

Climate transition plan.

Nordnet AB (publ.)

Version November 2024.

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Foreword.

Nordnet stands behind the Paris Agreement and its goal of keeping global warming below 2 °C and striving to limit it to 1.5 °C. This is reflected both in our climate work within the framework of Nordnet's operations and the indirect impact resulting from our operations. As a digital savings platform, our main contribution to societal development is by facilitating the capital shift towards sustainable investments.

Nordnet's strategy for working in line with the Paris Agreement is based on identifying how we can make a difference and where we have the greatest opportunity to influence. As part of that work, we have formulated this transition plan. We have also committed to Science Based Targets, and intend to set scientifically verified targets in accordance with the Paris Agreement.

Climate change is one of the greatest challenges of our time. At the same time, it could also lead to opportunities if we can help our customers allocate capital to more sustainable investments. With our resource-efficient and digital way of working, we can help drive positive change. Our work should be based on our values of passion, transparency and simplicity, and our ambition to make it easy to save sustainably.

This transition plan represents an important step on our journey towards the goals of the Paris Agreement and achieving Nordnet's sustainability goals. Our sustainability work must be characterised by long-term thinking and continuous improvement. This transition plan will be revised over time as methods and data are refined and as Nordnet's climate work develops.



Stockholm on 15 November 2024.

Lars-Åke Norling

Lars-Åke Norling
Managing Director and CEO, Nordnet.

Nordnet's climate strategy.

Sustainability is a central part of Nordnet's overall strategy and is in line with our aim to democratise savings and investments. Climate is integrated into the sustainability strategy through two areas: the climate impact of our customers' savings capital, and the emissions Nordnet generates directly but also indirectly through our suppliers.

Climate impact from the capital on our platform.

Nordnet has the greatest opportunity to reduce the impact on the climate and other sustainability issues through the savings capital available on our platform. By making it easier for our customers to choose sustainable investment options, we can increase the flow of capital that contributes to sustainable development. Our strategy to achieve this ambition includes three parts: A wide range of sustainable savings products, features for investing sustainably and education about sustainable investments.

A wide range of sustainable savings products: To enable more savers to invest sustainably, Nordnet needs to offer a wide range of sustainable savings products. Nordnet's investment range mainly consists of shares, funds and ETFs. The ambition is to have a wide range of sustainable options within all the product categories we offer.

Features for investing sustainably: Nordnet's platform provides features that make it easier for savers to invest sustainably. It is in our DNA to develop digital and user-friendly tools that make it easier for our customers to find and choose sustainable investments.

Education about sustainable investments: To make it easy for our customers to save sustainably, Nordnet must work with education and communication around sustainable savings. Nordnet wants to inspire and contribute with knowledge about sustainable investments.

Nordnet's and our suppliers' climate impact.

Nordnet's climate strategy includes Nordnet's own operations and the emissions that occur in our supply chain. Nordnet's business model is digital, and we have, for example, no bank offices. With a scalable digital platform, as well as automated and digital processes, Nordnet has relatively low emissions in relation to both the number of employees and turnover.

Nevertheless we still work ambitiously to limit our impact on the climate, both by us and through our suppliers. A majority of Nordnet's emissions occur within Scope 3, whereupon it is emissions within these categories that are prioritised in our work. In addition to the work to reduce emissions, we climate compensate for our greenhouse gas emissions.

Link between transition plan and Nordnet's overall strategy.

Nordnet's overall strategy involves eight pillars to become the leading platform for savings and investments. One of the legs of the strategy is sustainability. The main goal in this area is to reduce the climate impact of customers' investments. This means that it is one of the goals that is regularly followed up by both management and the board.

Nordnet's strategy also includes goals around growing the customer base and customers' net savings. This has been taken into account when Nordnet formulated its sustainability goals. Nordnet has a digital business model which means that growth does not necessarily have to lead to increased emissions. Even so, we must adapt our operations to ensure that future growth does not negatively impact the environment.

Risks and opportunities.

Nordnet's climate work is based on the risks and opportunities identified in the area. The starting point is that climate-related risks should be considered in the same way as other risks within the group, and climate work is therefore integrated into our overall strategy.

