrorist Financing Team. For the purpose of risk management in the above area, dedicated compliance regulations and a procedure related to legal and regulatory risk management have been adopted.

Detailed information on the description and management of regulatory risk is described in the *Management Board Report of the operations of the Group and Company*.

In 2022, no sanctions were imposed on the XTB Group companies related to violations of regulations in the area of the environment, human and labour rights, occupational health and safety, corruption incidents, anti-competitive activities or data confidentiality.

Details of significant or potentially significant legal proceedings and proceedings before administrative authorities are described in the *Management Board Report of the operations of the Group and Company*.

## **13. Risk related to non-financial issues**

### **Risks related to non-financial issues**

Considering the XTB Group's business model, the key non-financial aspects from the point of view of its relevance to the Group's operations are the areas of labour, human rights and ethics, anti-corruption.

### **Risks related to the employee area**

The XTB Group has adopted a dedicated Personnel Risk Management Procedure that defines the principles and procedure for managing this risk as part of its operational risk management policy.

Identification and assessment of the risk and determination of the method of counteracting the risk is carried out by the Human Resources Department on an ongoing basis.

Below is information on risk factors related to the employee area.

- employee turnover in key positions,
- psychosocial factors - workplace stress exacerbated by pandemic-induced isolation and remote working,
- long-term sickness absence,
- high employee turnover,
- shortage of highly skilled professionals,
- fraud, embezzlement, unethical practices.

Determining the impact of personnel risks involves determining the anticipated effects that will affect the performance of tasks and the achievement of the organization's goals. In turn, a detailed description of risk management is included in the referenced procedure.

### **Risks in the area of respect for ethics and human rights.**

The consequences of violations of ethical and human rights obligations and standards, in addition to possible financial consequences, would result in a deterioration of the Group's image, which could affect future relations with customers and potential customers.

The XTB Group identifies impact on social relations in the following areas:

- educational activities;



- respect for human rights.

The XTB Group manages the above-mentioned relations by taking measures in the area of reliable communication, applying the provisions of the Code of Ethics, transparent terms of cooperation and ensuring conformance in the area of compliance.

#### **Risks related to anti-corruption**

The XTB Group's credibility and transparency in operations is crucial to the XTB Group's image as a trusted provider of financial instruments trading solutions.

The occurrence of a corruption incident could have negative image consequences for the XTB Group, which could hinder future business relationships as well as damage the XTB Group's reputation as a credible and reliable business partner. Activities related to corruption risk management relate in particular to the application of the Code of Ethics and the policies, procedures and regulations described earlier in this report.

## **14. XTB Foundation**

Beginning in 2020, the XTB Foundation is in operation, which XTB performs ESG tasks.



The foundation's activities are aimed in particular at:

- increasing entrepreneurship and innovation, particularly in the area of new technologies and the financial market,
- raising awareness and knowledge of economics, finance and new technologies,
- scientific and research activities and promotion of solutions developed within the XTB Capital Group's operations,
- supporting and organizing all initiatives related to the promotion of financial institutions and new Technologies,
- financial support, transfer of knowledge or business consulting for the benefit of selected entrepreneurs,
- acting in the field of corporate social responsibility, sustainable development,
- promotion of employment and education and equalization of development opportunities,
- initiating and supporting activities of the XTB Capital Group employees,
- charitable and social activities, in particular aimed at equalizing opportunities and helping the disabled and excluded.

The Foundation's activities in 2022 were largely focused on assistance in connection with the outbreak of war in Ukraine. Indeed, regardless of the activities of XTB described earlier in this report, the XTB Foundation undertook the initiatives described below.

- Internally, a closed group was created for employees on Facebook, where employees exchanged ideas for organizing aid/collections for Ukraine, where important official information about aid centres, hotlines, psychological support, etc. was provided.
- The Foundation provided support for employees who are Ukrainian citizens as well as their families.
- Grassroots initiatives of XTB employees in the field of individual assistance to refugees, collections of medical supplies, collections to finance accommodation, collections of clothing and other products for refugees from Ukraine were carried out
- The XTB Foundation provided accommodation for 41 people from Ukraine who came to Warsaw in hotels and hostels for a week, as well as providing them with needed clothing, shoes, toys for children etc.
- The XTB Foundation made a donation of PLN 23,980 to UNICEF for the purchase of 50 mathematics teaching kits in support of Ukrainian children.

In 2022, XTB employees once again got involved in helping the Noble Parcel, a collection was organized among employees, which allowed the purchase of products to meet the needs of the selected family.

Regardless of the above, in 2022 the XTB Foundation donated an amount of PLN 100 thousand to charity.

In 2022, a series of webinars in Polish and English was conducted for XTB Capital Group employees as part of the "Full-Time Health" Program aimed at promoting healthy lifestyles.

In 2022, an internal page for XTB's employees "Employee News" was created, which provides information on events in the life of the company, so that everyone can be up-to-date with all the activities of XTB and its employees.

The XTB Foundation is constantly developing new courses of action and looking for opportunities to cooperate with external entities in order to achieve the Foundation's statutory goals.

