Advancing practice-oriented ethics in the digital age

Swiss at heart, global in ambition
Foreword by Doris Leuthard

One month after the official launch of the Swiss Digital Initiative (SDI) at WEF 2020 in Davos, Switzerland and the world went into lock-down due to the spread of Covid-19. The internet has become our social fabric and allowed us to remain connected, to continue to work, learn and to stay safe. Yet, cyber attacks increased, infodemic spread and conspiracy theories have thrived.

The digitalisation push during the last year has made an initiative such as the SDI even more relevant. Digital ethics is not a nice-to-have, but has become a business imperative. Business actors cannot expect trust. They need to earn it through transparent and accountable action and responsible behaviour - also in the cyberspace.

The global health and economic crisis made it very clear that we are at a crossroads. In addition to the dramatic health emergency, the Covid-19 crisis is forcing us to design and build the digital society to which we aspire. The next years will be decisive for the future of the internet. We need to ask ourselves what kind of digitalisation we want and to what end new tools and technologies should serve.

To use the full potential of digitalisation, we need clear framework conditions and a web, where the same rules and principles adhere as in the analog world. Geneva as one of the world’s major hubs for global governance and multilateral diplomacy can play a crucial role to achieve cyber peace and digital responsibility. This is why the choice fell naturally on Geneva as the SDI’s headquarters.

SDI started small, rooted in Geneva, Switzerland, yet the ambition is a global one. Every country needs an initiative, which works together with all relevant stakeholders collaborating to define what trustworthiness means in the digital space. The first SDI project aims to tackle this challenge through the development of a Digital Trust Label.

After a turbulent 2020, our wish is for a year marked by cooperation, solidarity and our shared values. We want to do our part in Switzerland and beyond. My sincere thanks go to all our supporters, partners and fellows who believe in a trustworthy and rule-based internet and who supported this young initiative in this special year.
Kick-Off at the Swiss Global Digital Summit in Geneva

Our story began at the Swiss Global Digital Summit in Geneva in September 2019. Convened to discuss ethics and fairness in the digital age, it also marked the kick-off of the Swiss Digital Initiative (SDI): A commitment to embed ethical standards in the digital world with concrete projects. The initiative was initiated by the multistakeholder association digitalswitzerland, under the patronage of the Federal Councillor Ueli Maurer and aims to jointly involve academia, the economy and civil society.

A policy paper discussed at the Swiss Global Digital Summit, which was drafted upon advice from an autonomous and high-ranking group of experts from Swiss universities, served as a basis for the foundation’s activities and values. General tenor: Digitization must always serve people and place their needs at the centre. Instead of being a starting and end-point, the Swiss Global Digital Summit marked the beginning for a more long-term initiative, which tackles the challenge of translating ethical principles into business practice.

The initiative is guided by the conviction that the time has come to focus on implementation of common values and principles, emphasised by the UN High Level Panel on Digital Cooperation.

Accordingly, the SDI aims to enhance the impact of existing initiatives and become a globally recognised trendsetter for the creation of implementation-oriented instruments and mechanisms.

The Swiss Digital Initiative is sponsored and administered by a Foundation with headquarters at the Campus Biotech in Geneva.
At the 74th UN General Assembly on 17 September 2019 in New York, Federal Councillor Ueli Maurer called on the international community to follow global "compasses" and actively tackle future digital challenges. He invited all interested stakeholders to participate in the Swiss Digital Initiative, a commitment to progress and high ethical values.
Official Launch of the SDI during Geneva Day at the World Economic Forum 2020 in Davos

At the start of WEF 2020, the Swiss Digital Initiative Foundation celebrated its official founding and presented its first project, the development of a digital trust label. In an event jointly organised with the Swiss Federal Department of Foreign Affairs as part of the Geneva Day in Davos, Federal Councillors Ignazio Cassis and Ueli Maurer emphasised the importance of International Geneva on global digital governance issues. They welcomed momentum from new players such as the Swiss Digital Initiative.

The SDI has been committed to a multi-stakeholder approach from the beginning. To advance international cooperation in the digital realm, the collective expertise from government, business, the technical community, and civil society is needed to understand the impact on all participants of certain approaches to governance and policy.