Identification of risks and opportunities.

The process for identifying and assessing which risks and opportunities exist within climate takes into account CSRD's stipulation of double materiality, and as such it considers both financial materiality and impact materiality. The scope of risk identification incorporates all Nordnet's operations, including upstream and downstream impacts. In addition, Nordnet carries out various scenario analyses to assess, among other things, credit risks and market risks linked to the climate.

Identified risks and opportunities.

Impact on the climate from customers' investments.

Nordnet's customers have significant capital invested in various companies via our platform through funds and direct ownership of shares on our platform. The capital can have an impact on the companies' ability to raise capital, and as such an indirect impact on the climate. On Nordnet's platform, our customers make their own investment decisions and Nordnet as a company therefore lacks, for the majority of assets, a direct opportunity to influence which investments are made. However, we have an opportunity to indirectly influence our customers' choices by making it easy to invest sustainably. *See further description under the section Nordnet's climate strategy.*

Emissions from Nordnet's own operations and our employees.

Nordnet has emissions from its operations and the activities conducted by our employees. Our emissions mainly include emissions from buildings, energy consumption, employee commuting and business travel. We work to reduce emissions throughout the value chain in line with the

Paris Agreement. Nordnet's direct emissions are relatively small in absolute terms.

Emissions that occur in Nordnet's supply chain.

This risk is aimed at emissions that occur when Nordnet purchases goods, services and transportation. The vast majority of our emissions come from the supply chain. We aim to reduce emissions in the entire value chain in line with the Paris Agreement.

Business risk from changing customer requirements in climate.

As the climate issue becomes increasingly important, customers will place greater weight on a competitive product offering within climate investments. Nordnet sees a risk if our offer does not meet our customers' expectations. We expect that the importance of a wide offer within savings products that enable climate consideration will increase over time. This can also mean an opportunity if we succeed in creating an offer that customers appreciate.

Market risk & credit risk.

Scenario analyses are important when identifying, understanding and managing climate risks and climate impacts. We carry out scenario analyses on both our mortgage portfolio and our margin lending business. These scenario analyses consider both physical risks and transition risks. For the mortgage portfolio, Nordnet produces a climate scenario inspired by NGFS¹. For margin lending, we carry out sensitivity analyses, where we simulate consequences linked to the value of underlying assets and the possibility of continuing to use these as collateral for lending. The results of these scenario analyses are then used to assess risks, assessment of capital requirements and other strategic considerations within the business.

¹NGFS, Network for Greening the Financial System, is an international network consisting of central banks and financial inspectorates.

Targets and follow-up.

Nordnet's overall climate goals are designed to reduce our and our customers' emissions in line with the Paris Agreement. In 2024, Nordnet committed to Science Based Targets and will within two years formulate targets in accordance with SBTi. Furthermore, Nordnet will continue to evaluate new targets and key figures as necessary to ensure that we reach our overall target to reduce emissions in line with the Paris Agreement. The climate targets are integrated into the same reporting structure and working method as the group's other targets.

Part of the business	Target
Nordnet's total emissions	Reduce total emissions by at least 50 percent by 2033.
Scope 1 and 2	Reduce emissions by at least 50 percent by 2033.
Scope 3	Reduce emissions by at least 50 percent by 2033.
Assets on the platform	Reduce the carbon dioxide intensity ² from the savings capital on Nordnet's platform by at least 50 percent by 2033.

Reduce the climate impact from customers' investments.

Nordnet's target is to reduce the carbon dioxide intensity from the savings capital on Nordnet's platform in line with the Paris Agreement. The target is that Nordnet shall reduce the carbon intensity from the savings capital on Nordnet's platform by at least 50 per cent between 2023 and 2033. This target is set by the board of directors and is the overall target within the strategic ambition "A sustainable operation", which is one of the pillars of Nordnet's strategy.

When following up on the target, customers' carbon dioxide intensity is broken down by country of operation, asset class as well as companies within the Nordnet Group. This is reported and followed up quarterly by the respective responsible person.

Sub targets for savings capital.