The Foundation's annual reports are available on the XTB Group's corporate website.

Activities planned by the Foundation in the social area:

- systematically expanding the knowledge base for each level of expertise,
- systematically supplementing our educational video materials with transcripts to make them easier to receive for the hard of hearing,
- increased involvement in programs supporting the development and innovation of Polish entrepreneurs,
- systematic increase in charitable contributions and development of the partnership area in social projects,
- continuation of the program to donate company-replaced but still functional electronic equipment to charity in order to remove barriers and counteract exclusion,
- increase involvement in environmental projects, including planting forests,
- increase involvement in social projects systematic,
- increase in volunteer hours worked,
- taking measures to prevent the exclusion of children and young people,
- economic education program for children and young people and support for their education in science subjects.

Notwithstanding the above, subsidiaries also undertook, according to their scale, individual activities in the area of charity addressing them mainly to local institutions and medical institutions.

## 15. Scoreboards - Non-Financial Taxonomy

### Scoreboard - turnover ratio

Business activity (1)	Code or codes (2)	Turnover (absolute value) (3) [PLN thousand]	Proportion of turnover (4) [%]	Criteria for making a significant contribution										Criteria for the „do no serious harm” principle									
				Climate change mitigation (5) [%]	Climate change adaptation (6) [%]	Water and marine resources (7) [%]	Closed-loop economy (8) [%]	Pollution (9) [%]	Biodiversity and ecosystems (10) [%]	Climate change mitigation (11) [Y/N]	Climate change adaptation (12) [Y/N]	Water and marine resources (13) [Y/N]	Closed-loop economy (14) [Y/N]	Pollution (15) [Y/N]	Biodiversity and ecosystems (16) [Y/N]	Minimum guarantees (17) [Y/N]	Percentage of turnover compliant with systematics, Year N (18) [%]	Percentage of turnover compliant with systematics, Year N-1 (19) [%]	Category (supporting activities) (20) [E]	Category (transition activities) (21) [T]			
<b>A. BUSINESS ACTIVITIES ELIGIBLE FOR SYSTEMATICS</b>																							
<b>A.1 Types of environmentally sustainable business activities (compliant with systematics)</b>																							
		<b>0</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>											<b>0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>A.2 Business activities eligible for systematics but not environmentally sustainable (business activities non-compliant with systematics)</b>																							
		<b>0</b>	<b>0.0%</b>																				
<b>Total (A.1+A.2)</b>																							
		<b>0</b>	<b>0.0%</b>																				
<b>B. BUSINESS ACTIVITIES NON-COMPLIANT WITH SYSTEMATICS</b>																							
		1,444,249	100%																				
		1,444,249	<b>100%</b>																				
<b>Total (A+B)</b>																							
		1,444,249	<b>100%</b>																				



**Scoreboard – operating expenditures ratio**

			Criteria for making a significant contribution					Criteria for the „do no serious harm” principle												
Business activity (1)	Code or codes (2)	Turnover (absolute value) (3) [PLN thousand]	Proportion of turnover (4) [%]	Climate change mitigation (5) [%]	Climate change adaptation (6) [%]	Water and marine resources (7) [%]	Closed-loop economy (8) [%]	Pollution (9) [%]	Biodiversity and ecosystems (10) [%]	Climate change mitigation (11) [Y/N]	Climate change adaptation (12) [Y/N]	Water and marine resources (13) [Y/N]	Closed-loop economy (14) [Y/N]	Pollution (15) [Y/N]	Biodiversity and ecosystems (16) [Y/N]	Minimum guarantees (17) [Y/N]	Percentage of turnover compliant with systematics, Year N (18) [%]	Percentage of turnover compliant with systematics, year N-1 (19) [%]	Category (supporting activities) (20) [E]	Category (transition activities) (21) [Y]
<b>A. BUSINESS ACTIVITIES ELIGIBLE FOR SYSTEMATICS</b>																				
<b>A.1 Types of environmentally sustainable business activities (compliant with systematics)</b>																				
Operating expenditures for environmentally sustainable business activities (compliant with systematics) (A.1)	n/a	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>A.2 Business activities eligible for systematics but not environmentally sustainable (business activities non-compliant with systematics)</b>																				
Operating expenditures for business activities eligible for systematics but not environmentally sustainable (business activities non-compliant with systematics)	n/a	0	0																	
<b>Total (A.1+A.2)</b>	n/a	<b>0</b>	<b>0</b>																	
<b>B. BUSINESS ACTIVITIES NON-COMPLIANT WITH SYSTEMATICS</b>																				
Operating expenditures for business activities non-eligible for systematics (B)	n/a	57,461	100%																	
<b>Total (A+B)</b>	n/a	<b>57,461</b>	<b>100%</b>																	

## Signatures of managing persons

Warsaw, 21 March 2023

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**Omar Arnaout**

President of the Management Board

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**Filip Kaczmarzyk**

Member of the Management Board

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**Paweł Szejko**

Member of the Management Board

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**Jakub Kubacki**

Member of the Management Board

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**Andrzej Przybylski**

Member of the Management Board