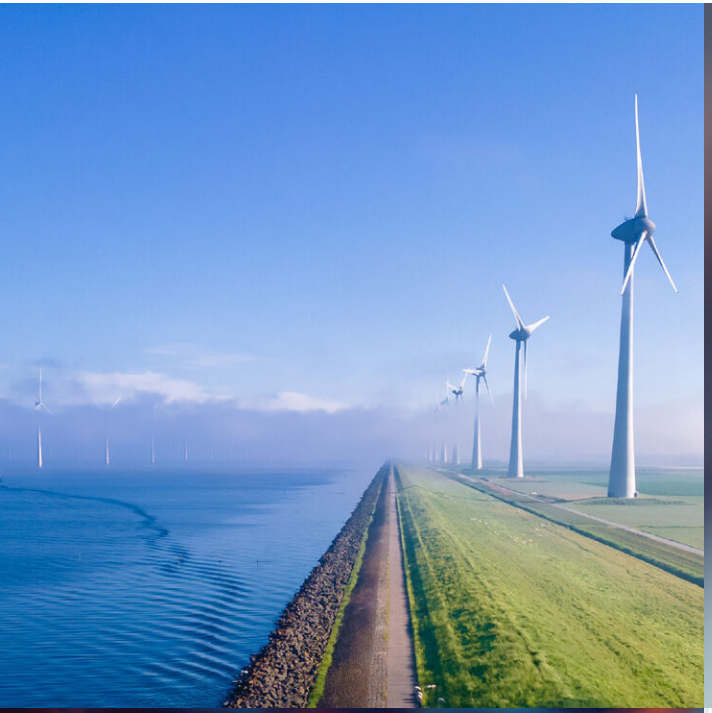
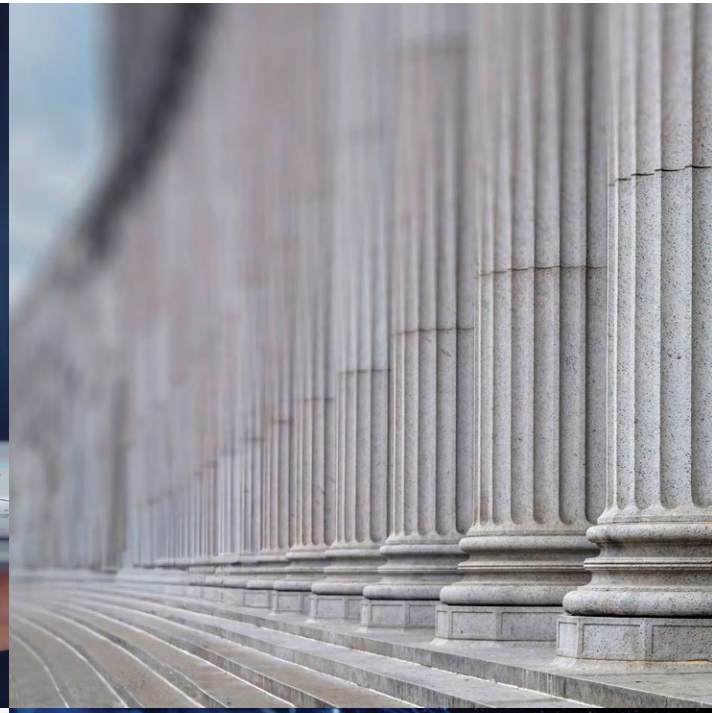
InteractiveBrokers

Sustainability Report 2023





Contents

Introduction **3**
About Interactive Brokers 4
Our Leadership and Governance 5
Financial Strength 2023 6
Our Sustainability Approach & Materiality Assessment 7

Innovation **8**
Trading Marketplace 9
ESG Integration in Our Products 10

Our People and Community **12**
Our People 13
Benefits 14
Diversity, Equity and Inclusion 15
Learning and Development 16
Promoting Financial Literacy 17

Environmental Stewardship **18**
Climate Change and Our Business 19
Case Study: Interactive Brokers (U.K.) Limited, 20 Fenchurch, London 20
Greenhouse Gas Emissions 21

Resilience **22**
Physical Security and Safety at Interactive Brokers 23
Cyber & Information Security 24
Data Protection 24
Auditing and Assurance 24
Data Privacy 25
Risk Management and Compliance 26
Enterprise Risk Management 26
TCFD Disclosure 27
Compliance Management 29

Appendix **31**

Introduction

At Interactive Brokers[1], we believe that sustainable and responsible business practices are important to our success.

Over the decades since our inception in 1977, we have held firm to four core values: innovation, integrity, operational efficiency, and resilience. Our expertise lies in building innovative technology and tools to help clients efficiently achieve their financial goals. Our Mission is "to compete on price, speed, size, diversity of global products, and advanced trading tools."

Our sustainability strategy is anchored to three primary areas:

1. Leadership and Governance
2. Our People
3. Environmental Stewardship

By integrating our sustainability strategy into our operations, underpinned by our core values, we strive to create better products and services for our clients and greater value for our stakeholders.

This sustainability report discusses the steps we have taken to implement these business practices, and presents an overview of our sustainability initiatives, performance, and progress during the 2023 calendar year.

Sustainable Development Goals

As Interactive Brokers prioritizes sustainability throughout our operations, the UN Sustainable Development Goals (SDGs) were used to steer our sustainability strategy. We have selected five SDGs that best align with our core values and business operations. During the 2023 year, positive changes have been seen in two key areas via Quality Education in our learning and development and financial literacy, and Climate Action through our environmental stewardship.

1. The Interactive Brokers Group, Inc., together with its affiliates, are referred to here as "Interactive Brokers," "IBKR," "we," "us," and "our."

Important Facts

We have been in business for 46 years.

We trace our roots to the market-making business founded by our Chairman, Mr. Thomas Peterffy, on the floor of the American Stock Exchange in 1977.

2.5+ Million
cleared customer accounts.

IBKR is an automated global electronic broker.

We service customers around the world on more than 150 electronic exchanges and market centers in 34 countries and 27 currencies.

Our IBKR Campus has approximately **123,000 users/month**.

Our student trading lab, a free resource is used by more than 27,000 students and 1,400 educators, at over 900 educational institutions worldwide.

All statistics as of December 2023

About Interactive Brokers

Headquartered in Greenwich, Connecticut, Interactive Brokers has 2,951[1] employees in the United States, Canada, the United Kingdom, Ireland, Switzerland, Estonia, Hungary, India, China (Hong Kong and Shanghai), Japan, Singapore, and Australia. Interactive Brokers is regulated by the SEC, FINRA, NYSE, FCA[2], and other regulatory agencies around the world.

Headquarters at 1 Pickwick Plaza, Greenwich, CT

Globally, we offer sophisticated trading technology and services to retail and institutional investors, financial advisors, proprietary trading firms, and introducing brokers at some of the lowest fees in the market. Because we recognize that successful investment practices start with robust financial literacy, we maintain a comprehensive suite of free training and educational support services, including courses, videos, podcasts, webinars, and blogs. We also offer wide-ranging research and market data provided by third-party organizations.

We are an automated global electronic broker specializing in executing and clearing trades in stocks, options, futures, foreign exchange instruments, bonds, mutual funds, exchange-traded funds, precious metals, and other products on more than 150 electronic exchanges and market centers in 34 countries and 27 currencies around the world. We offer custody, prime brokerage, and securities and margin lending services to our clients. In addition, our clients can use our trading platform to trade cryptocurrencies through third-party service providers that execute, clear, and custody the assets. On average, our trading systems executed 3.1 million trades per day in 2023.

We continually look for ways to expand our services and automate our processes while maintaining low costs. Our relatively flat organizational structure supports rapid decision-making and complex product development. We have grown organically, which we believe results in a more integrated operation than competitors of comparable size. The resulting efficiency allows us to keep our fees low while continuing to offer comprehensive data and advanced technology.

IBG offices around the world

1. As of December 2023.
2. Securities Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), New York Stock Exchange ("NYSE"), The Financial Conduct Authority ("FCA").

AWARDS

#1
Best Online Broker
★★★★★
5 out of 5 stars

#1
- Professional Trading
- Active Trading
- Futures Trading
- International Trading
- Investment Options
- ESG Investing

★★★★★
5 out of 5 stars:
- Platforms & Tools
- Research

#1
Best Broker for ESG Investing

- ✓ Best Online Broker
- ✓ Best Stock Broker
- ✓ Best Broker for Day Trading
- ✓ Best Broker for Investing

Our Leadership and Governance

Our leadership, including our Board of Directors, Chairman, and CEO, drives our sustainability agenda, which covers both financial and non-financial objectives. In 2023, our Board was comprised of ten directors, four of whom were independent. Our Board committees include the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Environmental, Social, Governance ("ESG") Committee.

Our ESG Board Committee works closely with our Board to develop our sustainability strategy. The ESG Committee monitors our ESG matters, relays necessary information to the Board, guides the development of new programs including products and services, and supports ESG reporting.

Additionally, we have an operational-level sustainability leadership group known as Sustainability Advocates and Information Leadership ("SAIL"). This group of ten senior employees support the ESG programs and initiatives approved by the ESG Board Committee and senior management. Members are located across our three regions, ensuring that a diverse set of perspectives informs discussions about ESG best practices and ideas.

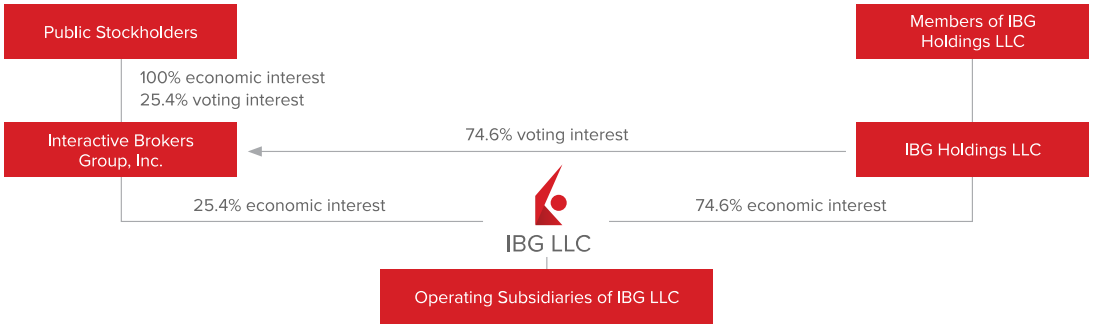
(See Appendix A, for information on our Governance.)

In coordination with our management, we implement policies, procedures, and internal controls that promote responsible practices and comply with relevant legal obligations. Our relevant department heads contribute to areas of importance such as data privacy, cybersecurity, anti-money laundering, sanctions, anti-corruption, diversity and inclusion, and responsible supplier practices. As an example, in 2023, we created an Environmental and Social Policy Statement that outlines the expectations for our business operations and supply chain in the areas of human rights and environmental management.

We also created a Vendor Code of Conduct to align with our Interactive Brokers Group, Inc. Code of Business Conduct and Ethics.

Interactive Brokers is owned by our public company, Interactive Brokers Group, Inc. (25.4%) and our founders, employees and their affiliates (74.6%). Unlike many other firms, where management owns a relatively small share, our founder and other senior executives own a substantial majority of our equity, which strongly aligns management with our stockholders. This incentive-compatible structure ensures that management does not take unnecessary or unwise risks to further their own benefit.[1]

Organizational Structure



1. For more information please visit our website: ibkr.com.

AWARDS

Best Broker for Advanced Trading Options

4.6 out of 5 stars:
- Overall
- Best Broker for International Trading
- Best Online Broker for Advanced Traders

BENZINGA
- ✓ Best Online Brokers for Bonds
- ✓ Best Overall Broker for Mutual Funds
- ✓ Best for Global Options Traders

PREQIN
- ✓ Featured as a Top Prime Broker
- ✓ Featured as a Top Hedge Fund Custodian

Financial Strength 2023[1]

We operate under the fundamental principle that serving clients effectively is critical to the financial strength of a brokerage firm. We believe Interactive Brokers is one of the strongest and most financially sound global brokers.