The SDI has been identified by the UN Environment Programme (UNEP) as one of “the 20 top multi-stakeholder processes in 2020 to advance a digital ecosystem for the planet.”

1 David Jensen, UNEP (January, 2020): «Are these the 20 top multi-stakeholder processes in 2020 to advance a digital ecosystem for the planet?», Medium
Swiss at Heart, Global in Ambition

Choosing Campus Biotech in Geneva as headquarters for the SDI is not a coincidence. The city as a whole is seen as the centre for multilateral diplomacy and international cooperation. As an innovative location known for legal certainty, stability and not least of all neutrality, Switzerland is predestined to drive such an important initiative and to build bridges.

SDI aims to reinforce and advance the strong international digital ecosystem in Geneva through building a cluster or “Swiss Digital Lab” together with initiatives such as GESDA, the Cyber Peace Institute, the World Economic Forum and others. A place where Swiss excellence is experienced and implemented through concrete projects.

Through collaboration with international organisations, such as the United Nations, International Telecommunication Union and the International Committee of the Red Cross, Geneva can strengthen its position as the international hub to tackle some of the most complex and urgent global internet governance challenges.

SDI offices are located at the Campus Biotech, in the heart of International Geneva. This is made possible thanks to the Geneva Science and Diplomacy Anticipator (GESDA), which kindly shares their office spaces with the SDI Foundation.
The Swiss Digital Initiative Foundation aims to promote ethical standards and conduct in the use of digital information and technologies at a global level. The Foundation carries out its activities through its own projects, grants and the financing or co-financing of selected third-party projects. It may cooperate with third parties to promote the Foundation’s purpose and delegate tasks to third parties. The Foundation can also carry out other tasks related to the topic of ‘Ethics in the Age of Digital Transformation.

The Foundation does not pursue any profit-making purposes and does not strive for profit.

Facts and Figures

- **Foundation date**: January 2020
- **Founding Organization**: digitalswitzerland
- **Headquarters**: Campus Biotech, Geneva
- **Staff in 2020**: 1 FTE
- **Mission**: Advancing practice-oriented ethics in the digital age
- **Objectives**:
  1. Put into action ethical values and principles
  2. Develop specific, action-oriented projects
  3. Lead the global dialogue on digital ethics
  4. Foster trust in digital technologies and in the actors of digital transformation
SDI
Guiding Principles

The process governing the definition and implementation of projects pursued within the Swiss Digital Initiative are guided by the following principles:

1. Inclusiveness
SDI projects must commit to a participatory and inclusive process open to all relevant and interested stakeholders. This means including users, civil society organisations, vulnerable groups and critical voices, regulators, and corporations to ensure active participation on the part of diverse members of society from a wide range of cultural backgrounds. This is in order to increase overall trust in data-driven applications and algorithmic processes through their lawful, non-discriminatory and fair use.

2. Awareness
Insights from the many other relevant initiatives in the ongoing shaping of ethical frameworks within the digital sphere must be taken into account throughout the entire process. This will promote critical consideration of hidden assumptions or biases, which may relate to demographics, geography, or various forms of underrepresentation, in order to reduce unfair biases or discrimination rather than to create new or reinforce existing ones.

3. Transparency
SDI projects must guarantee transparent communication with stakeholders and the public.

4. Agility and Flexibility
The SDI process will remain flexible to allow for experimentation and innovation, while balancing the benefits with the inherent risks.

5. Responsiveness
SDI projects will emphasise the development of mechanisms that will enable appropriate responses to emerging harms or governance needs not foreseen during the development or implementation of data-based applications or algorithmic processes.

6. Sustainability
The SDI process will live up to the requirements of sustainability by striving for a minimised impact on resources, in particular by taking advantage of technologies in order to spare these resources.

7. Benevolence
SDI projects must strive to implement human-centric approaches that put people’s rights and needs - as enshrined in principles such as autonomy, explicability, or fairness - at the heart of technical progress.