Facilitating a shift of our customers' savings capital towards less carbon-intensive investments is an important part of reducing Nordnet's indirect climate impact. We have therefore formulated the following sub-targets to achieve the ambition:

- A) Continuously develop new features that allow customers to choose investment options that reduce carbon intensity over time.
- B) Continuously educate customers on sustainability-related issues to be able to make informed decisions.
- C) Continuously develop the product range to offer more sustainable options for customers.
- D) Ongoing follow-up must take place on the measure,

² Nordnet measures the carbon footprint as portfolio-weighted carbon intensity in accordance with the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD).

broken down by country and company within the group. We believe these sub-goals will enable customers to become more aware of their indirect climate impact over time and thereby contribute to us meeting our targets.

CO2-intensity.

CO2-intensity is calculated as a company's emissions of CO2 equivalents (CO2 and other greenhouse gases) divided by the company's sales. The units reported by Nordnet are emissions in terms of tonnes of CO2e annually, divided by annual sales in USD millions. The CO2-intensity of the savings capital as a whole is calculated by multiplying the individual intensity of the underlying companies by the percentage of the savings capital as a whole that the investment in each company represents. The products are then added up.

$$\text{Portfolio weighted carbon intensity} = \sum_{k=0}^n \text{Portfolio weight}_k \cdot \frac{\text{Emissions}_k}{\text{Revenues}_k}$$

k is companies the portfolio is invested in.

Reduce emissions from operations.

While Nordnet's biggest impact is through the savings capital, we must also reduce our own emissions in accordance with the Paris Agreement. The overall target is to reduce emissions from Nordnet's operations, including scope 1, 2 and 3, by at least 50 per cent between 2023 and 2033.

Nordnet annually reports emissions of greenhouse gases according to the accepted standard Greenhouse Gas Protocol and has subsequently formulated targets for each emission category.³ A large part of the calculations is done with templates, which increases the uncertainty in the calculations. To define our target in terms of emissions, we have used the "Carbon Law" principle, which means that emissions must be halved every ten years. Nordnet intends to design climate targets in the near future using methodology from SBTi.

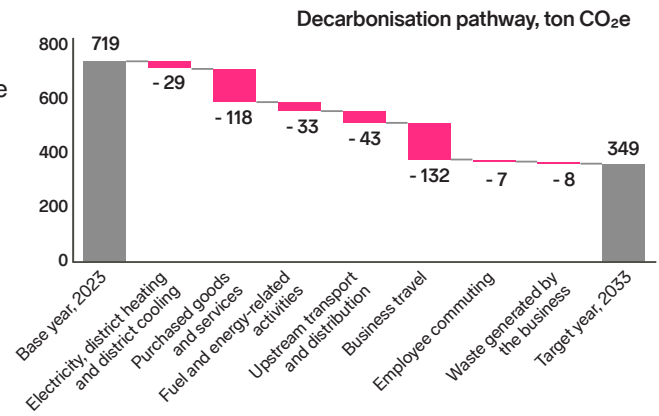
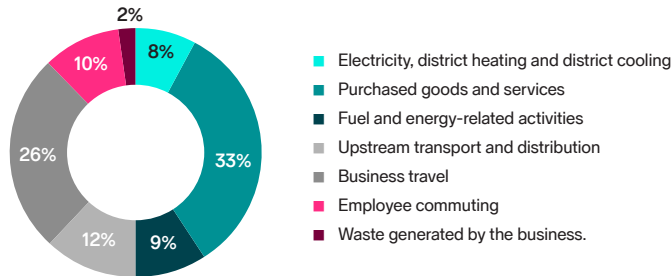
Carbon Law.

In the journal Science, Johan Rockström et al. the article A roadmap for rapid decarbonization – Emissions inevitably approach zero with a "carbon law" (2017). The article created a rule of thumb applicable to both companies, countries and individuals who assumes that halving emissions every ten years should be able to keep global warming well below a 2°C increase. The rule of thumb was named "Carbon Law".

³ Within the framework of our climate reporting, the emission category "capital goods" is included in Purchased goods and services.

Sub-targets within emissions for operations.