- As a regulated securities broker-dealer – not a bank – we mark to-market all of our positions daily. Accordingly, our clients can be confident that their money is safe.
- The only type of loans we make to clients are margin loans, secured by marketable securities.
- We hold no material positions in over-the-counter securities or derivatives. We hold no collateralized debt obligations, mortgage-backed securities, or credit default swaps.
- Our real-time margining system marks all client positions to market continuously. All orders are credit-vetted before being executed, and positions in accounts with inadequate margin deposits are automatically liquidated.
- We have no long-term debt.
- The majority of our payables/receivables are automatically reconciled to outside sources.
- Interactive Brokers LLC (our primary brokerage affiliate) is rated "A-Outlook Stable" by Standard & Poor's.

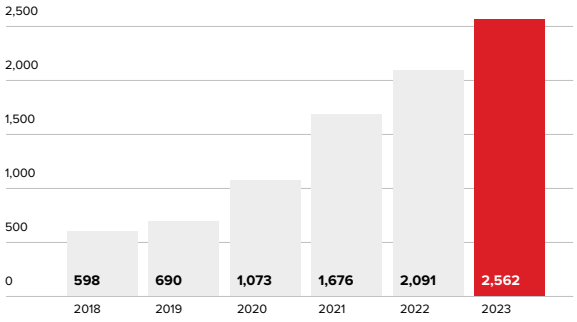
Privately Held **74.6%**	Pretax Profit **$3.1B**	Pretax Margin **71%**
Equity Capital **$14.1B**	Net Revenue **$4.3B**	Total Assets **$128.4B**

1. For more information please visit our website: ibkr.com.
2. As of December 31, 2023. Includes IBG and all affiliates.

Five-Year Compound Annual Growth Rate[2]

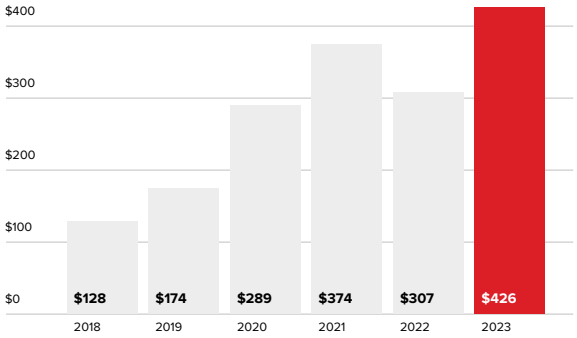
Client Accounts
(Thousands)

34%
Growth



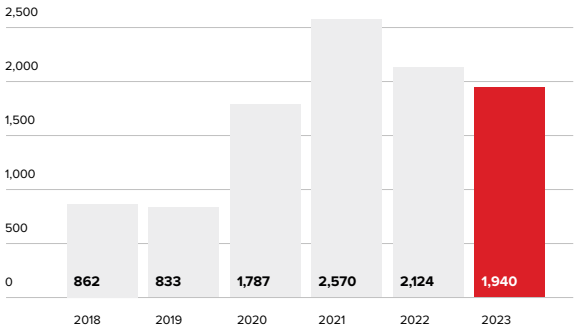
Client Equity
(Billions)

27%
Growth



Total Client DARTs†
(Thousands)

18%
Growth



† Daily Average Revenue Trades.

Our Sustainability Approach & Materiality Assessment

Responsible business practices are important to our ongoing growth, and we continue to safeguard our core values as we work toward positive change.

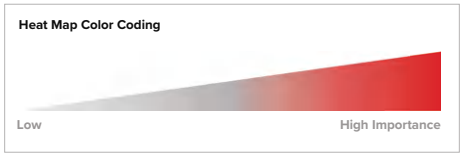
In 2022, we completed a Materiality Assessment to identify sustainability issues that may impact our business and the communities in which we operate.

The assessment followed the International Financial Reporting Standards guidelines, and included stakeholder consultations, internal process reviews, and an evaluation of our status in relation to industry benchmarks, regulatory requirements, emerging trends, and related factors.[1]

We asked stakeholders to rank each sustainability measure according to two criteria: (1) importance to Interactive Brokers' business and (2) importance to our stakeholders, which included our employees, clients, community, shareholders, vendors, government, and regulators.

Our process included:

- ✓ Ensuring adequate representation across Interactive Brokers.
- ✓ Engaging with participants working in representative functions.
- ✓ Reviewing our materiality results with the stakeholders.



1. The assessment was informed by the: GRI Sustainability Reporting Standards 2021 (GRI Standards) and Sustainable Accounting Standards Board (SASB) Materiality Map for the Investment Banking & Brokerage Industry. Consideration was given to United Nations Sustainable Development Goals (UNSDGs).

Innovation

Interactive Brokers offers a comprehensive range of products and services designed to empower individuals and institutions to manage their investments efficiently and effectively.

Trading Marketplace

Our products and services include:

Trading Platforms: We offer advanced trading platforms that cater to the needs of both active traders and long-term investors. Trader Workstation (TWS), our flagship platform, is powerful and customizable, providing clients with access to global markets, advanced order types, real-time market data and a wide range of analytical tools. IBKR Desktop, our newest desktop trading platform, combines the most popular tools from TWS with a growing suite of original features suggested by our clients. For investors on the go, we offer the IBKR Mobile app, which allows clients to trade and monitor their portfolios, and the IBKR GlobalTrader app, a streamlined app for trading global financial instruments that allows clients to deposit funds in their local currencies. Client Portal is our one-stop, web-based platform on which clients can check quotes and place trades, see account balances, P&L and key performance metrics, funding, reporting and more.

Pricing: We allow eligible clients in the U.S. to select the services and pricing methodology that meets their needs. IBKR Pro, our core service designed for sophisticated investors, offers among the lowest-cost access to financial instruments available, from a single unified platform. IBKR Lite provides unlimited commission-free trades on U.S. exchange-listed stocks and exchange-traded funds ("ETFs"), and low-cost access to global markets without account minimums or platform fees to U.S. clients.

Global Market Access: We provide access to an array of global markets, including stocks, options, futures, foreign exchange, bonds, and more. Clients can trade in more than 150 markets in 34 countries, enabling them to diversify their portfolios and capitalize on investment opportunities around the world.

Margin Lending: We offer competitive margin lending services, allowing clients to borrow against their investment portfolios to fund additional trading and investment activities. The margin lending program provides clients with flexible borrowing and attractive interest rates.

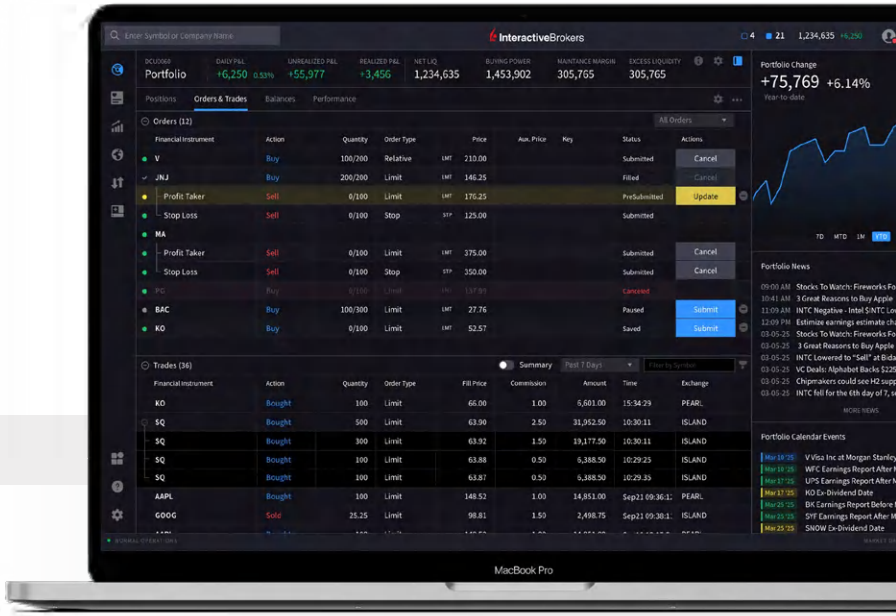
Robust Research and Analytical Tools: We provide clients with access to a wealth of research and analytical tools that can help them make informed investment decisions. Our platforms offer comprehensive market data, news feeds, advanced charting capabilities, and research reports from leading financial institutions.

Portfolio Analysis and Risk Management: Our solutions include portfolio analysis tools that enable clients to assess the risk and performance of their investment portfolios. These tools provide valuable insights into asset allocation, risk exposure, and potential areas for optimization.

Automated Investing: We offer eligible clients automated investing solutions such as the Recurring Investment feature, Interactive Advisors and Passiv, a third-party automated portfolio tool.

Application Programming Interface (API) Solutions: We provide robust APIs that allow clients to build their own trading applications, integrate third-party platforms and access a wide range of financial data. The APIs enable clients to leverage our infrastructure and connectivity to build customized trading and investment solutions.

Prime Brokerage Services: For institutional clients, we offer prime brokerage services that provide comprehensive clearing, custody and financing solutions. These services cater to the unique needs of hedge funds, proprietary trading firms, and other institutional clients.



IBKR Desktop combines the best of both proven and new technologies.

AWARDS

ESG Integration in Our Products

We believe that clients need access to timely and relevant information as part of their investment decision-making process. Historically, this information focused predominantly on financial metrics, e.g., net income and price-to-earnings ratios. More recently, the use of our ESG tools demonstrates how important ESG can be to our clients as they make investment choices.

We addressed this need by developing our award-winning application known as "IMPACT by Interactive Brokers (IMPACT)." IMPACT makes it easier for clients to find and invest in companies that share their values, helping them better align their investments with the kind of world they want to create. We have also integrated ESG features and tools into our more traditional product offerings. Clients can view a rich set of ESG data through multiple lenses — financial, ESG and "impact"– using IMPACT, the Impact Dashboard and ESG Scores.

IMPACT filters investments through 13 ESG values: Clean Air, Company Transparency, Customer Safety, Ethical Leadership, Fair Labor & Thriving Communities, Gender Equality, LGBTQ Inclusion, Land Health, Mindful Business Models, Ocean Life, Pure Water, Racial Equality, and Sustainable Product Lifecycle. Clients can flag companies with business practices they find unacceptable and use IMPACT to align their portfolio with one, several or all 13 values.