8. Accountability
SDI stakeholders and the implementation of SDI projects will commit to acting responsibly with regard to the initiative’s commitments, and in their dealings with resources, people, and facts. If personal data is gathered or used as part of these projects, the privacy of individuals will be assured at all times in accordance with applicable data protection law.
Our seven members of the Foundation Board of Directors represent the multistakeholder-approach of the SDI. Two members represent the academic world, two members of the Board come from the private sector, two members have a public sector background and one person speaks for the civil society.

**Doris Leuthard** President, former Swiss Federal Councillor and Member of the UN High-level Panel on Digital Cooperation

**Ivo Furrer** President of digitalswitzerland, Member of the Board of Directors of Julius Baer, Helvetia Insurance, responsAbility, inventx

**Yves Flückiger** Rector University of Geneva

**Walter Thurnherr** (ad personam), Federal Chancellor

**Martin Vetterli** President EPFL

**Marc Walder** CEO Ringier and Founder digitalswitzerland

**Anja Wyden Guelpa** Director and founder civicLab and former State Chancellor of the State of Geneva
SDI Executive Office

Operational management of the Foundation, oversight of the activities and ensuring compliance with its purpose and decisions taken by the Board was ensured by a managing director in 2020.

The secretariat of the Foundation was entrusted to a secretary.

Furthermore, SDI has been operationally supported by digitalswitcherland and ethix - the Lab for innovation ethics (Co-Founders and Directors Johan Rochel, Jean-Daniel Strub; Lab Manager Lea Strohm and Innovation Ethicist Zora Muriel Schmid). The Digital Trust Label project was only possible thanks to a close partnership with EPFL.

Manuel Liatowitsch
Secretary of the Foundation, Chief Legal Officer and General Counsel, Ringier Group

Niniane Paeffgen
Managing Director
Activities

Review
2020

2020 was challenging for all of us. From an SDI perspective, the founding year was marked by three main activities: First, the creation and launch of the Foundation, second, fundraising activities for the Foundation and the first project. Third, moving ahead with the activities around the development of a Digital Trust Label.

In general, SDI projects aim to enable the development, improvement, and diffusion of guidelines, tools, mechanisms and codes of conduct that work towards a human rights-based, fair, sustainable, and thus flourishing digital society.

2020 was dedicated to anchor the initiative within Switzerland. In 2021, the objective will be to leverage impact and awareness on a more international level.
1 Creation of the “Swiss Digital Declaration” and Swiss Digital Initiative Statement

Originally intended as a declaration on ethics and fairness in the digital age and a self-commitment for businesses actors, the “Swiss Digital Declaration” became a policy paper, which forms the basis for SDI’s core values and activities. The document sets out the objectives of the SDI, highlights the fundamental principles upon which participants in the initiative will act, and presents roadmap cornerstones for subsequent steps.

The Swiss Digital Initiative does not to want to reinvent, but builds on the numerous initiatives and statements on ethical values and principles released by states, the private sector and international organizations (e.g. the UN Secretary-General’s High-level Panel report on digital cooperation, EU Guidelines for Trustworthy AI, the recent OECD Recommendation on Artificial Intelligence). Instead of re-stating another digital ethics declaration or charter, the Swiss Digital Initiative seeks to contribute to the operationalisation of the principles put forth in these documents.
In a trend map developed for SDI, the leading interdisciplinary independent think tank W.I.R.E. identified seven strategic areas of action for decision-makers to foster trust and responsibility. In the next decade, we will face more individual empowerment, increased convenience, new communities, and higher security, but we also have to prepare for data-driven intransparencies, algorithmic discrimination, loss of control, and the erosion of privacy. A forward-looking approach to understanding digitalisation requires a change of perspective.

Recent years saw a strong focus on new digital technologies, such as blockchain and artificial intelligence. Today, it is essential to focus on outcomes. Digital transformation’s true potential lies in four applications of technology: automation, virtualisation, interlinking, and realisation.