We are convinced that an important step in achieving our overall targets is to break them down into different sub-targets to increase both ownership and relevance within the organisation. Sub-goals have therefore been formulated per emission category.



The current interim target results in a more ambitious outcome of 349 tonnes, compared to our target of 359 tonnes.

Emission category	Emission	Target, reduction of emissions by 2033	Underlying targets/initiatives
Company cars	0 t CO ₂ e	N/A	A) All company-owned cars must be hybrid or all-electric.
Electricity, district heating and district cooling	58 t CO ₂ e	-50 percent	A) 100 per cent of the energy consumption for electricity and cooling in our office premises and data halls and operation of IT must be renewable. B) All our development and operating environment must be climate-neutral by 2030 at the latest, made possible by a migration to the cloud.
Purchased goods and services	236 t CO ₂ e	-50 percent	For services and cloud providers: A) All new agreements with data providers must meet requirements for energy efficiency, PUE*1,3. B) All new agreements with data providers must have 100 per cent renewable electricity. C) All of Nordnet's most important suppliers must live up to Nordnet's code of conduct for suppliers, which also includes environment and climate. D) All new agreements with data suppliers must have the target of becoming climate-neutral. E) All our development and operating environment must be climate-neutral by 2030 at the latest, made possible by a migration to the cloud. For hardware: F) Set requirements regarding the climate efficiency of suppliers when procuring hardware. G) Work to extend employee hardware replacement cycles.
Upstream transport and distribution	85 t CO ₂ e	-50 percent	A) Set requirements regarding the climate efficiency of suppliers when procuring transport B) Require the provision of CO ₂ data from all procured suppliers. C) Use climate-neutral transport options as much as possible
Fuel and energy-related activities	66 t CO ₂ e	-50 percent	A) 100 per cent of the energy consumption for electricity and cooling in our office premises and operation of IT must be renewable.
Business travel	189 t CO ₂ e	-70 percent	A) Encourage energy-efficient means of transport (e.g. public transport instead of taxis and trains instead of flights) B) Only organise business trips when digital meetings are less effective and/or when a physical meeting creates significant business value.
Employee commuting	69 t CO ₂ e	-10 percent	A) All cars that the company offers for leasing must be either semi- or fully-electric
Waste generated in the business	16 t CO ₂ e	-50 percent	A) Sort the highest possible proportion of waste that occurs in the business. B) Reduce the total amount of waste in the business and have several ongoing initiatives for reduction. C) Conduct dialogue and set demands towards landlords regarding improved waste management and reliable data.
Total	719 t CO₂e	-50 percent	The sub-goals add up to a reduction of 51%

* PUE stands for Power Usage Effectiveness and is the ratio between the total amount of energy used by a data center facility and the energy delivered to computer equipment. An ideal PUE is 1.0.

Our climate work.

For Nordnet to be able to achieve its climate targets, sustainability must be integrated into all relevant tools and processes for evaluation and decision-making. This is an ongoing work, and today sustainability is integrated into many essential parts of our business such as in purchasing and procurement, approval of new products and services as well as product development and strategy.

Products and services.

We work with products and services based on our strategy of making it easier for our customers to choose sustainable investment options and reallocate capital to investments that contribute to sustainable development.

Approval of new products.

Climate aspects are taken into account within the framework of Nordnet's approval process for new products, services and processes (NPAP, New Product Approval Process). For example, an explanation is needed whether the new product or process is in line with Nordnet's sustainability strategy and whether the environment, human rights, work-related social issues or the risk of corruption are affected.

Product development.

The sustainability manager is represented in the forum where product development is planned at a strategic level and where the direction is determined for a slightly longer term. The sustainability manager also participates in the strategic work around the development of new savings products under Nordnet Fonder's auspices. In addition, the sustainability function collaborates with the development teams when necessary.

Example of offer: Watch lists that enable customers to find new investments in sustainability. The lists include shares, mutual funds and ETFs.

Communication and education.

A major opportunity for Nordnet involves training in various private financial issues. This is done, for example, through our savings economists and information on our platforms.

Example of offer: Sustainability section in Nordnet Academy with training in sustainable share, fund and ETF saving.

The credit portfolio.