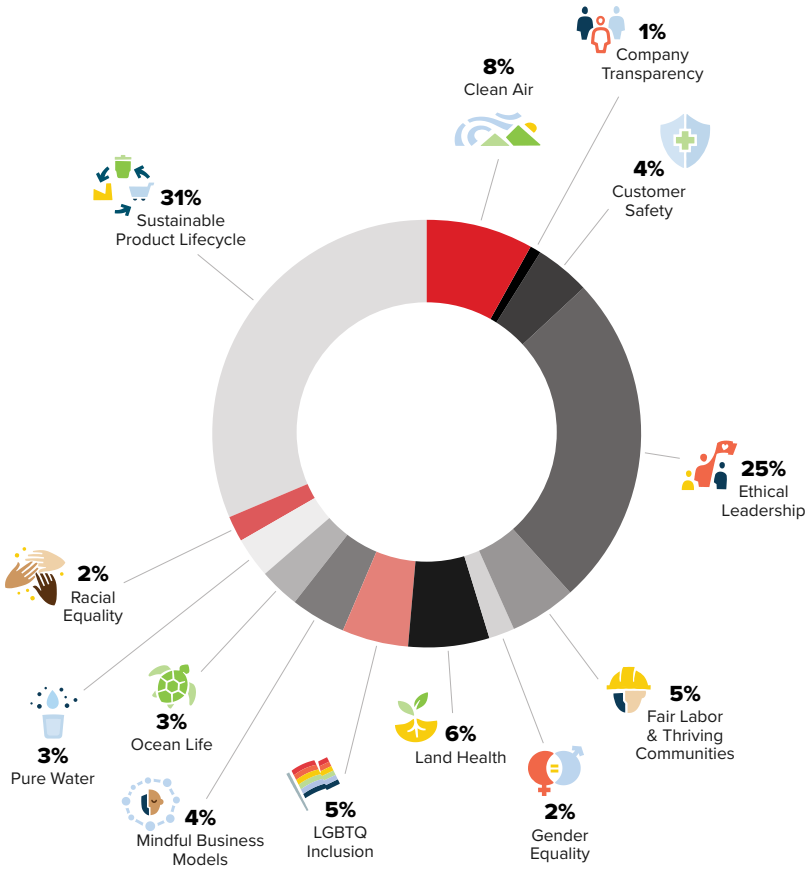
IMPACT also allows clients to purchase carbon credits to offset their carbon footprint. Several core Interactive Brokers products incorporate ESG ratings, including Fundamentals Explorer, PortfolioAnalyst, and Model Marketplace. Clients can share their portfolio's IMPACT grade and values on social network platforms to showcase the issues they care about most.

Interactive Advisors ("IA"), our robo-advisory platform, currently offers 17 portfolios mapped to the 13 ESG IMPACT values listed above, along with five ESG Smart Beta portfolios (see charts on the following page).

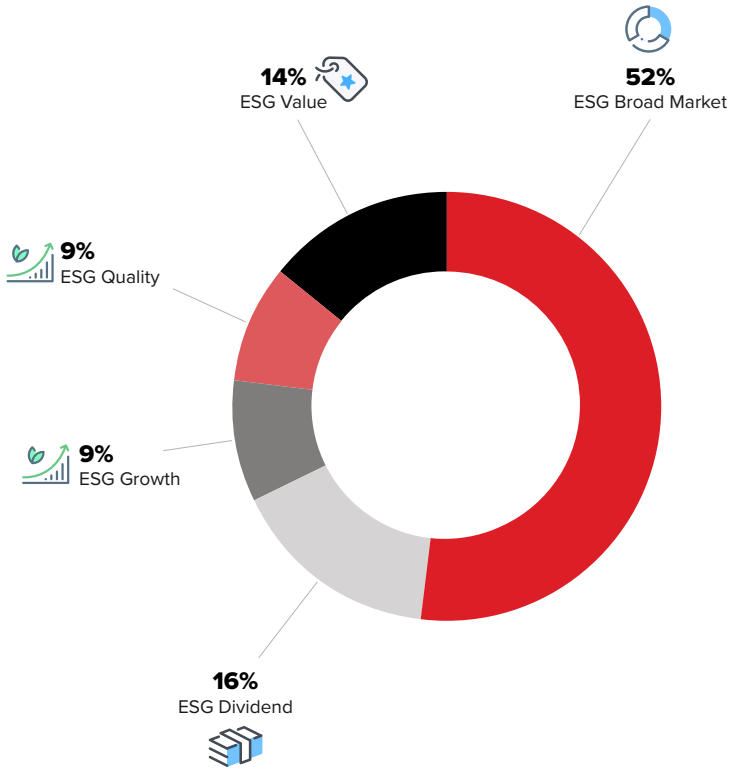
Additionally, IA clients who wish to avoid investing in companies that, in their view, do not share their values, can select types of business practices to avoid from several predefined sustainable investing exclusionary lists. These lists include companies that are involved in animal testing, business ethics controversies, corporate political spending and lobbying, energy-intensive operations, fossil fuels, greenhouse emissions, hazardous waste, high water usage, tobacco, alcohol and gambling, and weapons and gun manufacturing.

Distribution of Interactive Advisors' Clients Invested in Our Available ESG Investing Portfolios

Interactive Advisor Clients Who Invested in
13 Socially Responsible Investing Portfolios



Interactive Advisor Clients Who Invested in
Five ESG Smart Beta Portfolios



Our People and Community

Interactive Brokers is a global company with a diverse workforce of over 2,900 employees across 26 cities in 13 countries worldwide. We continue to steward our culture around our four core values: integrity, resilience, innovation, and operational efficiency.

Our People

Our expertise in building innovative technology requires a disciplined work ethic and commitment to continuous improvement. All levels of our company promote these values, and we have been fortunate to create a workplace that enables staff to engage and develop personally and professionally.

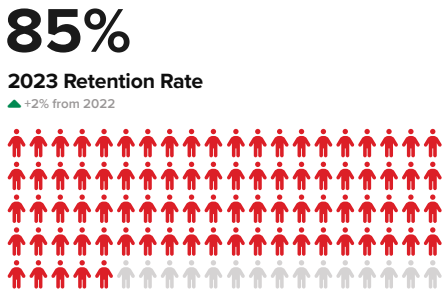
We believe our unique culture is behind our success. As we do not have many layers of middle management, our employees regularly work on complex and interesting projects at earlier points in their careers. Our managers typically manage teams that span time zones, and project teams often include representatives from multiple departments. Department heads are empowered with the flexibility to create working environments that meet their business needs and incorporate local work practices and customs. Our success is evident in our staff's longevity and low turnover.

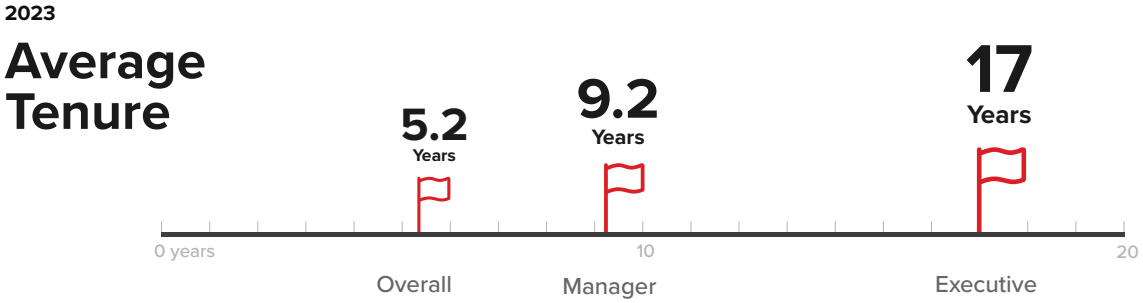
Global Workforce

We focus on building agile and responsive teams that operate with a unified strategy and are led with a global mindset. In 2023, we hired a Global Head of Talent to advance our people strategy, further demonstrating our commitment to investing in our workforce. Our people leadership mirrors our understanding that talent is crucial to IBKR's innovation and continuing success.

We empower our leaders and managers to be open and responsive to all parts of the company. Employees from all levels present ideas to senior executives for consideration. Leaders of all parts of our workforce seek to empower and motivate their teams by sharing their vision and roadmaps. We encourage global calls across time zones, to ensure that everyone can contribute. Our workforce includes many nationalities and languages, and we believe that this makes us stronger. Our community engagement reflects our commitment to meeting the needs of our diverse employee population. We celebrate and share local traditions through our engagement tool, Viva Engage, promoting communication across global lines. Additionally, we emphasize local recruiting strategies in each of our global locations to ensure the norms and values of each country are represented in the talent we attract.

IBKR offices around the world.





Benefits

Total Rewards

We invest in our employees around the world by offering locally competitive rewards, including short- and long-term compensation and health benefits. 97% of our workforce is full-time and eligible for a comprehensive benefits package.

That package includes:

Compensation: Our compensation package goes beyond the competitive base salaries we offer. All full-time employees are also eligible for annual cash and stock bonuses based on individual and company performance. Our Stock Incentive Plan offers a form of long-term incentive compensation that provides employees with the opportunity to share in our success.

Benefits: Our global benefit packages include health, dental, vision, life, and disability insurance. We support employee health by paying 100% of the health insurance premiums for our U.S.-based employees (and their families), representing a significant benefit. We also provide supplemental coverage through dependent care, commuter allowance, flexible spending accounts, telemedicine, and more. Daily, we provide lunch stipends for all global locations to foster a positive office culture.

Hybrid Work Environment: Where possible, we provide our employees the flexibility to work remotely while encouraging an in-office culture. The hybrid policy supports employee work-life balance and reduces work-related stress such as daily commuting. We believe in the value of in-person collaboration, but continue to make accommodations for employees that are not able to comply with the hybrid schedule.

Health and Well-being

We encourage managers to support the mental health of their teams. We have implemented a global mental health program to educate managers on key topics through collaborative and individual sessions. We also provide a global EAP (Employee Assistance Program) in all countries that includes sponsored therapy sessions, travel support, and suicide prevention.

Community Engagement and Support

Workplace Giving: We emphasize the value of giving back by matching charitable contributions up to USD 1,000 per employee via our Workplace Giving program. We enable employees to choose the causes that matter most to them, and financially support those endeavors.

Community Building: We provide opportunities for employees to connect through events and team building activities. In 2023, we participated in the JPMorgan Challenge in NYC, Chicago, Sydney, and London. We hosted golf outings and summer parties. We chose to reduce the travel needed for our annual holiday party by planning regional celebrations.

IBKR consistently reviews and evaluates our compensation and benefits offerings to ensure our employees have the resources to support their health and financial wellbeing.

Additional Information on our people, in 2023:

- ✓ We hired 372 new full-time employees across multiple departments.
- ✓ We expanded our internship program to include an intern exchange with another firm, which gives the students the opportunity to network with their peers. In addition, we hosted a weekly speaker series where IBKR employees presented on topics such as financial literacy, time management, interviewing techniques and investor relations. We continue to use our intern program as a pipeline for full-time entry level roles. We target a broad range of universities and backgrounds to optimize future talent.

JPMorgan Challenge Chicago

Woodapest

Diversity, Equity and Inclusion

We believe workforce diversity is key to a successful global business, allowing us to provide the best client service, and develop the most innovative technology.

We strive to actively recruit talent from accredited colleges, universities, and all industries, nationalities, and educational backgrounds relevant to the Financial and Financial Technology industries. Leadership skills are key, but the foundational quality we look for is a drive for innovation. We nurture early careers with training and development resources, and as employees advance we emphasize continued growth through internal mobility and tuition reimbursement for additional education.

In our efforts to improve gender diversity we are actively exploring improvements in workplace policies, recruitment strategies, and affiliations, all with a singular focus: to reward high performers regardless of race or gender. During 2023, our female representation in management increased by 0.7%, and representation in executive roles increased by 3%. As the number of women in leadership increases, the career path for others will continue to come into sharper focus. Our ongoing partnership with “100 Women in Finance” encourages women to seek leadership positions, and we support a wide range of employee-led initiatives, including Women’s Resource Group sessions on financial literacy and female health and wellness.

We champion other employee-led resource groups including the Pride Network, the Military Veterans and Families Group, and the Neurodiversity Network, and actively encourage employees to connect informally through global walking groups, running groups, and postings on Viva Engage.

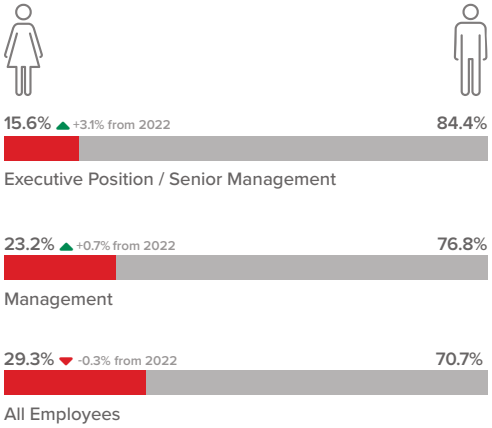
We believe that personal connections between colleagues, managers, and leaders contribute to a positive work culture, and we continue to welcome new ideas from our staff.