According to the research of W.I.R.E. digital transformation's new parameters and main challenges gives way for seven fields of action:

1. Initiate an open dialogue on future societal and ethical challenges
2. Prepare for a data-based economy
3. Develop global frameworks, such as ethical guidelines and international trust labels
4. Foster digital skills
5. Adapt social security
6. Manage digital risks
7. Warrant independent decision-making
User Study on Digital Trust

During the first Swiss Global Digital Summit 2019 in Geneva, an urgent topic emerged: trust. But what exactly does trust mean in the digital world and how can trust be built? This question is explored by the Swiss Digital Initiative in a study to better understand what trust means from the customer's perspective. Six key findings on trust in the digital world were identified in the report that was released in January 2020:

1. Trust in the digital world is an important and sensitive topic that concerns almost all customers.
2. Trust in the digital world is very complex and not limited to security and privacy topics.
3. Trust in the digital world is closely linked to offline experience with the company or provider.
4. The context is crucial for building up trust in the digital world.
5. The perceived balance between risks and benefits of a service is decisive when choosing a digital service.
6. A digital trust label can minimize the perceived risk for some customers, but its effectiveness depends on the customer-centric design of the label.

The study forms the basis for the development of a Digital Trust Label.
Development of a Digital Trust Label

The first project of the Swiss Digital Initiative, the development of a Digital Trust Label, addresses the question of trust in the digital age.

SDI wants to create the first leading Digital Trust Label (DTL) that denotes the trustworthiness of a digital service in clear, visual and plain non-technical language for everyone to understand. It represents a mark of confidence that a service provider takes its promise of meeting consumer expectations seriously.

The Label:

1. Provides more transparency and detailed information on digital services,
2. Showcases that digital service providers are taking ownership and act in a responsible way towards their users,
3. Consists of technical criteria that are audited by an independent, third party.
4. The Digital Trust Label will be a combination of bio label and nutrition fact table for the digital world. It shows that mandatory criteria are fulfilled by a digital service, while at the same time giving users more information and transparency about four dimensions of the digital service: Security, Data Protection, Reliability of a service and Fair User Management (making transparent automated decision-making).

Based on this first draft of the Label Catalogue, SDI conducted three main processes:

1. It put in place a “Label Expert Committee”, consisting of experts from academia, fields of data and consumer protection, human rights and digital ethics, advising the SDI Board on the Label’s content and framework.
2. It conducted a co-development and public consultation process, which provided civil society bodies with the opportunity to comment on and test the catalogue of criteria through face-to-face interviews, an online survey and workshops.
3. Six of the eight test partners tested the Label Catalogue on concrete use cases, which have contributed a great deal to the Label’s improvement. This will help ensure that the Label is fit for purpose when it becomes fully operational.
Civil Society Workshops in Switzerland

A two workshops in Geneva and Bern, the Swiss Digital Initiative invited representatives from International Geneva and civil society organisations to participate in a round table to ask questions about the new Foundation and the first project, the development of a digital trust label.

A first Public-Consultation and Co-Development Process for a user-centric Label

In order to co-develop the best possible cutting-edge Label for consumers and end-users of digital services, SDI invited experts and organisations working on digitalization and trust-related issues, to challenge the label and provide constructive feedback. Over a hundred organisations were invited to take part.

Of these, 35 organisations were based in Switzerland. The 71 international organisations invited were predominantly based in Europe or the United States. The public consultation process took place between July and October 2020. The results were summarised in a Report.

Three methods were used to gather feedback from national and international participants:

- Face-to-face interviews: semi-structured interviews with national and international civil society participants
- Online survey: In addition to the interviews, feedback on the Label’s content was gathered by means of an online survey structured around the content of the label.
- Workshops

Workshops with test partners

From May to December 2020, six companies and public organisations (Axa, Booking.com, Canton de Vaud, IBM, Swiss Re, Swisscom) took part in mock audits, using the first draft of the Digital Trust Label Catalogue, prepared by an expert group at EPFL, ETHZ and the Universities of Zurich and Geneva. Test partners expressed their need for guidance to help them comply and better understand the aims of the criteria and implications. Some insisted they should have the opportunity to describe the full lifecycle in the audit and give the reasons why a specific implementation or process is appropriate.

