

Sustainability & Environmental Policy

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1 Introduction

1.1 Background

In 2015, the international agreements UN 2030 Agenda and Sustainable Development Goals and the Paris Climate Agreement (“Paris Agreement”) were adopted and the financial sector has a key role in reaching those goals and international and national initiatives. In order to contribute to the common goals, comply with applicable sustainability related requirements as well as meet customer and market expectations in the area, the board of directors of Nordnet AB (publ) (“Nordnet”) has adopted this *Sustainability & Environmental Policy*.

The boards of directors of Nordnet’s licensed subsidiaries Nordnet Bank AB, Nordnet Pensionsförsäkring AB, Nordnet Livsförsäkring AS, and Nordnet Fonder AB shall, respectively, adopt policies which ensure that the strategy established through this policy is implemented in their businesses.

1.2 Purpose and objective

The purpose of this policy is to describe Nordnet’s sustainability strategy by defining activities and guiding principles. Nordnet shall incorporate sustainability aspects in its business strategy, conduct a fair, ethical, and transparent business as well as keep the trust from both customers and the market.

1.3 Regulatory basis

This policy has been established in accordance with the following external requirements:

- Lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag
- Årsredovisningslag (1995:1554)
- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (taxonomy regulation)
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sectors (SFDR)

2 Organization, roles, and responsibilities

2.1 Board of directors

The board of directors has the overall responsibility for Nordnet's operations and is responsible for establishing Nordnet’s sustainability strategy.

2.2 CEO

The CEO is responsible for executing decisions in accordance with the directives of the board of directors to ensure that the sustainability strategy is properly implemented Nordnet's operations. The CEO is also responsible for ensuring that proper reporting is done to the board of directors.

3 Nordnet's sustainability strategy

Nordnet has defined three focus areas which constitutes Nordnet's sustainability strategy:

1. Democratize savings and investments,
2. Sustainable savings, and
3. A responsible and sustainable business.

3.1 Democratize savings and investments

Nordnet's ambition is to give private savers access to the same tools, information, and services as professional investors, combined with a transparent approach and low costs. Nordnet shall do so by developing digital user-friendly products and services, by engaging in the public debate on savings and investments, and by providing education to its customers.

Nordnet strives to be on the savers' side, and pursue issues of, for example, fair terms in pension savings and reasonable and predictable taxation of holdings of shares and mutual funds.

Nordnet shall actively work to improve gender equality among private savers. Giving everyone the possibility to start saving and take control over their finances is a fundamental prerequisite for democratizing the financial industry. The majority of Nordnet's customer base consists of men, who also generally have more savings invested in the stock market. Nordnet shall contribute to a society where more women invest in the stock market and shall contribute to gender equality in the stock market. To measure how well Nordnet improves the gender balance in the customer base, Nordnet shall have long and short-term goals.

3.2 Sustainable savings

Nordnet's aims to make it easy for our customers to save and invest sustainably.. Nordnet shall achieve this ambition through offering a broad range of sustainable investment options, provide digital and user-friendly tools and by inspiring and providing information on sustainable savings.

Nordnet shall strive for increasing the positive indirect impact as well as reducing the negative impact through customers' investments when it comes to environment, social and governance aspects. The ambition for reduced negative impact on the climate shall be in line with the Paris agreement and Nordnet shall have goals in line with the ambition.

3.3 A responsible and sustainable business

Nordnet shall conduct a responsible and sustainable business. Nordnet's guiding stars are transparency, a high ethical standard and saver benefit in every part of the offering. Nordnet shall strive to be a gender-equal workplace and shall provide equal opportunities to all its employees. Nordnet shall actively work to create a good working environment in terms of physical and mental health, development, and an engaging culture. Nordnet shall have and maintain an awareness of global environmental issues and Nordnet's ability to influence them, both directly and indirectly.

3.3.1 Equality and diversity

Nordnet believes that an organization which is rich in diversity is an asset that generates valuable ideas and contributes to an inclusive culture. Nordnet shall ensure equal opportunities in employment in which individuals are selected and treated on the basis of their relevant merits and abilities without regard to e.g. gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, or age, and are given equal opportunities. By actively working to offer and promote equal rights, opportunities, and obligations to all employees, Nordnet creates a work environment where employees feel comfortable and safe.

3.3.2 Work environment

The physical, social, and psychological work environment are strategic items that affect security aspects, employee well-being and Nordnet's competitiveness. By maintaining a healthy work environment, Nordnet can achieve operational goals, while also being perceived as an attractive employer.

Working proactively and systematically with Nordnet's work environment is a profitable investment to achieve high motivation and reduce the level of absence due to illness or stress. The goal is to achieve and maintain a safe and stimulating working environment for each employee. Such proactive measures include a structured performance management process, regular employee surveys to measure e.g. employee engagement and motivation as well as different social activities aimed at promoting physical health and wellbeing.

3.3.3 Environmental impact

Nordnet and its subsidiaries shall adhere to current environmental legislation and other regulations that concern environmental aspects. Nordnet shall have and maintain an awareness of global environmental issues and Nordnet's ability to influence them both directly and indirectly through suppliers (as well as customers' investments as described in 3.2). Nordnet shall strive to reducedirect and indirect impact, i.e. through its supply chain, on climate and have emissions reductions targets in line with the Paris agreement.

To reduce Nordnet's direct impact on the environment, Nordnet shall strive to operate its office spaces with 100 percent renewable energy and reduce its use of paper and recycle waste. Nordnet's business model does not require physical banking offices and customer contact is mainly conducted online and by telephone. Nordnet is therefore resource efficient, and the direct environmental impact is relatively small.