Recruiting events

IBKR Employee Diversity (US Only)

- 56% White
- 19% Asian
- 11% Not Disclosed
- 9% Hispanic / Latino
- 4% Black / African American

IBKR Gender Diversity (Global)



There has been an increase in females holding both management and senior management roles.

Learning and Development

Learn, Grow and Thrive

We believe every IBKR employee should have access to all the learning tools they need to help them succeed, not just in their current roles but in pursuit of longer-term career ambitions and personal goals. To that end, we are committed to providing our staff with high-quality resources wherever they are, whatever the time and topic.

Learning Hub

The IBKR Learning Platform hub offers more than **900** courses covering a number of areas, including technical and personal skills, project management, compliance, and technology. Employees self-enroll and learn at their own pace. We also partner with external providers to offer our global teams specialized training and industry certifications.

Our Core Programs

Regulatory Curriculum: We conduct mandatory training every quarter to educate our workforce on the importance of working safely and responsibly. Compliance officers and executives from every line of business ensures that employees complete relevant training to their role. We set aside time during working hours for the completion of these comprehensive courses, on topics including anti-money laundering, anti-bribery and corruption, sanctions laws, and cybersecurity awareness programs. Mandatory trainings are administered globally to 99% of our employees.

IBKR Mentorship Initiative: The Interactive Brokers Mentorship Program is an inclusive initiative established to boost learning and growth, foster talent, strengthen global networking, and empower employees throughout the company.
In 2023, **282** employees across different stages of their careers, participated from offices around the world.

Leadership Training: In 2023, more than **245** global leaders, representing 35% of the IBKR leadership workforce, participated in at least one of our in-house leadership development programs. Managers from all groups and entities attended more than **120** live classes, a 40% increase over 2022. We facilitated these courses live, covering a range of topics including IBKR Leadership Fundamentals, Communications Training, Project Management, Performance Management, and Growth Mindset. Our goal is to equip current and aspiring leaders with the skills and competencies they need to inspire teams, drive innovation, and navigate the complex challenges of today's business world.

Instructor-Led Programs: The L&D Team regularly offers live virtual and in-person job-related training workshops and seminars, including lectures, townhalls, discussions, and hands-on practice sessions designed to keep learners engaged. These interactive programs are curated for relevance and impact, to encourage engagement, collaboration, and the real-world application of best practices and procedures.

Learning & Development

14 Hours
Average Training
Per Employee

900+
Courses available

Leadership Development Program

245
Global Leaders

120+
Live Courses
▲ 40% from 2022

Promoting Financial Literacy

We believe our business benefits greatly when our clients learn to navigate the financial markets more confidently. As such, in 2023 we continued to expand IBKR Campus, our comprehensive free financial literacy platform, which offers courses, webinars, videos, podcasts, and blogs that cover everything from learning about investing for the first time, to sharpening advanced trading and investment skills.

IBKR's Traders' Academy is an online learning platform designed to educate traders of all levels, from beginner to advanced professionals. It offers a wide range of self-paced courses, interactive webinars, video tutorials, and articles covering various topics including trading strategies, technical analysis, risk management, and more. In 2023, we expanded our library to include more than 80 courses.

IBKR Webinars and Podcasts: We regularly host live webinars and podcasts presented by industry experts and seasoned traders. These interactive sessions cover a broad spectrum of trading topics, providing valuable insights, practical tips, and real-world examples to help participants improve their trading skills and decision-making abilities.

IBKR Video Tutorials: Our library of video tutorials offers step-by-step guidance on various aspects of trading, platform features, order types, and risk management tools. These audiovisual demonstrations help clients better understand and utilize the trading tools available on our platforms.

IBKR Traders' Insight: We create market commentary for the public and provide analyses from nearly 100 industry professionals. Traders' Insight also contains content from our Chief Strategist and our Senior Economist.

Each month, roughly **123,000 unique visitors** access IBKR Campus.

IBKRCampus

Top Users by Country

541,088	United States	35,660	Singapore
101,185	Canada	26,462	India
43,776	United Kingdom	26,279	Australia
37,687	Germany	22,225	Spain
36,614	Hong Kong	16,852	Switzerland

441K+ **Unique Pageviews** (Monthly Average)	83 **Total Training Courses**

Educational Articles and Insights: Our educational articles and market insights cover a wide range of topics, including market trends, trading strategies, macroeconomic analysis, and more. These resources provide in-depth analyses, practical guidance and timely market updates to help investors make well-informed trading decisions.

IBKR Quant Blog: A blog for quantitative professionals with an interest in programming, deep learning, API, AI6, Blockchain, and other transformative technologies. The IBKR Quant Blog provides quantitative and coding content for financial technology professionals and programmers. The blog's articles typically include helpful code snippets from Java, Python, Excel API, Rest, R-Development, Julia Development, and C++ programming languages.

Demos and Simulations: We provide demo accounts and simulation tools that allow clients to practice trading strategies, test new ideas, and familiarize themselves with our trading platforms without risking actual money. These tools provide a risk-free environment for traders to gain hands-on experience and build confidence before executing live trades.

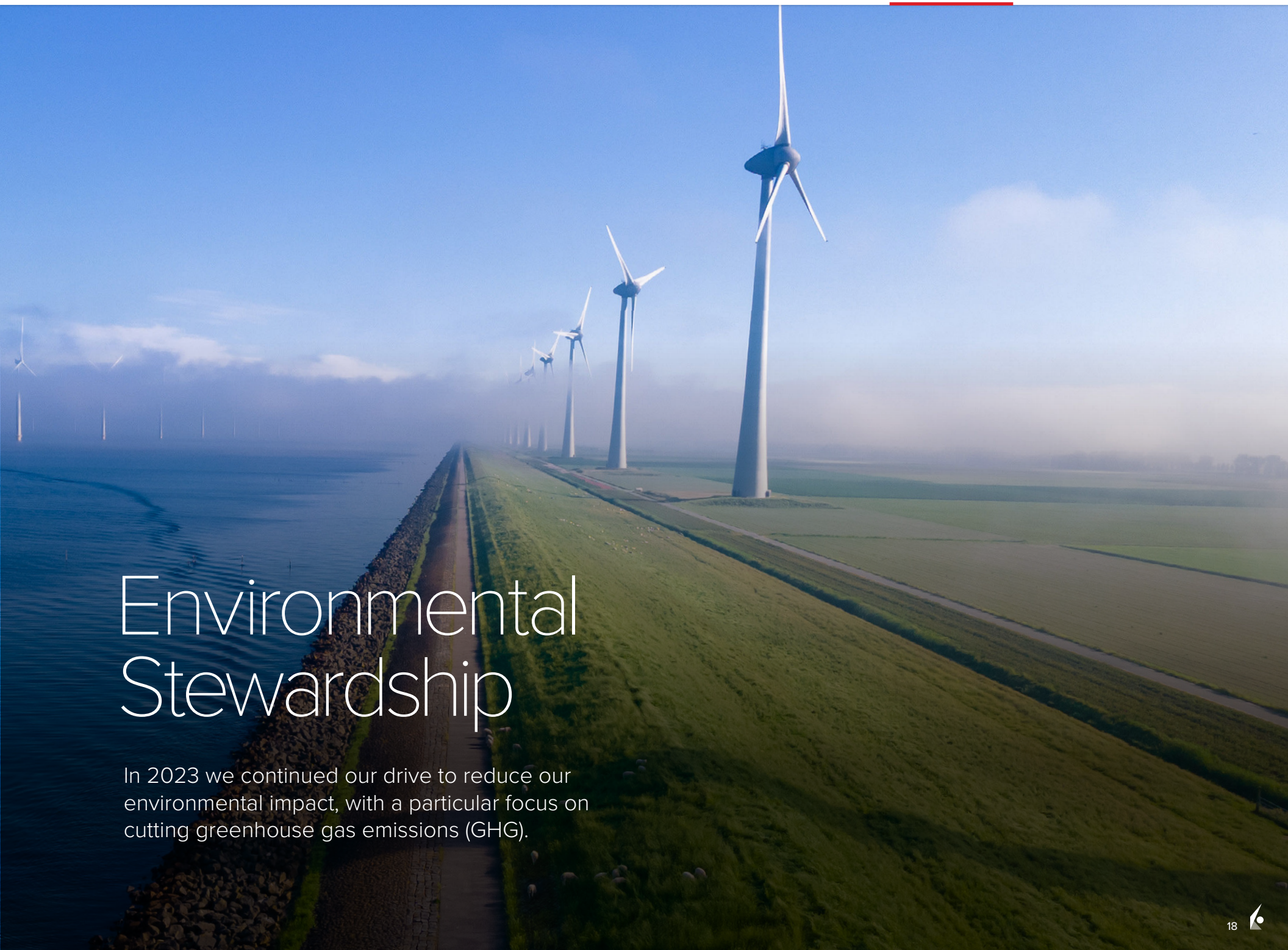
Student Trading Lab: A free online resource for educators looking to blend finance and/or computer science classwork with real-world trading experiences. College professors and high school teachers from around the world use the IBKR Student Trading Lab to supplement classwork. Students can trade in nearly all the markets and products available to our clients. Finance instructors use the Student Trading Lab to teach students about trading and markets, and computer science instructors use our APIs to teach coding.

2023 Stats:

- Schools: **986**
- Professor Accounts: **1,434**
- Student Accounts: **27,896**

Research and Analysis Tools: We offer a suite of research and analysis tools that help traders access valuable market data, perform technical and fundamental analysis, and make informed trading decisions. These tools include real-time market data, advanced charting capabilities, scanning tools, news feeds, and more.

The current campus website (ibkrcampus.com) was launched in Feb 2023.



Environmental Stewardship

In 2023 we continued our drive to reduce our environmental impact, with a particular focus on cutting greenhouse gas emissions (GHG).

Climate Change and Our Business

Our Environmental Standards framework provides guidance for the management of greenhouse gases, energy, waste management, and recycling in our offices as we continue to improve our environmental stewardship.

As of 2023 many of our offices are now located in Green Buildings:

- ✓ 37% of our offices are LEED certified (Chicago, NYC, Vancouver, Dublin, Zug, Hong Kong and Singapore).
- ✓ 72% of our buildings hold some type of sustainability certificates or awards.
- ✓ Our Chicago and Dublin offices have rooftop bee programs.

Our Environmental and Social Policy Statement (available on our website) sets forth what we require and expect from our employees and supply chain members.

We continue to support eco-friendly and charitable initiatives. In 2023 our staff in Budapest completed tree planting and school meal initiatives. Our UK and Ireland offices donated 28,852 meals to Akshaya Patra via the Feedr Lunch vendor.