The Label test partners committed to contribute to the Label development process by giving feedback and testing the criteria. The 8 test partners are: Axa, Canton Vaud, Swiss Re, Credit Suisse, Booking, IBM Switzerland, Swisscom.
Label Expert Committee

SDI put in place a “Label Expert Committee”, consisting of 12 experts from the academic fields of data and consumer protection, human rights and digital ethics, advising the SDI Board on the Label’s content and framework. The Committee’s work is coordinated by the EPFL Center for Digital Trust (C4DT). Their feedback on SDTL throughout various discussion rounds was very rich. The Label Expert Committee met and held three intense proceedings on the Label catalogue criteria in June, October and December 2020. The first version of SDTL served as a starting point for discussions and for identifying the design spaces. The feedback and recommendations of the Expert Committee was summarised in a detailed Report and a shorter Executive Summary.

Members of the Label Expert Committee:
- Stéphanie Borg Psaila, Digital Policy Director, DiploFoundation, President
- Yaniv Benhamou, Attorney-at-Law, Lecturer (Intellectual property and privacy), University of Geneva
- Prof. Dr. Abraham Bernstein, Department of Informatics, Director Digital Society Initiative, University of Zurich
- Nikki Böhler, Managing Director, OpenData.ch
- Francesca Bosco, Senior Advisor, Cyber Capacity and Foresee, CyberPeace Institute
- Christophe Hauert, Lecturer University of Lausanne, Co-Founder Cybersafe Label
- Prof. Dr. Jean-Pierre Hubaux, Full Professor Laboratory for Data Security, EPFL
- Carla Hustedt, Senior Project Manager, Bertelsmann Foundation (until end of 2020)
- Dr. Patrick Schaller, Senior Scientist, System Security Group, ETH
- Florian Schütz, Federal Cyber Security Delegate
- Jean-Christophe Schwaab, Fédération Romande des Consommateurs
- Martin Steiger, Attorney and entrepreneur for law in the digital space, founder of Steiger Legal
Global User Study

To better understand the strategic directions and interaction mechanisms it requires to launch a successful Digital Trust Label, SDI mandated a global user study in December 2020. The study was conducted in four global regions (United States of America, Eastern Europe, Scandinavia and Switzerland). The objective of the study was to clarify how a Digital Trust Label must be introduced so that users take it into account when making purchase decisions for digital services. It also provided greater insights into the label value proposition and required label visualization.

The study revealed the following three key insights:

1. There is a strong (global) demand to find a solution that addresses the issue of trust in the digital age.
2. The need for a clear and distinct value proposition on setting standards, transparency and high quality are required.
3. Users value a solution that provides them with transparency and information. However, the Label must be perceived as a benchmark in order to develop trust in the label.
4. The Label design / layout should balance between simplicity with information depth.
Expansion of the SDI Foundation Board: Election of Anja Wyden Guelpa

At its meeting on 22 October 2020, the Board of Foundation of the Swiss Digital Initiative unanimously elected Anja Wyden Guelpa, founder of the thinktank „civicLab“ and former State Chancellor of the canton of Geneva, as a new member of the SDI Board of Directors. Anja Wyden Guelpa has extensive experience on various boards of directors. With her knowledge and sensitivity for the concerns of civil society, Anja Wyden Guelpa will further strengthen the Foundation Board with this perspective and her experience.
Outlook 2021

The year 2021 will be dedicated to operationalizing and implementing a first pilot of the Digital Trust Label, the launching of additional projects and to further strengthening the structure and operational set-up of the Swiss Digital Initiative. To this end, SDI will develop synergies and stronger partnerships for concrete cross-cutting and interdisciplinary projects. In addition, the international network will be deepened and synergies with existing initiatives in Geneva will be strengthened.

Today, we are at a point of reinvention, where previously valid assumptions and paradigms are challenged. We are at a crossroads and the course is being set anew from a political, societal and technological point of view. The past has shown that not everything that is technically feasible is socially desirable. Switzerland has a tradition for direct democracy, human rights and neutrality. These assets and values must also be transferred to the digital age.

SDI wants to do its part in finding the right balance between tradition and innovation and to contribute to better global digital cooperation, the reflections on human-centred technologies and digital ethics.
Due to the user-centric focus of the Digital Trust Label, a top priority of the Foundation was to ensure the business-independent funding of the Digital Trust Label activity.