Incorporating sustainability aspects into Nordnet's lending is done in several different areas. Nordnet has two types of lending: mortgages and margin lending.

Mortgages.

At least annually, Nordnet carries out an analysis regarding the risk level in the mortgage portfolio based on the collateral's climate exposure and energy efficiency. The analyses are done both at a portfolio level and divided into specific climate-related ones, for example, the risk of damage linked to flooding based on increasing precipitation and sea level rises. The results of stress tests are used in Nordnet's capital evaluation.

In addition to this, Nordnet will also investigate the possibility of incorporating climate risks into the bank's credit assessments within mortgages, where the security value of real estate could be negatively affected in the assessment if it is in an environmentally vulnerable area.

Margin lending.

When it comes to determining loan-to-value ratios on financial instruments, the company's sustainability rating is considered. Nordnet also performs stress tests annually to quantify the effect of two different scenarios linked to the oil and gas sector. A scenario where regulatory changes prevent lending security to shares tied to companies operating in the oil and gas sector and a scenario where a sharp price drop in the sector is simulated. The results of the stress tests are taken into account in Nordnet's capital evaluation.

Corporate lending and business services.

Nordnet does not engage in traditional corporate financing. What Nordnet offers is distribution and communication in connection with IPOs, new issues or similar transactions. Collaborations of this type are reviewed and approved by Nordnet's Investment Council. Within the framework of the investment council's work, includes assessing several factors with the aim of ensuring that the transaction in question is compatible with both Nordnet's goals and the customers' interests.

Nordnet and project financing.

Nordnet does not offer traditional business lending or project financing. The only lending offered to companies is margin lending and then primarily to one-man and limited liability companies. Consequently, no lending takes place to finance projects in, for example, oil, gas, coal or weapons manufacturing. The share of exposure to these sectors is therefore zero percent today. Since Nordnet does not have an ambition to introduce business lending, this exposure should continue to be.

Nordnet Fonder.

Nordnet Fonder AB started its operations in 2022 and offers index funds and allocation funds. For the allocation fund, before the first investment in an underlying fund, the fund company must ensure that each fund meets the fund company's requirements for environmental and/or social factors. If a fund no longer meets the fund company's requirements, dialogue work must be carried out, or divestment should take place.

The index funds replicates their benchmarks by directly investing in underlying securities. It is therefore the construction of each index fund's underlying index that determines which instruments the index fund invests in. If one instrument no longer meets the fund company's requirements, advocacy work must be carried out against the index provider.

The majority of Nordnet's index funds are Article 8 funds and follow an index that excludes certain sectors and considers good governance through controversy ratings and breaches of the UN Global Compact.

Insurance and pension.

In the cases where Nordnet offers various types of pension products and capital insurance, it is the customers who make the investment decisions that is, in which funds and/or other securities they want to invest their insurance capital. Nordnet's range of securities has not been limited from a sustainability perspective, as Nordnet's business model is built around offering customers a wide range of investment options and empowering them. As a consequence, Nordnet can't directly integrate sustainability risks into the processes for investment decisions. However, Nordnet can have an indirect impact similar to that described in our strategy.

Clarification on Nordnet's activities regarding investment advice

Nordnet Bank AB provides no investment advice in accordance with the Securities Market Act (SFS 2007:528) and is thus not covered by the requirements set out regarding sustainability factors linked to investment advice in the Sustainable Finance Disclosure Regulation 2019/2088 (SFDR). Nordnet Bank AB does, however, offer some advice regarding insurance products in accordance with the Insurance Distribution Act (SFS 2018:1219) and is therefore covered by the SFDR within this area.

Reduce our own emissions.

In accordance with our sub-targets to reduce emissions in scope 1, 2 and 3, we have several ongoing initiatives. Read more about our initiative efforts to reduce emissions from our operations and our suppliers in the table in the section "Targets and Follow-up". To achieve Nordnet's targets, ongoing initiatives and evaluations are carried out within each area. Climate compensation will not be used as a substitute for emission reductions or count towards the achievement of our emission reduction targets but may be implemented as a mitigation measure for the climate impact.

Cooperation with other financial actors.

