

SCB Brokers S.A.

Nyon, Switzerland


**Independent Limited Assurance Report on the
SCB Group's CO2 Emissions Abatement Calculation
to the Board of Directors**



Independent Limited Assurance Report

on the SCB Group's CO2 Emissions Abatement Calculation to the Board of Directors of SCB Brokers S.A.

Nyon, Switzerland

We have been engaged by Management of SCB Brokers S.A. to perform assurance procedures to provide limited assurance on the CO2 Emissions Abatement Calculation, as disclosed on the SCB Group website, which is comprised of SCB Brokers SA, SCB Derivatives LLC, SCB Brokers LLC, SCB & Associates Ltd, and SCB & Associates PTE Ltd (collectively and hereafter referred to as 'SCB Group'). ⁽¹⁾ <https://starcb.com/impact/carbon-impact/> and marked with the label  PwC CH', for the period ended 31 December 2019 prepared in accordance with the Reporting Criteria.

The CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ was prepared by Management of SCB Brokers S.A. (the 'Company') based on the following Reporting Criteria (the 'Reporting Criteria'):

- The SCB Group's guideline 'Basis of Preparation 2012-2019' disclosed on the website⁽¹⁾ <https://starcb.com/impact/carbon-impact/>;
- European Union's Renewable Energy Directive (RED), revised version as per December 2018; and
- Low Carbon Fuel Standards (LCFS) program, as governed by the California Air Resource Board (CARB).

Inherent limitations

The accuracy and completeness of the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the CO2 Emissions Abatement Calculation and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the Reporting Criteria used by SCB Group, its definitions and procedures in the document 'Basis of preparation 2012-2019'.

Board of Director's and Management's responsibility

The Board of Directors and Management of the Company are responsible for preparing the 'Basis of preparation 2012-2019' document of the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ in accordance with the Reporting Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the basis for the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors of the Company is responsible for the selection and application of the Reporting Criteria and adequate record keeping.

Our independence and quality control

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Practitioner's responsibility

Our responsibility is to perform an assurance engagement and to express a conclusion on the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements (ISAE) 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ and marked with the label '✓ PwC CH' was prepared, in all material aspects, in accordance with the SCB Group's guideline 'Basis of Preparation 2012-2019'.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Summary of Work Performed

We performed the following procedures, among others:

- *Management Inquiry:*
Interviewing management and personnel responsible for internal non-financial reporting and data collection at the Company to determine the understanding and application of the SCB Group's guidelines 'Basis of Preparation 2012-2019' used as a basis of the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾;
- *Review of the relevant guidelines used as basis for the CO2 Emissions Abatement Calculation:*
On a sample basis we have tested the accuracy of the Greenhouse Gas (GHG) Reduction Rate published by the European Union's Renewable Energy Directive (RED) or the Low Carbon Fuel Standards (LCFS) program and used in the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾; and
- *Assessment of the processes and data consolidation:*
Performing completeness and accuracy tests over the transactional data used to calculate the CO2 Emissions Abatement disclosed on the SCB Group's website and marked with the label '✓ PwC CH'.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that would cause us to believe that the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ and marked with the label '✓ PwC CH' for the period ending 31 December 2019 is not prepared, in all material respects, in accordance with the SCB Group's guideline 'Basis of Preparation 2012-2019'.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of SCB Brokers S.A., and solely for the purpose of reporting to them on the CO2 Emissions Abatement Calculation disclosed on the SCB Group's website⁽¹⁾ and marked with the label '✓ PwC CH' and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion

may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the SCB Group's guideline 'Basis of Preparation 2012-2019', to enable the Board of Directors and Management to demonstrate that they have evidenced their commitment to a low-carbon future by commissioning an independent assurance report over the CO2 Emissions Abatement Calculation statement disclosed on the SCB Group's website⁽¹⁾, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of SCB Brokers S.A. for our work or this report.

PricewaterhouseCoopers AG

Cristian Manganiello

Christine Blass

Zürich, 25 September 2020

⁽¹⁾ The maintenance and integrity of the SCB Group's website is the responsibility of the Board of Directors and Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the figures or Reporting Criteria when presented on the SCB Group's website.