Energy

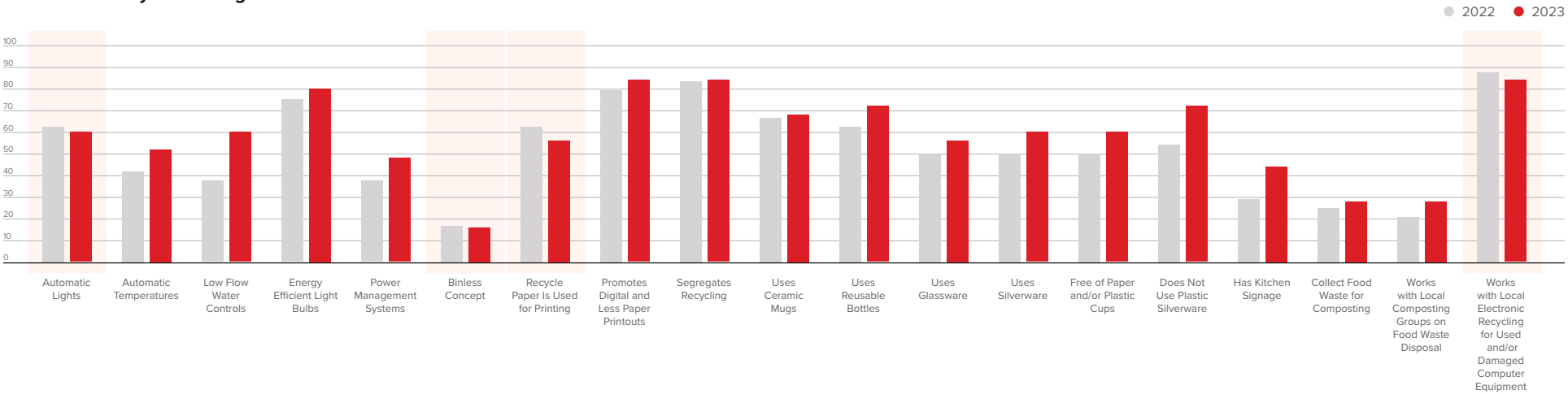
In 2023 our offices continued to reduce energy consumption by installing energy-efficient LED lights with automated sensors and, where possible, switching to green energy. In several regions we relocated our offices to green buildings – London, Zug and Sydney.

More than 90%
of our offices used renewable energy in 2023.

▲ Compared to 38.44% in 2022.

West Palm Beach Office Exterior

Office Efficiency Percentage



Highlighted figures represent the addition of the Petaluma office in 2023.

Case Study:
Interactive Brokers (U.K.) Limited 20 Fenchurch, London

Wired Score Platinum

BREEAM Excellent

EPC Rating B

We are actively looking for opportunities to improve our sustainability impact. As new offices open and the relocation of existing offices occur, it is a priority to assess high performing sustainability opportunities where possible. With a focus on limiting fitout wastage, building certification and energy, water and waste efficiency measures are core criteria that was assessed.

Standing at 38 stories high, 20 Fenchurch Street, London, was assessed by the BREEAM as being one of the most sustainable buildings in London. In a bid to reduce its carbon footprint, the building has had several measures enacted. These include undertaking thermographic surveys, installing 50KW solar PV panels on its roof, and sourcing its timber from Forest Stewardship Council-certified sources.

2023 GHG Footprint - IBUK at 20 Fenchurch		
	Location (tCO2e)	Market (tCO2e)
Scope 1	33.68	
Scope 2	59.62	0
Total 2023 tCO2e	93.3	33.68
		63.9% renewable

Energy use considers electricity and gas.

The Sky Garden at 20 Fenchurch

Working with Service Providers:

Feedr

IBUK actively contributes to reducing starvation by donating 13,260 to local school meals in 2023.

Fruitful Office

- IBUK works with our service provider Fruitful Office to combat deforestation and offset CO2 emissions.
- For every basket/ box ordered, IBUK plants 1 fruit tree.
- IBUK has contributed to over 340 trees in 2023.

Fruitful Office does not use air-freighted items and most of the fruit is sourced locally. All 'surplus' fruit is given to local charities to minimize fruit waste.

Greenhouse Gas Emissions

Where energy is under our control, we have switched to renewable energy. Where we do not control energy, we continue to purchase renewable energy certificates (RECs).

In 2022, we invested in a climate management and accounting system that helps us measure our Scope 1 and Scope 2 emissions, including electricity, steam, gas, and diesel. We created our Greenhouse Gas (GHG) Methodology Process, which provides detailed instructions for the data collection process through which we calculate and track our Scope 1 and Scope 2 emissions in line with industry standards.

In 2023, we hired a third-party auditor to verify our Scope 1 and 2 inventory. By prioritizing energy efficiency measures across our offices, including the purchase of either renewable energy at source or RECs where required, we have reduced our Scope 1 and 2 tCO2e amounts globally. As a result, Scope 1 and 2 emissions across our global offices are now 90.93% renewable.

Absolute GHG Emissions (Detailed)[1]	2023 tCO2e	2022 tCO2e (Base Year)	tCO2e - Reduction from Base Year	tCO2e - Percentage of Reduction from Base Year
Gross Scope 1 : Direct Emissions (tCO2e)				
Absolute Location Based	**169.78**	212.26	42.48	20.01%
Gross Scope 2: Energy Indirect Emissions (tCO2e)				
Absolute Location Based	**2723.29**	2807.5	84.21	3.00%
Absolute Market Based[2]	**92.62**	1646.73[3]	1554.11	94.38%

1. Energy Consumption sources are considered to be electricity, natural gas, diesel & steam.

2. For this report, purchased electricity on green tariffs from our utility suppliers is considered renewable energy. For other locations where green tarriffs are unavailable we have purchased Renewable Energy Certificates (RECs) and local equivilent (GOs, IREC, TIGR & J-Credit).

3. Post Assurance for 2022 pre purchased RECs were added. This decreased the emissions by 11.82 tCO2e.

Single use paper / plastic cups and single use cutlery has decreased from 2022 into 2023. This directly correlated to the increase of reusable bottles, ceramic mugs, glassware and silverware as noted in the chart.

Waste Management

88% of our offices recycle, segregating waste according to local guidelines. The majority have mixed recycling options, while others have segregated bins for paper. Toner cartridges are collected separately and recycled appropriately. We are phasing out paper and plastic in office pantries by providing coffee mugs, silverware, and reusable water bottles for all onsite staff.

Where feasible, we continue to drive the "binless concept"[1], working with building management on waste segregation initiatives, and encouraging food vendors to use recyclable packaging for all food and beverage orders.

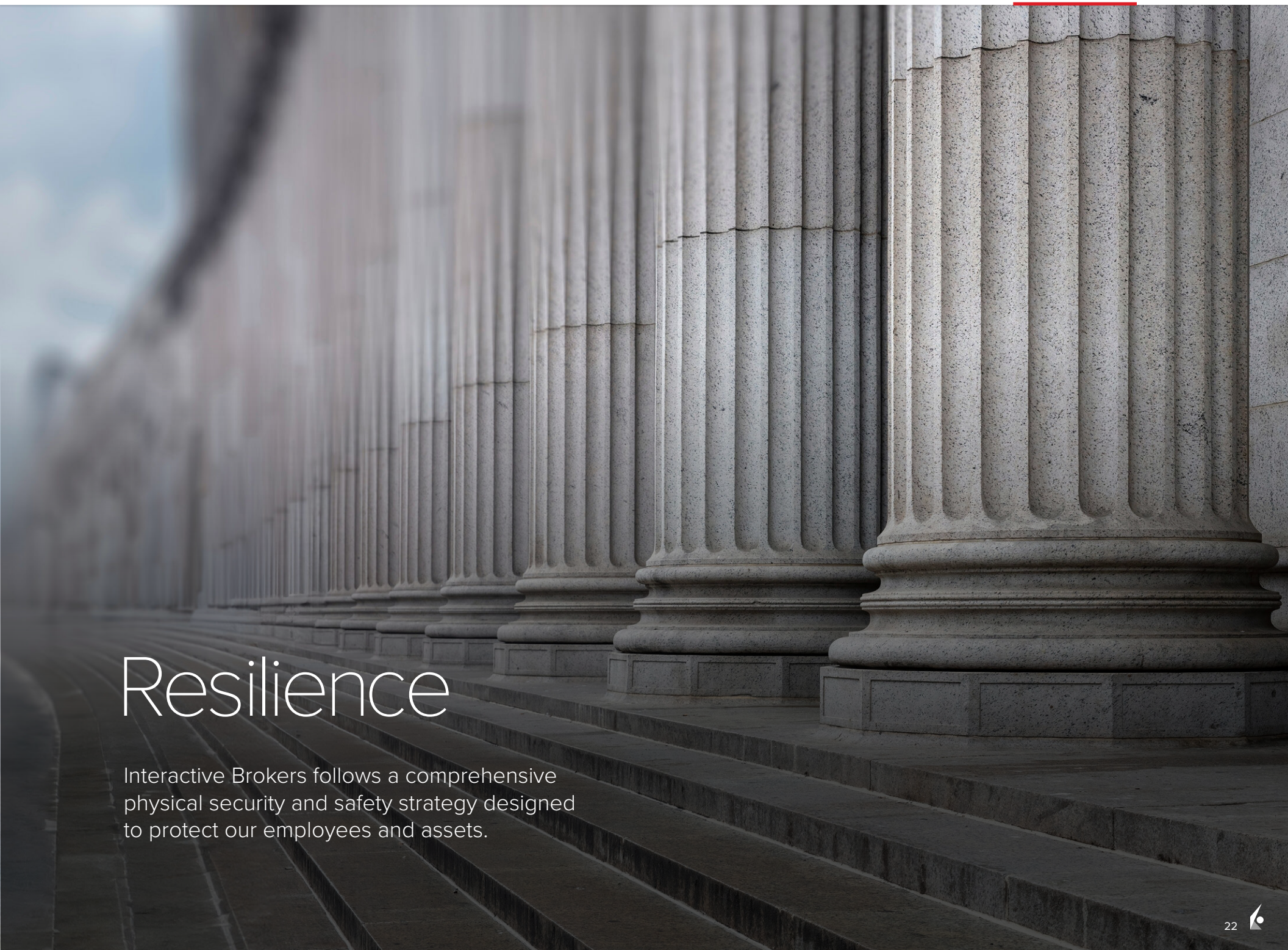
We continue to encourage employees to use digital copies and, when hard copies are necessary, to use recycled or eco-friendly paper. The majority of our offices now have disposal solutions for electronic waste such as mobile phones, tablets, cameras, chargers, headphones, and other small electronic devices.

Responsible Sourcing

Our Procurement Policy and Vendor Management Office (VMO) system continues to improve the ways we evaluate vendors for responsible sourcing. An integrated third-party lifecycle management process handles vendor identification, risk assessment, due diligence, onboarding, contracting, performance management, governance, compliance, and offboarding.

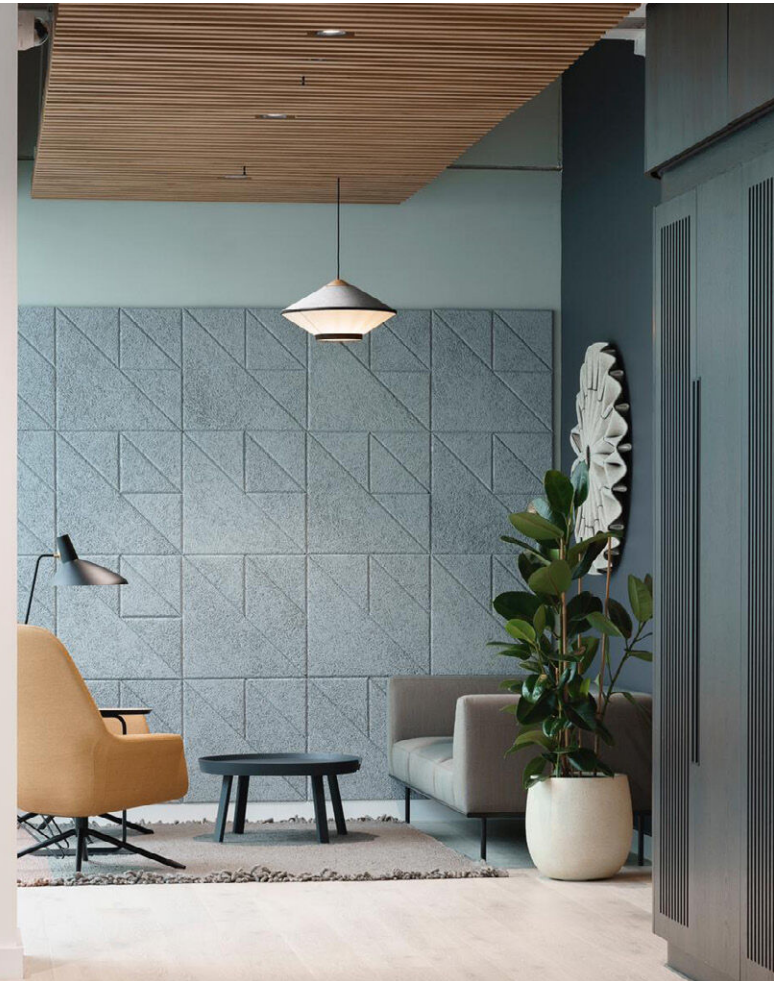
We are committed to conducting our business responsibly and ethically and expect the same commitment from our vendors, including compliance with applicable international and local environmental and social laws and regulations under our Vendor Code of Conduct. This includes regulations for environmental compliance, workplace health and safety, labor practices, and human rights. Critical vendors must have management systems and practices in place to prevent money laundering, insider trading, conflicts of interest, and fraud. As part of the onboarding process, certain vendors may need to submit documented environmental credentials and complete due diligence questionnaires. Please see the Vendor Code of Conduct on our website for additional information.