During 2020, the administration and leadership of the Foundation was ensured by one full-time position. The first year and initial phase and the ramp up of the Foundation’s activities were covered by the founding organization digitalswitzerland. The total costs for 2020 covered by digitalswitzerland amounts to CHF 197'000.00. The total inkind costs for 2020 covered by digitalswitzerland amounts to around CHF 200'000.00. EPFL has made substantial inkind contributions to the Digital Trust Label project.

While the SDI Foundation focuses on implementing ethics in times of digital transformation, digitalswitzerland remains entirely committed to its overarching mission as a Swiss-wide, multi-stakeholder initiative, created from the shared vision of its over 150 members to strengthen Switzerland’s position as a leading innovation hub.
Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>31.12.2020</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1'138'434.25</td>
<td></td>
</tr>
</tbody>
</table>

Total Assets

<table>
<thead>
<tr>
<th>Liabilities and Foundation Capital</th>
<th>31.12.2020</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income and accrued expenses</td>
<td>1</td>
<td>84'053.15</td>
</tr>
</tbody>
</table>

Total Liabilities

Foundation Capital

<table>
<thead>
<tr>
<th>Foundation Capital as at 13.01.2020</th>
<th>31.12.2020</th>
<th>CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>994'381.10</td>
<td></td>
</tr>
</tbody>
</table>

Foundation Capital as at 31.12.2020

Total Liabilities and Foundation Capital

Income Statement

| Income from donations and contributions | 31.12.2020 | CHF | 1'100'000.00 |
| Total Income from donations and contributions | 31.12.2020 | CHF | 1'100'000.00 |

Service expenses Swiss Digital Trust Label

Total operating expenses

| Personnel expenses | 31.12.2020 | CHF | 994'406.85 |
| Other operating expenses | 31.12.2020 | CHF | 994'381.10 |

Operating result

| Financial expenses | 31.12.2020 | CHF | 25.75 |

Profit for the period
Report of the statutory auditor on the limited statutory examination to the Board of Foundation of FONDATION SWISS DIGITAL INITIATIVE, Geneva

Zurich, March 5, 2021

As statutory auditor, we we have examined the financial statements (balance sheet, income statement and notes) of FONDATION SWISS DIGITAL INITIATIVE for the period from January 13 to December 31, 2020.

These financial statements are the responsibility of the Board of Foundation. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation’s deed.

Treuereva Ltd

Peter Rüegsegger
Licensed audit expert
Auditor in charge

Michael Boller
Licensed audit expert

Enclosure:
- Financial statements
General information

Organisation, legal form, domicile
Fondation SWISS DIGITAL INITIATIVE, Geneva
Business identification number (UID) CHE-246.817.828

Declaration of the number of full-time equivalents (FTEs)
As at 31.12.2020, the Foundation had not yet employed any of its own staff.

Foundation purpose
The purpose of the «Swiss Digital Initiative» Foundation is to promote ethical standards and conduct, in the use of digital information and technologies at a global level. It supports all activities that serve the implementation of this initiative.

Legal basis and further regulations
The legal basis is formed by the Foundation Deed of 08 January 2020, the Articles of Association and the Foundation Regulations of 07 January 2020. The Foundation was entered in the Commercial Register with the diary entry of 13 January 2020.

List of the Board of Foundation with signing authority
The term of office of a member of the Foundation Board shall be one year; repeated re-election is permitted.

<table>
<thead>
<tr>
<th>Function</th>
<th>Personal data</th>
<th>Signing authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Doris Leuthard</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Yves Flückiger</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Ivo Furrer</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Walter Thurnherr</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Martin Yetterli</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Marc Walder</td>
<td>Joint signature by two</td>
</tr>
<tr>
<td>Member</td>
<td>Guelpa Wyden</td>
<td>Joint signature by two</td>
</tr>
</tbody>
</table>

Auditor
Treuereva Ltd, in Zurich (CHE-105.888.546)

Details of the principles applied in the annual account if not mandatory by law

Accounting principles
These financial statements have been prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

