

# Stakeholder Engagement Policy

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Approved and adopted by the Board in April 2024



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## **Purpose**

This policy serves to lay out our approach aimed at creating long-term sustainable value while balancing the sustainability interests of our stakeholders. Staying focused on what matters for our business and stakeholders, is the cornerstone of our strategy.

It is important to note that this Stakeholder Engagement Policy does not grant any legal rights or claims to stakeholders. Its purpose is to provide guidelines for how Flow Traders engages with stakeholders in a transparent and mutually beneficial manner.

This policy is leading, but stricter laws or regulations will prevail. This policy complements the Code of Conduct and Public Affairs policy.

## **Scope**

Flow Traders' Stakeholder engagement Policy is established by Flow Traders Ltd. and applies to all employees and contingent workers and employees of our subsidiaries. However regional, business function or stakeholder specific policies on engaging with specific stakeholder groups may apply instead of, or in addition to this Stakeholder Engagement Policy.

We have identified the following five stakeholder groups:

- Political, legislative and regulatory actors
- Suppliers including primary market financial product issuers and well as product and service providers;
- Employees within our own organization;
- Institutional counterparties including exchanges, trading venues and prime brokers;
- Financial and social interest parties including our shareholders and investors.

This policy also covers engagement with the stakeholders groups in our value chain related to ESG topics. Such engagements aims to assess, by means of open dialogue, current and potential future ESG impacts, risks and opportunities from two perspectives:

- impacts resulting from our business activities on our stakeholders, and
- impacts resulting from our upstream and downstream value chain on Flow Traders.

## **Commitment**

Flow Traders operates a comprehensive governance framework, which is upheld by the Board to the highest standards. Flow Traders remains focused on sustainable long-term value creation, culture and risk management while balancing the interests of our many stakeholders, such as shareholders, senior management executives, counterparties, suppliers, investors, employees, legislators, regulators, and the community, as defined in the Bye-laws.

Stakeholder engagement entails knowing our key stakeholders and have a trusted relationship with them, understanding their requests and critical points of decision, and knowing how, when and by whom best to pro-actively engage with them in the interests of Flow Traders and our stakeholders. Engaging with stakeholders that are affected by or can affect Flow Traders' interests and performance, and responding to their concerns, improves

our overall performance. It will also increase our knowledge, build Social and Relationship Capital and contributes to our role in society. It also provides an accountability mechanism, since it obliges us to involve stakeholders in identifying, understanding, and responding to issues and concerns, and to report, explain and answer to stakeholders for decisions, actions, and performance.

For each of our Strategic ESG theme, we have developed performance indicators to measure our progress against our long-term objectives. Continuously, our drive is to improve and to generate long-term value for all of our stakeholders. We consider the interests of our stakeholders which may be impacted in the ESG materiality assessment.

## Key principles

Flow Traders engagement efforts should be following the below principles.

- Flow Traders engagement principles:
  - i. Transparent – we will be transparent on our goals, opinions and purpose of engagement
  - ii. Expect – we have clear reasoning and expectations on our engagement and try to understand the needs, requests and issues of our stakeholders
  - iii. Require – we require compliance with rules and regulations and our engagement assists with developing, reviewing, and improving the ecosystem we are functioning in
  - iv. Cooperate – we strive to cooperate with our stakeholders and will share actual and useful information with our stakeholders
  - v. Inform – we inform society about what we do and why we do it
  - vi. Constant – we engage timely and consistently with the right person in the right manner
  - vii. Influence – we encourage change, innovation and competitiveness

We act on each level of engagement. It is common practice this includes the following: monitor, inform, advocate, consult, transact, negotiate, collaborate, involve, and empower.

- In identifying relevant Stakeholders to engage on a specific topic, the Engagement Owner (i.e. representative of Flow Traders, such as Investor Relations, Public Affairs, Trading Account Manager, Human Resources, Tax, Sustainability team, etc. ) will consider, among others, the following attributes of Stakeholders in respect to the topic:
  - i. Dependency – those who are directly or indirectly dependant on our business activities;
  - ii. Responsibility - those to whom we currently have or potentially in the future may have legal, business or ethical responsibilities;
  - iii. Tension – those who need attention from us with regard to ESG issues;
  - iv. Influence – those who may have an impact on our strategic or business decision making;
  - v. Diverse perspectives – those whose views can lead to new understanding or opportunities.
- (when applicable) Engagement Owner will identify potential Engagement Counterparties (i.e. the stakeholder) for the engagement.

- Engagement Owner shall determine the most appropriate the method(s) of engagement. This may include, without limitation: written correspondence, one-on-one interviews, roundtables and expert meetings, customer, supplier and investor meetings and calls, industry and investor conferences, employee meetings, portals and hotlines, community outreach programs, and governmental and regulatory interactions.

## **Internal control / measures**

The engagement and its outputs are documented and where applicable, to communicate with relevant internal stakeholder. If considered appropriate and follow-up is assessed as needed, we will develop an action plan that respond to the outputs of the engagement.

Annually, we publicly report on the key elements of the engagements to give insight into the scope and breadth of the outreach.

## **Responsibilities**

This policy falls under the responsibility of Public Affairs, the ESG team and the Company secretary.

## **Definitions**

**Engagement Owner** means the representative designated by or on behalf of the Flow Traders that is conducting or initiating the engagement process on behalf of the Company, and identifies the potential Engagement Counterparties

**Engagement Counterparty** means the counterparty stakeholder of the Engagement Owner in the engagement.