1. Binless concept: where employees do not have an under desk bin and instead bring segregated waste to AWS (Area Waste Stations) located strategically on office floors.



Resilience

Interactive Brokers follows a comprehensive physical security and safety strategy designed to protect our employees and assets.



Physical Security and Safety at Interactive Brokers

Our physical safety program is managed by our Corporate Security department and reinforced by access control, visitor management, and CCTV throughout most of our locations, to ensure that only authorized individuals are allowed access to our offices and secure areas.

Our program is supported by guidance and resource materials on topics such as Workplace Violence Prevention, to help create a safe working environment. Our travel safety and security program provide our employees with 24/7 assistance for medical emergencies, security incidents, and general inquiries during business travel.

Ethics and Integrity at Interactive Brokers

Interactive Brokers' Code of Business Conduct and Ethics holds all employees, executives, and directors accountable for preserving the integrity, ethics, and reputation of Interactive Brokers. Our employees are required to report any potential

IBKR offers Navex EthicsPoint Hotline, for employees, directors, vendors, and shareholders to report violations on a secure and anonymous basis.

or actual violations of the code, company policies, and laws and regulations.

We offer a "whistleblower" channel, the **Navex EthicsPoint Hotline**, through which employees, directors, vendors, and shareholders can report violations on a secure and anonymous basis. We distribute these reports to authorized personnel who are responsible for review, including the Chair of our Audit Committee, our lead independent director. We conduct confidential investigations and implement corrective measures as necessary. We do not tolerate retaliation against employees or others who report concerns in good faith.

A copy of our Code of Business Conduct and Ethics appears on our website.

Cyber & Information Security

As one of the premier global securities firms, we execute and clear millions of trades every day for clients. Maintaining mature cybersecurity practices is crucial. We aim to achieve high levels of digital resilience by continually improving and monitoring our technology infrastructure.

Our Executive Vice President for Technology and Chief Information Security Officer lead our multifaceted Information Security program, which combines people, processes, and technology to provide ongoing protection for the confidentiality, integrity, and availability of our systems and client data.

We align our security program to the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. Our program is audited annually by an external auditor against the American Institute of Certified Public Accountants' Trust Services Criteria, as documented in the resulting Service Organization Control (SOC 2) report.

Our Information Security Committee meets on a monthly basis to:

- Make decisions related to cybersecurity risk.
- Provide support and oversight regarding the development, implementation, and operation of our Information Security program.
- Discuss emerging threats.

The program is further aligned with our Enterprise Risk Management Framework, which enables us to effectively handle cybersecurity risks associated with daily operations, and facilitate resilience against existing or potential threats.

Our Information Security team engages external security firms to provide independent penetration testing of systems and applications, using a risk-based methodology. To further strengthen our ability to protect against real-world attacks, the Information Security program has tasked an internal "red team" with conducting periodic security testing of our systems throughout the year.

Data Protection

We use a layered approach to safeguarding our clients' personal data, including the use of secure data centers, data encryption at rest and in transit, network segmentation identity and access management, system endpoint protection, and anti-malware controls, among other measures.

> We use a layered approach to safeguarding our clients' personal data.

Security Operations and Cyber Incident Response

We utilize a variety of information sources to remain aware of current and emerging threats, including formal and informal threat intelligence sharing groups, public and proprietary bulletins, and automated feeds. We utilize a Security Operations Center that conducts cyber threat monitoring using security telemetry from data sources throughout our infrastructure. Events are analyzed for relevance and, where warranted, escalated to the company's Cybersecurity Incident Response team.

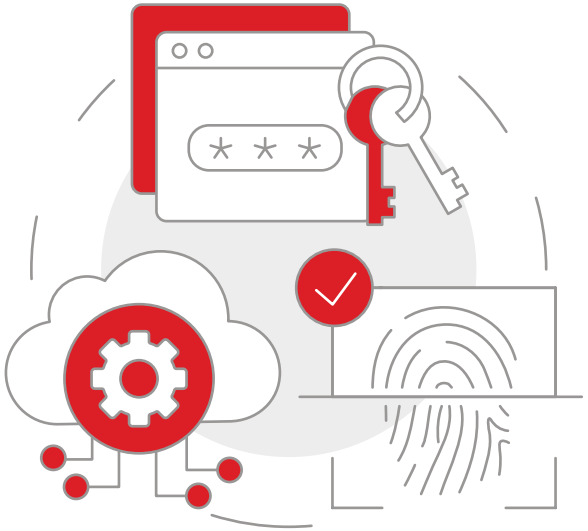
To complement these activities, our Internal Audit team conducts independent audits consistent with guidance from the Institute of Internal Auditors.

Creating a Culture of Security

Our Information Security team has developed, and continues to enhance, a security awareness program aimed at inculcating our staff with the knowledge and skills necessary to recognize and react appropriately to cybersecurity threats, e.g., phishing. The program is composed of mandatory web-based learning modules, interactive security webinars, written communications on specific security-related topics, and validation of learning through knowledge-based assessments, as well as practical exercises designed to simulate real-world threats.

Auditing and Assurance

Our Internal Audit department provides independent, objective assurance and consulting services designed to add value and improve operations. Their mission is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit department brings a systematic, independent, and disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The department's governing principles adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.



Data Privacy

We are committed to protecting the privacy of personal data. We have in place a global privacy program designed to protect the privacy and security of personal data, and have implemented policies and procedures that detail our privacy practices. These include the Privacy Policy and Cookie Policy on our website, a Personal Data Protection Policy, a Personal Data Breach Policy and Procedure, a Data Subject Access Request Handling Procedure, a Data Subject Rights Procedure, and a Data Protection Impact Assessment Policy. We have a robust data privacy governance structure in place and a senior lead devoted to data protection issues. Our internal audit function serves as a third line of defense for meeting our data privacy obligations. Employees around the globe are required to complete mandatory data privacy training when they are hired, and annually thereafter. Training completion is tracked and documented.

We have implemented security controls to protect personal data. Our global Information Security Program is led by our Chief Information Security Officer. We apply technical and administrative security measures to protect the personal data we hold. These measures include access controls (at infrastructure, OS, database, and application levels), encryption at rest and in transit, audit trails, authentication measures, penetration testing, vulnerability scanning, regular patching, and 24x7 security monitoring. Additional details regarding our multi-layered approach to protecting client data can be found in the Cybersecurity Notice on our website. These controls are enforced across Interactive Brokers' affiliates, branches, and data centers.

The Information Security program's cornerstone is a set of cybersecurity policies, procedures, and technical capabilities that:

- Establish cybersecurity governance and oversight processes.
- Implement measures to protect the company's technology and information assets, including our clients' information.
- Identify and address risks related to cybersecurity.
- Identify and address risks associated with access to client information and fund-transfer requests.
- Identify and address risks associated with vendors and other third-parties.
- Detect unauthorized activity and prevent or mitigate cyber-attacks.
- Provide for preparedness for cyber-attacks, including the maintenance of a Computer Security Incident Response Plan.
- Engage the company's workforce with appropriate training in cybersecurity and data protection best practices.
- Establish a protocol for reporting cyber breaches.

Risk Management and Compliance

We prioritize the safety and security of our clients' investments, and the integrity of our operations. Our robust risk management program employs a comprehensive framework that combines advanced technology with a culture of risk awareness. The program is designed to identify, assess, and mitigate risks across areas of our business.

Enterprise Risk Management (ERM)

We maintain conservative and robust market risk management policies. Our Market Risk Management Committee (which includes our CEO, CFO, COO, and other senior executives and market risk experts) continuously monitors and evaluates our risk management policies, including the implementation of policies and procedures to enhance the detection and prevention of potential events to mitigate margin losses.

We also have a designated Enterprise Risk group headed by our Chief Risk Officer and overseen by the Enterprise Risk Committee. We manage the financial and operational risk inherent in our business and limit potential exposure to incidents by maintaining a robust and comprehensive control environment, and stress testing risk exposures to maintain adequate financial buffers. This includes comprehensive stress testing of capital and liquid assets using both systemic (market) and idiosyncratic stress events.

Consistent with industry best practices, we utilize a "three lines of defense" model to embed accountability and ownership for risks and controls at all levels throughout the company. Through this model, risk ownership is aligned with first-line business functions and is subject to independent oversight and challenge from our ERM and Internal Audit teams in the second and third lines of defense, respectively. Our ERM team provides independent oversight of Interactive Brokers' risk profile, quarterly reports to the Enterprise Risk Committee comprising leaders from across the company, and more frequently to business leaders in the first line of defense. The Enterprise Risk Management Framework (ERMF) identifies, assesses, and monitors capital, market, liquidity, credit, operational (including resiliency, legal, vendor, and outsourcing), technology, and information security risks to confirm that risk exposures remain within our risk appetite. The ERM team conducts a comprehensive risk assessment at least annually and undertakes targeted risk assessments of selected areas on an ad hoc basis. The team monitors a suite of key risk indicators on an ongoing basis to identify and mitigate outsized risk exposures.

The team monitors a suite of key risk indicators on an ongoing basis to identify and mitigate outsized risk exposures.

We have designed our control environment to keep our services resilient during periods of extreme financial market volatility and/or during and after operational events that may cause significant business disruptions. These controls are periodically assessed for design appropriateness and operating effectiveness by both our ERM and Internal Audit functions. In addition, an Independent Service Auditor annually examines our brokerage operations system and the suitability of the design and operational effectiveness of the related controls; this is reported in the Service Organization Control (SOC 1) report.

Conservative and Prudent Risk Management

We invest client cash in short-term government securities that mature in a few months:

- As assets mature, we continuously roll them forward into freshly issued securities.
- As interest rate sensitivity is low, the realized loss would be minimal if the assets ever needed to be sold. We are required to mark all investments to market and report their value to regulators and investors so that any issues are immediately recognized. In contrast, the risk management policies of banks do not require them to immediately recognize losses on their held-to-maturity investments and they can invest in longer-term assets to maximize their current profits. Our prudent risk management allows us to pay higher rates on deposits and charge the lowest rates on margin loans because we are always invested in the current short-term benchmark rate.

Business Continuity and Disaster Recovery

We have robust business continuity and disaster recovery plans in place to facilitate stable operations during and after adverse events. These plans include redundant systems, data backups, and alternate trading venues to mitigate the impact of potential disruptions. Regular testing and simulation exercises help validate the effectiveness of our plans and identify areas for improvement.

While this sustainability report identifies what we have already accomplished, we look forward to demonstrating our continued progress in our next report.