Climate change is a global problem that needs to be solved through global cooperation. A large part of our work is therefore based on the various organisations Nordnet participates in, such as the Swedish Banking Association, the Swedish Securities Market Association, the Swedish Investment Fund Association and its equivalent in the respective countries in which we are active. In addition, Nordnet is a signatory of several initiatives:

– **UN Global Compact:** The UN Global Compact is a global initiative to incorporate sustainability-related considerations into operations. The initiative is based on ten principles based on international conventions.

– **Principles for responsible investments (PRI):** Through our subsidiary Nordnet Fonder, Nordnet has signed the UN-backed initiative Principles for Responsible Investment (PRI). PRI is an initiative where investors work to implement various guidelines and principles for responsible investment.

– **Carbon Disclosure Project (CDP):** CDP is an independent, international non-profit organisation that works for transparency and dialogue about companies' environmental impact and to make the information available to investors. Nordnet contributes by reporting data to CDP from 2024.

– **Science Based Targets Initiative (SBTi):** Science Based Targets (SBTi) encourage companies and financial institutions to take meaningful action to combat the climate crisis. By participating in SBTi, Nordnet undertakes to set environmental targets that are in line with the Paris Agreement. Nordnet intends to formulate targets in line with Science Based Targets within the next few years.

Governance.

Nordnet works continuously to improve risk management and governance within climate work. In recent years, Nordnet has carried out a major review of internal processes and governing documents.



Policies and Guidelines.

Nordnet has several policies and guidelines related to the climate area. Several of the governing documents, including our Supplier Code of Conduct as well as our Environmental and Sustainability policy, can be found on our website.

Allocation of responsibilities.

The board of Nordnet AB adopts Nordnet's sustainability strategy every year through our environmental and sustainability policy. Furthermore, the board is kept continuously informed about the work through the sustainability manager. The board's audit committee follows up on the implementation of the sustainability strategy at each committee meeting. The risk and compliance committee is kept informed on sustainability-related risks in the quarterly risk report. Sustainability-related risks are also discussed in the "Regulatory Forum", which is chaired by Nordnet's risk manager and where, among others, the CEO, CFO and general counsel together with the management team are represented.

The sustainability manager is responsible for developing and following up on the sustainability strategy and reports back to the audit committee. The respective department heads are responsible for implementing the sustainability strategy in their part of the business. Each company within the Nordnet Group has its respective sustainability policy that regulates operations.

Risk work.

Identification of sustainability-related risks takes place, as for other risks, as well as with a so-called "Top Down" and a "Bottom Up" perspective in which management as well as each unit and its employees participate. The processes for monitoring and managing sustainability-related risks continue to be developed and improved within all risk categories.

Incorporation of sustainability into product and business development.

Our Chief Product Officer is responsible for designing an effective process for managing operational risk in relation

to the products Nordnet offers. In addition, within each product area, there is an appointed area manager who is responsible for identifying and mitigating operational risk (which includes, for example, reputational risk, legal risk, regulatory compliance risk and business risk) at the product level. These responsibilities also include sustainability-related risks.

Internal control within the area of sustainability.

Nordnet works with internal control based on the principle of three lines of defence. This principle also applies to Nordnet's work with regulatory compliance and risk management in sustainability.

Competence and training of employees.

Nordnet has adopted a sustainability education plan to ensure that the right skills are available within the group. Adaptation of training takes place as needed within different parts of the company, where, for example, departments with customer contact receive extended training in greenwashing, while risk and regulatory compliance functions conduct training that focuses more on regulations. In addition to training for all new hires, implementation of further mandatory training for all employees is planned.

Compensation.

Nordnet has a compensation system that is designed to attract and retain the competence required for Nordnet to deliver on its strategy and goals. The employees mainly receive fixed compensation based on role, competence and performance against set targets. For relevant functions and roles, they also include sustainability-related targets. Variable pay only occurs to a limited extent in the form of e.g. gratifications for special work efforts such as efforts at critical stages of a project. There is currently no ongoing program with variable pay, and there are currently no active bonus programs.

Scope of the transition plan.

This transition plan applies to Nordnet AB and all its subsidiaries.



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