Information, breakdown and explanations relating to items on the balance sheet and in the profit and loss account 31.12.2020

1 Deferred income and accrued expenses
in CHF

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses</td>
<td>84'053.15</td>
</tr>
<tr>
<td>Total</td>
<td>84'053.15</td>
</tr>
</tbody>
</table>
Financial Statements

Representation Letter of

FONDATION SWISS DIGITAL INITIATIVE, Geneva

to TREUREVA Ltd on the financial statements of 2020

We are providing this representation letter in connection with your limited statutory examination of the financial statements (balance sheet, profit and loss statements and notes) of FONDATION SWISS DIGITAL INITIATIVE for the financial year that includes the period from January 13, 2020 to December 31, 2020.

The objective of your limited statutory examination is to form a conclusion whether anything has come to your attention that the financial statements do not comply with Swiss law and the deed of foundation.

We acknowledge the responsibility of the foundation board for these financial statements. The foundation board has approved these financial statements for disclosure to the general meeting by the foundation board. We confirm that the requirements for a limited statutory examination are met.

We hereby confirm, to the best of our knowledge and belief, the following:

1. The financial statements comply with Swiss law and the deed of foundation and within this context are free from material misstatements (which may include erroneous recording, valuation, presentation or disclosure as well as omissions).

2. We have made available to you all information, accounting records, supporting documents and business correspondence as well as the minutes of all meetings of the foundation board and all circular resolutions of the foundation board. We have also granted you unrestricted access to all individuals who you considered necessary to interview in the process of your audit.

3. Information about the accounting and valuation principles applied to the financial statements, has been properly disclosed in the notes. To the extent the accounting policies are not prescribed by law, the description of the accounting policies applied in the preparation of the financial statements in the notes is accurate.

4. FONDATION SWISS DIGITAL INITIATIVE has complied with all contractual agreements and legal provisions (e.g. with regard to direct taxes, VAT, social insurances and environmental protection) for which non-compliance could have a material impact on the financial statements.

5. The information provided to you in connection with the identification of related parties is complete and the disclosure of assets and liabilities due from / owed to related parties (articles 959a para. 4 CO) is complete and accurate.

6. We do not have any plans or intentions, nor are we aware of any events, that could raise significant doubt as to the ability of FONDATION SWISS DIGITAL INITIATIVE to continue as a going concern.

7. We have provided you with the details of the creation, release and amount of hidden reserves (article 959c para. 1 CO).

8. We do not have any plans or intentions that could materially change the accounting, valuation or presentation of assets or liabilities in the financial statements.

9. FONDATION SWISS DIGITAL INITIATIVE has satisfactory title to all assets. There are no liens or encumbrances on the company’s assets.

10. We have properly recorded all current liabilities and disclosed all contingent liabilities (guarantees, indemnities and comparable declarations we have given to third parties) in the financial statements.
11. All material events after the balance sheet date have been recorded and/or disclosed in the financial statements. We will inform you immediately of any events of which we become aware by the date of the general meeting by the foundation board that could have a material impact on the financial statements.

12. Claims from lawsuits or other disputes that are significant to the assessment of the foundation's financial statements do not exist.

13. We have disclosed to you all credit arrangements. The respective conditions were met at the balance sheet date and at the date of this letter of representation.

14. We confirm that we have observed the provisions of the Swiss Civil Code (Foundation Law), the deed of foundation as well as the instructions of the supervising authorities (Eidgenössisches Department des Innern, Bern).

15. There has been no fraud or error involving members of the foundation board, members of management or employees with an essential function within the accounting and/or the internal control system. No fraud or error has been detected with a material effect on the financial statements and we do not have any indication for either fraud or error.

16. We confirm that the supervising authority has not issued any request concerning the financial statements of the previous year others than those which we disclosed to you.

17. We confirm that we did not use any derivative financial instruments within the meaning of the Financial Market Infrastructure Act during the year and there were no such contracts open at year-end.

FONDATION SWISS DIGITAL INITIATIVE

Geneva, March 5, 2021

Doris Leuthard

Geneva, March 5, 2021

Niniane Paffgen

Enclosure
- Signed copy of financial statements 2020