TCFD[1] Disclosure (Task Force on Climate-Related Financial Disclosures)

Governance

Sustainability: In 2023, we continued to drive our sustainability strategy:

1. Leadership and Governance
2. Our People
3. Environmental Stewardship

The board received regular updates on our sustainability strategy, including climate strategy and reporting, and reviews annual reporting for completeness and accuracy.

Audit Committee: The Board has oversight responsibility through its Audit Committee which oversees the Company's risk policies and processes relating to the financial statements and financial reporting processes and the guidelines, policies and processes for mitigating those risks.

For further information, please see our Audit Committee Charter.[2]

Steering Committee: IBKR management is responsible for managing risk and bringing to the Board's attention any material risks to the company. Our risk management policies are developed and implemented by our Steering Committee, which is chaired by our Chief Executive Officer and comprised of senior executives of our various operating subsidiaries.

Enterprise Risk Committee: The Chief Risk Officer ("CRO") briefs the Enterprise Risk Committee on the overall risk profile of the Firm, highlights key and emerging risks, risks beyond appetite, and new projects, strategies or events that may be of interest, including new regulation. The risk report includes the qualitative and quantitative measures of risk against approved thresholds, and highlights any indicators of outsized risk exposures, and any planned remedial strategies. The report also provides updates on key risk or regulatory related projects. The committee members have the authority to request further information on ongoing action plans. Additionally, local Chief Risk Officers may provide similar briefings to relevant committees. Management's oversight is augmented through the Company's Enterprise Risk Management Framework, which includes risk and control assessments.

Strategy

Through our robust procedures for enterprise risk management, detailed in the section below, we have identified two transitional climate-related risks that align with our overall risk management framework. These include legal/policy-related risks and reputational related risks.

1. **Legal/Policy-Related Climate Risks:** As detailed in our 10-K, we are subject to risks relating to litigation and potential securities laws liability. We are exposed to substantial risks of liability under federal and state securities laws, other federal and state laws and court decisions, as well as rules and regulations promulgated by the SEC, the CFTC, the Federal Reserve, state securities regulators, self-regulatory organizations and foreign regulatory agencies. This includes the EU Corporate Sustainability Reporting Directive (CSRD) and the SEC Climate Disclosure Rule. Failure to comply may result in fines and penalties. We believe these risks are present over the short and medium-term (1-5 years) due to current regulatory developments in the US and Europe. Our strategy to managing these risks is to partner with our key departments to monitor the developments of these rules and enhance our reporting aligned with these regulatory requirements to ensure compliance and to do so in a cost-effective manner.

   We are also subject to the risk of litigation and claims that may be without merit. We could incur significant legal expenses in defending ourselves against and resolving lawsuits or claims. An adverse resolution of any future lawsuits or claims against us could result in a negative perception of the company and have a material adverse effect on our business, financial condition and results of operations. This includes potential lawsuits related to the labeling and marketing of certain products and features aligned with social impact, environmental responsibility, or other sustainability claims. We believe these risks are present over the short and medium-term (1-5 years) due to current legal developments in the US and Europe and recent lawsuits related to "greenwashing". Our strategy for managing these risks is to partner with relevant departments to monitor these developments closely and include robust documentation and evidence for all public claims to limit our risk exposure.

1. In late 2023, the Financial Stability Board announced that the work of the TCFD has been completed, with the ISSB Standard marking the culmination of work of the TCFD. IFRS Standards S1 and S2 fully incorporate the recommendations of TCFD and our disclosures are aligned with these standards to meet the reporting recommendations of TCFD.
2. Download the Audit Committee Charter here: https://www.interactivebrokers.com/download/IBG_Audit_CommitteeCharter.pdf

TCFD Disclosure (continued)

2. **Reputational Risks:** Damage to our reputation could harm our business. Maintaining our reputation is critical to attracting and maintaining customers, investors, and employees. If we fail to address, or appear to fail to address, issues that may give rise to reputational risk, we could significantly harm our business. These issues may include, but are not limited to, limited actions to align our business with global climate developments as well as limited or inaccurate disclosures regarding our performance on climate-related risks. Adverse developments could impair our reputation and materially adversely affect our business, financial condition and results of operations. We believe these risks are present over the medium and long term (5-10 years) due to current sentiments on corporate climate action both domestically and internationally. Our strategy to manage these risks is to continue advancing our environmental stewardship pillar through ongoing reporting and working to manage our climate footprint aligned with stakeholder sentiments, which we monitor through regular engagement. This includes employees, customers, and investors.

Due to our operating model and limited capital expenditures in the form of property, plant, and equipment, we have not identified any material physical climate-related risks to our operating model. Through our current risk management procedures, we have not formally identified any locations that would result in a material impact from weather-related events exacerbated by climate change.

As we continue to enhance our risk management procedures, we intent to phase in more rigorous assessment of climate-related risks that include assessment of physical climate risks over various time horizons and scenarios to validate or refine our determination of physical climate risks. We also intend to assess additional transitional risks through our ERM procedures to improve our risk management practices.

While physical climate risks have not been determined to be material at this time, we do have robust strategies and procedures to mitigate risks during weather-related events. Federal regulators and industry self-regulatory organizations have passed a series of rules in the past several years requiring regulated firms to maintain business continuity plans that describe what actions firms would take in the event of a disaster (such as a fire, natural disaster or climate-related event) that might significantly disrupt operations. IB has developed business continuity plans that describe steps that we and our employees would take in the event of various scenarios. We have built backup capabilities for key operations performed at our regional offices in North America, Europe and Asia that would be utilized in the event of a significant outage at our main data center or primary office locations. In addition, we have strengthened our technical infrastructure and have built redundancy of systems so that most operations can be handled from multiple offices or remotely. Spurred by the COVID-19 pandemic, we have substantially enhanced this infrastructure and our remote access capabilities so that most employees, including all with critical job functions, can work remotely. We continually evaluate opportunities to further our business continuity planning efforts.

Risk Management

Completed on an annual basis; the Risk & Control Self-Assessment ("RCSA") is a Firmwide program to identify, measure, and control operational risks through assessment of the risks inherent in the operating model and the effect of the control environment in mitigating these risks to within acceptable levels (driven by the Risk Appetite Framework). This tool is one of a series which the Firm uses to build an aggregated view of operational risk across the firm and provides:

- ✓ Insight into our operational risk profile, the control environment and the factors that may stress it.
- ✓ A way to prioritize investment in the operating model as the business evolves and grows.
- ✓ A defensible framework to justify capital ratios and risk management disclosures.

The RCSA forms a key part of the Operational Risk Management Framework in IB and its affiliates. To ensure consistency and completeness, the RCSA leverages the Group Process Inventory, Risk Taxonomy and Control Library for all IB entities. Additionally, a standard scoring methodology is in place to structure risk and control assessment.

The ESG risks are included in the Firm's risk register, updated regularly. IB maintains business continuity planning process and regularly performs legal reviews of upcoming or draft legislation on climate related topics.

As mentioned in our strategy section, we are working to enhance our assessment of climate-related risks and opportunities through our ERM procedures. This includes a more analytical assessment of potential physical risks through climate scenario analysis as well as a more holistic review of transitional risks through the assessment of key market developments. We plan to share the details of these risk assessment procedures and our findings in future reporting.

Metrics and Targets

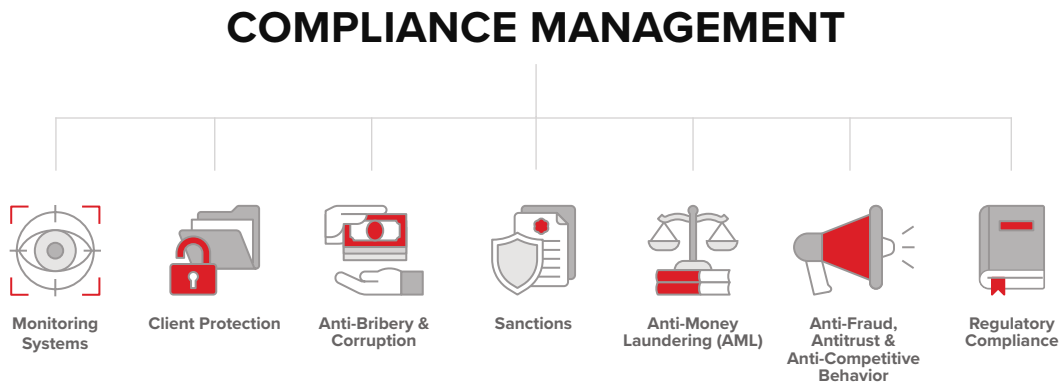
At IB, we have embedded emission capturing into our operations. In 2023, we focused on reduction of Scope 1 & 2 emissions through renewable energy & efficiency measures. We report these metrics annually. These direct emissions are verified by a third party to ensure accountability and accuracy. We also assess facilities environmental factors across our office footprint to improve environmental responsibility for energy, climate, water, and waste.

We are also considering other climate related metrics that can help us to mitigate relevant climate risks and realize climate-related opportunities. We have commenced capturing of Scope 3 emissions in 2024 and will scale up in 2025 for our upstream and downstream emissions.

Compliance Management

Our Compliance department supports and helps confirm that we operate our business under applicable regulatory requirements. The Global Chief Regulatory Officer (GCRO) is the senior executive responsible for the Compliance Department, which includes General Compliance and Anti-Money Laundering (AML), as well as Chief Compliance Officers (CCO) for each of our electronic brokerage subsidiaries. Each CCO reports to the Chief Executive Officer (CEO) or business head for their subsidiary, in addition to the GCRO (or regional Compliance head).

We have documented appropriate policies that identify and assess money laundering, terrorist financing, sanctions risk, and predicate crimes, such as securities fraud, insider trading, market manipulation, terrorist financing, and sanctions violations by each subsidiary's local regulations and procedures.



Monitoring Systems

The philosophy of the Compliance Department, and the company as a whole, is to build automated systems that minimize manual steps in the compliance process and then augment these systems with experienced employees who apply their judgment where needed. We maintain automated systems that handle wide-ranging compliance issues such as trade and audit trail reporting, enforcement of short sale rules, enforcement of margin rules and pattern day trading restrictions, review of employee correspondence, archiving of required records, execution quality and order routing reports, approval and documentation of new client accounts, surveillance of client trading for market manipulation or abuse or violations of exchange rules, and AML and anti-fraud surveillance in line with our AML policies. Our automated operations and compliance systems provide our Compliance Department with substantial efficiencies. As part of this ongoing effort, we have implemented a robust case management and surveillance system, and increased our Compliance staffing over the past several years to meet the growing regulatory burdens faced by industry participants.

Client Protection

We take a proactive approach to client protection. Our technology drives computations that determine the amount of cash and securities owed to clients daily and segregates funds for the exclusive benefit of clients, along with a conservative buffer, where permitted. We were one of the first broker-dealers approved by FINRA to calculate our client reserve obligation daily (under Rule 15c3-3), while the industry standard is to do so on a weekly or monthly basis.

Anti-Bribery and Corruption

Interactive Brokers' policy prohibits all forms of bribery. We are committed to strict compliance with the U.S. Foreign Corrupt Practices Act and applicable anti-corruption laws in other jurisdictions where Interactive Brokers conducts business. Our Anti-Bribery and Corruption Policy prohibits employees, officers, directors, and agents from offering, promising, giving, requesting, soliciting, agreeing to accept, or accepting a bribe in connection with Interactive Brokers' business in either the public or private sector.

Sanctions

Interactive Brokers is committed to complying with sanctions issued by the U.S. Treasury Office of Foreign Assets Control as well as the United Nations, EU, and other applicable sanction measures. The Sanctions Policy establishes firm-wide requirements for managing sanctions compliance risk by identifying and preventing activities prohibited by relevant sanctions requirements.