Nordnet shall strive to have as little direct, and indirect via suppliers, negative impact on the environment as possible. Nordnet shall annually climate offset for its greenhouse gas emissions, including the employees' commutes as well as other scope 3 emissions were deemed reasonable in the light of materiality and data quality.

To make sure that Nordnet fulfils its climate goals, Nordnet shall have a transition plan for the Group, that is available on Nordnet's external website. This transition plan shall be approved by the CEO and be revised annually. Nordnet shall further outline targets, metrics and actions to reduce the impact on climate in the *Climate Transition Plan*.

Nordnet shall commit to *Science Based Targets*. *Science Based Targets initiative* is a United Nations supported organization established to help companies to set emission reduction targets in line with climate sciences and Paris Agreement.

3.3.4 Procurement procedures

All of Nordnet's procurement activities shall be performed professionally and in compliance with applicable laws and internal rules. Nordnet is committed to high standards of ethics and sustainable business practices as well as respect for the environment, anti-corruption, human rights, fair and safe working conditions, and expects the same from suppliers. We encourage all suppliers to promote these standards throughout their supply chain.

3.3.4.1 *Supplier code of conduct*

To ensure Nordnet's commitments set forth in this policy, Nordnet shall have a supplier code of conduct that is based on United Nations Global Compact, Nordnet's core values and sound business ethics.

3.3.4.2 *Reporting to the board of directors*

Based on the risk classification model of Nordnet's supply chain, the ambition is that 100 percent of all Nordnet's suppliers, with a classification of "Outsourcing" and "Critical", shall have accepted Nordnet's supplier code of conduct or have an equivalent code.

Nordnet shall ensure that the CEO and the board of directors receive annual reporting on above.

3.3.5 Business ethics

The Nordnet group consists of several companies that conduct operations which require different authorizations from financial supervisory authorities. Financial institutions with a license to operate are subject to a number of external requirements, including ethical requirements. Requirements and descriptions of how the different companies shall operate to ensure fair, sound, efficient and regulatory compliant businesses are defined in each company's internal rules.

Nordnet has adopted a Code of Conduct which describes Nordnet's value base and the way Nordnet performs business and cares for its customers. The purpose of the Code of Conduct is to give guidance and clarify Nordnet's mission, values, and principles in order to promote honest and fair behavior as well as integrity, trust, and responsibility of Nordnet's business.

3.3.6 Anti-bribery and corruption

Nordnet has zero tolerance regarding bribery and corruption. In order to mitigate any risks in the area of anti-bribery and corruption ("ABC"), Nordnet has established an *Anti-Corruption Policy*. In addition, the *Ethics Policy* stipulates employees' general obligation to conduct business in a transparent and compliant manner. Nordnet also has internal rules for the management of conflict of interest, as well as routines for how to manage secondary employment.

Nordnet shall assess and mitigate the risk of its customers using Nordnet's products as a tool for their illicit activities. The risk mitigation activities in this regard shall be included in the anti-money laundering framework of each subsidiary, including enhanced due diligence measures regarding customers that are politically exposed persons and their relatives and close associates.

Nordnet shall provide training for employees in all areas above. Employees shall always have the possibility to anonymously report any suspected bribery or other acts of corruption in Nordnet's whistleblowing portal.

3.3.7 Tax

Nordnet's actions regarding taxes should be responsible, correct, and transparent. Nordnet reports and pays tax based on national regulations in those countries where Nordnet operates and promotes an open dialogue with the tax authorities. Nordnet shall not participate in transactions or offer products that may be questioned with regards to prevailing tax legislation.

4 Sustainability-related risks and risk management

Nordnet shall consider sustainability matters into risk management processes and governance structures were deemed suitable.

Nordnet shall annually conduct a double materiality assessment to assess sustainability risks, opportunities and impacts. Hence, both the perspective of financial materiality and impact materiality should be considered. The materiality assessment evaluates which of Nordnet's sustainability impacts, risks and opportunities that are material. The materiality assessment and the goals within each material area should be approved and followed up by management (Nordic Management Forum). The view of Nordnet's stakeholders should be considered in the assessment. Nordnet therefor shall have a relevant stakeholder analysis and disclose it in our sustainability report. It should be reviewed annually and updated when deemed necessary.

Nordnet's material sustainability risks, opportunities and impacts should be identified, measured, managed and monitored.

5 Product development

Nordnet shall consider sustainability matters when approving new products, processes, activities and systems through a new product approval process.

The purpose of having a solid new product approval process is to ensure that Nordnet does not enter into activities containing unintended forms of risk or risks that are not immediately managed and controlled by the organization in a professional and suitable manner.

6 Education

Nordnet shall have a sustainability education plan for the Nordnet Group to ensure that all employees have sufficient knowledge about sustainability. All employees shall receive training upon hiring and get a yearly update. Furthermore, relevant departments shall receive extended training in greenwashing, sustainability requirements and reporting and other appropriate topics.

7 Nordnet in society

Nordnet in Society is Nordnet's way to give back to society and work with sustainability. Within the three areas defined in our sustainability strategy, Nordnet conducts projects that benefit society as well as Nordnet as a company.

Within the framework of *Nordnet in Society*, Nordnet shall engage in projects that create value for stakeholders and which also benefit Nordnet long-term. The projects in *Nordnet in Society* are initiated and run by Nordnet's employees with support of the board of directors and the management team.

Nordnet finances external projects and engages in organized projects in the Nordic region, such as projects to increase women's savings. By engaging in women's savings we help creating a more equal society. At the same time, we increase our customer base and competitiveness for the long term.

8 Sustainability reports

Nordnet shall annually prepare a sustainability report in accordance with relevant external requirements and publish it on its external website.