Anti-Money Laundering

We are fully committed to combating money laundering and other financial crimes, upholding the highest standards of integrity, and providing a safe and secure financial ecosystem. To achieve these goals, we maintain robust AML and enhanced due diligence programs that serve as pillars of our risk management framework. Our AML program is designed to detect, prevent, and report any suspicious activities that may be indicative of money laundering, terrorist financing, or other illicit financial activities. We have implemented stringent policies, procedures, and controls that align with global regulatory requirements, industry best practices, and evolving AML frameworks.

In line with regulatory requirements under the USA Patriot Act, EU AML Directive, and other rules, we have established a comprehensive AML program that includes the following:

- ✓ AML and client identification.
- ✓ Designated AML compliance officers for our electronic brokerage subsidiaries.
- ✓ Formal AML training for our AML, client-facing, and other relevant employees.
- ✓ Regular independent audits of our AML program.
- ✓ AML Screening:
  - We screen using a mix of automated and manual reviews structured to comply with regulations in various jurisdictions.
  - We have designed and implemented restrictions to prevent certain types of high-risk activity, including potentially manipulative patterns of trading and higher-risk patterns of money movement.
  - We collect required information through our new account opening process, and screen accounts against databases for the purposes of identity verification and for review of potential negative information and appearance on government sanction lists, including the Office of Foreign Assets and Control, Specially Designated Nationals and Blocked Persons lists, and several other global, United Nations, EU, and other non-U.S. sanction lists.
  - We generate and review a sophisticated suite of surveillance reports and queues to identify potential money laundering, market manipulation or abuse, fraud, and other suspicious activities.

Anti-Fraud, Antitrust and Anti-Competitive Behavior

All employees, officers, and directors must comply with applicable antitrust and similar laws that regulate competition in the countries in which we operate. We have zero tolerance for fraud, and expect all employees to conduct themselves accordingly.

Regulatory Compliance

Our securities and derivatives businesses are extensively regulated by U.S. federal and state regulators, foreign regulatory agencies, and numerous exchanges and self-regulatory organizations of which our subsidiaries are members. Our approach to regulatory requirements has been to build many regulatory and compliance functions into our integrated order routing, custodial, client onboarding, and transaction processing systems, and augment these systems with experienced employees.

> Our automated operations and compliance systems provide our Compliance department with substantial efficiencies.

Appendix A. Governance Tables

Information Required	Location or Reference	Page Number or Information
Leadership and Governance Disclosure Topics		
Audit Committee Structure	Proxy Statement	Pages 7-8: Audit Committee
Auditor Change	Proxy Statement	Page 35: Item 2: Ratification of Appointment of Independent Registered Public Accounting Firm
Auditor Fees	Proxy Statement	Page 35: Fees Paid to Independent Registered Public Accounting Firm
Board Diversity	Proxy Statement	Page 34: Board Diversity
Board Experience	Proxy Statement	Page 31-33: Nominees for Election to our Board
Board Independence	Proxy Statement	Page 7: Director Independence
Board Tenure	Proxy Statement	Page 7: Board Leadership Structure
CEO Pay	Proxy Statement	Page 18: Summary Compensation Table
Conflict of interest policies or description of how the board ensures that conflicts are prevented or mitigated	Proxy Statement	Page 30: Review, Approval or Ratification of Transactions with Related Persons
Director Appointment & Removal	Proxy Statement	Page 31: Item 1: Election of Directors
Director Stock Ownership	Proxy Statement	Page 25
LTI Performance Metrics	Proxy Statement	Page 24: Financial Performance Measures
Ownership Structure	10K	Page 3 of 10K
Pay for Performance Proxy Materials	Proxy Statement	Page 12: Compensation Discussion and Analysis Page 12: Setting Executive Compensation Page 13: Elements of Compensation Page 22: Pay versus Performance
Pay Magnitude Proxy Materials	Proxy Statement	Page 12: Compensation Discussion and Analysis Page 21: Pay Ratio Disclosure
Proportionality - One Share/One Vote	10K	Exhibit 4.1.
Related Party Transactions	Proxy Statement	Page 30: Review, Approval or Ratification of Transactions with Related Persons
Risk Oversight Proxy Materials	Proxy Statement	Page 7: The Board's Role in Risk Oversight
Say on Pay Proxy Materials	Proxy Statement	Page 12: Compensation Discussion and Analysis Page 12: Setting Executive Compensation Page 13: Elements of Compensation
STI Performance Metrics	Proxy Statement	Page 22: Pay versus Performance Page 12: Compensation Discussion and Analysis Page 13: Elements of Compensation
Total compensation ratio of highest paid individual to the median annual compensation of all employees	Proxy Statement	Page 21: The median of the annual total compensation of all employees of our Company (other than our Chief Executive Officer and President) was approximately $99,344; The annual total compensation of our Chief Executive Officer and President was $15,379,511 (as disclosed in the Summary Compensation Table herein); Based on this information, the ratio of the annual total compensation of our Chief Executive Officer and President to the median employee was 155 to 1.
Voting Structures	Proxy Statement	Page 2

Proxy Statement: https://www.sec.gov/ix?doc=/Archives/edgar/data/1381197/000114036124011717/ny20019932x2_def14a.htm

10K: https://www.interactivebrokers.com/en/index.php?f=2244&t=10-K&i=100&d=2024-02-27&a=1709032990&fmt=pdf

Appendix B. Sustainability Accounting Standards Board (SASB) Index

Information Required	Disclosure Number	Disclosure Metric	Location or Reference
Investment Banking & Brokerage			
Employee Diversity & Inclusion	FIN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non executive management, (3) professionals, and (4) all other employees	IBKR 2023 Sustainability Report "Diversity, Equity and Inclusion", Page 15.
Incorporation of Environmental, Social & Governance Factors in Investment Banking & Brokerage Activities	FIN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	Not applicable to IBKR's business model, except for what is described on Page 10.
	FIN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry.	IBKR does not provide loans and investments other than margin loans. Not applicable to IBKR's business model.
	FIN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities.	Interactive Brokers is not a bank, investment or asset management organization except for what is described on Page 10. IBKR is an electronic platform that does not sell products or advise clients. ESG is integrated in our platform as described in IBKR 2023 Sustainability Report "ESG Integration in our products", Page 10.
Business Ethics	FIN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	$55 million due to an off-channel communications settlement. A reflected violation of financial industry regulations.
	FIN-IB-510a.2	Description of whistle-blower policies and procedures.	IBKR 2023 Sustainability Report "Ethics and Integrity at Interactive Brokers", Page 23.
Professional Integrity	FIN-IB-510b.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings.	Zero employees with investigations or complaints initiated in 2023. IBKR is an electronic platform that does not sell products, advise clients, or provide clients with human financial advisors. As such, complaints against individuals are very rare.
	FIN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party.	IBKR had one recorded incident associated with professional integrity as disclosed in our 10-K report.
	FIN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care.	During the period, the Company was subject to legal proceedings arising out of our business operations, including lawsuits and arbitrations, as well as other actions and claims. Material proceedings for the Company are disclosed in our 2023 10-K Annual Report.
	FIN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care.	IBKR 2023 Sustainability Report "Ethics and Integrity at Interactive Brokers", Page 23.
Systemic Risk Management	FIN-IB-550a.1	Global Systematically Important Bank (G-SIB) score, by category.	Not applicable to IBKR's business model.
	FIN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities.	IBKR 2023 Sustainability Report "Enterprise Risk Management", Page 26.
Employee Incentives & Risk Taking	FIN-IB-550b.1	Percentage of total renumeration that is variable for Material Risk Takers (MRTs) - considered to be a member of management that heads a material business and/or is responsible for risk management within a business unit.	Not applicable to IBKR's business model.
	FIN-IB-550b.2	Percentage of variable renumeration of MRTs to which malus or clawback provisions were applied.	Not applicable to IBKR's business model.
	FIN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities.	Not applicable to IBKR's business model. IBKR does not have material level 3 assets and liabilities.
Consumer Finance Standards			
Customer Privacy	FN-CF-220a.1.	Number of account holders whose information is used for secondary purposes.	Refer to Interactive Brokers Group Privacy Policy found on our website.
	FN-CF-220a.2.	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	IBKR had no monetary losses as a result of legal proceedings associated with customer privacy in 2023.
Data Privacy & Security	FN-CF-230a.3	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards.	IBKR 2023 Sustainability Report, "Cyber & Information Security". Page 24.

Appendix C. GHG Verification Statement

RAMBOLL

VERIFICATION STATEMENT

Client	**Interactive Brokers Group**
Date	**June 27, 2024**
Reporting Period	**1st January 2023 to 31st December 2023**
Assurance Team	**Brooke Dillon, Alice Roberts, Kylie McKinley, Ramboll**

Introduction

This Verification Statement has been prepared for Interactive Brokers Group (IBG) by Ramboll Americas Engineering Solutions, Inc. This verification:

1. Was performed in accordance with the specification and guidance defined in ISO 14064-3:2019.
2. Provides a limited level of assurance about whether the Scope 1 and 2 greenhouse gas (GHG) assertions for FY23 is free from material misstatement.
3. Has been prepared in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (GHG Protocol).

Criteria

Criteria against which the assurance assessment is undertaken are the principles of completeness, transparency, accuracy, consistency, and relevance.

Scope

The GHG assertion relates to the following against which verification testing was conducted:

Categories:

- Scope 1 – Direct GHG emissions from on-site fuel combustion of natural gas and diesel.
- Scope 2 – GHG emissions from purchased and consumed electricity and steam.
- **Time periods:**
  - FY23 – 1st January 2023 to 31st December 2023

Responsibilities

The management of IBG is responsible for all institutional, managerial, and technical arrangements made for the collection of data, preparation of the GHG assertion, and implementation of steps to manage the quality of the GHG assertion.

It is Ramboll's responsibility to express an independent GHG verification opinion on the GHG assertion in accordance with our contract with IBG.

Methodology

The following work was performed by the verification team as a risk-based sampling exercise in order to test the GHG information and associated GHG assertion:

- Reviewed the reporting organization, roles and responsibilities, tools used and information flow in order to assess the correct understanding and application of criteria.
- Compared a sample of reported data and primary evidence.
- Performed an arithmetic verification of calculations.

Confidential

- Reviewed emission factors used within the calculations.
- Reviewed renewable energy contracts (RECs).
- Conducted an analytical review, analysing changes between the previous year's data and the current year data.
- Reviewed the internal controls which have been implemented to ensure the reliability of reported data.
- The verification team also reviewed the methodology and documentation's alignment with the WRI/WBCSD GHG Protocol.

Materiality

A materiality level of 5% was applied.

Intended Users

The intended users of this verification statement are the Management of IBG and its stakeholders.

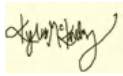
Statement of Independence and Competence

Ramboll is a leading sustainability consultancy, operating in more than 35 countries and providing services including engineering; quality, environmental, social, and ethical consultancy, auditing, and training; and environmental, social and sustainability report assurance. The Ramboll team affirms our independence from IBG, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders. The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, including experience in inventory verification and assurance of environmental data.

Conclusion and Recommendations

Based upon the process and procedures conducted, there is no evidence that the Scope 1 and 2 GHG assertion for the FY23 as summarised in Table 1:

- is not materially correct and is not a fair representation of GHG data and information; and
- has not been prepared in accordance with the requirements defined by the WRI/ WBCSD GHG Protocol as agreed.



Kylie McKinley
Lead Verifier

On behalf of:
Ramboll
1999 Broadway
Denver, Colorado
U.S.

Table 1: Summary of IBG's FY2023 Scope 1 and 2 GHG Assertion

Category	FY23 GHG (MTCO2e)
Scope 1 (MTCO2e)	169.78
Scope 2 Location-based (MTCO2e)	2723.29
Scope 2 Market-based (MTCO2e)	92.62

Confidential