



Policy: Climate Change

Purpose: to provide a structured framework to address and mitigate the impacts of climate change

Scope: Nordics operations, operational scope according to Greenhouse Gas Protocol

Introduction

Nordic Semiconductor recognizes the critical importance of addressing climate change to ensure a sustainable future. This policy outlines our approach and commitment to climate change mitigation, adaptation, energy efficiency, renewable energy deployment and sustainable sourcing, and includes measures for emissions monitoring, data collection, and lifecycle assessment (LCA) to ensure transparency and accountability in our climate actions.

Targets

Nordic Semiconductor's greenhouse gas (GHG) emission reduction targets are aligned with Science Based Targets initiative (SBTi), with the goal of limiting global warming to 1.5°C. The company is committed to

- reduce absolute scope 1 and 2 GHG emissions 60% by 2030 from a 2019 base year, and to reduce scope 3 GHG emissions 60% per million USD value added* within the same timeframe
- reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2019 base year
- reach net-zero greenhouse gas emissions across the value chain by 2050.

**Value added = sales revenue - cost of goods and services purchased from external suppliers*

Commitments

1. Climate Change Mitigation

We are committed to reducing GHG emissions across all company operations and our value chain and implementing measures to reduce our carbon footprint.

2. Climate Change Adaptation

Risk assessment: We will regularly conduct climate risk assessments to identify vulnerabilities in our operations and supply chain. This will include evaluating potential impacts from extreme weather events, temperature changes, and other climate-related factors.

Resilience Planning: Our company will develop and implement resilience plans to ensure continuity of operations during and after climate-related disruptions.

3. Energy Efficiency

Operational Efficiency: We are committed to improving energy efficiency across all our company facilities. This will include investing in energy-saving technologies and smart energy management systems, optimizing processes, and reducing energy consumption wherever possible.

Green Building Standards: New buildings will meet internationally recognized green building standards, such as BREEAM, LEED or other local sustainability certifications, ensuring energy efficiency and environmental sustainability.

4. Renewable Energy Deployment

Renewable Energy Sourcing: We will prioritize the use of renewable energy sources, such as solar, wind, and hydropower, in our operations. In line with the company targets, we will transit from fossil fuels to renewable energy sources across all our operations.

Renewable energy certification: As part of transition to renewable energy in our operations, we will purchase renewable energy certificates (RECs) backed by verified renewable sources.

Collaboration and Advocacy: We will engage and collaborate with industry partners, suppliers, and communities to promote the broader adoption of renewable energy.

5. Sustainable sourcing: We will work with suppliers to promote sustainable practices and reduce emissions across the supply chain. Our sourcing will prioritize materials that have low environmental impact and are responsibly sourced.

6. Employee Education and Engagement: We will educate and engage our employees in our climate initiatives and promote awareness and encourage proactive involvement in resilience-building activities.

7. Monitoring and Reporting

GHG emissions monitoring: Nordic Semiconductor shall collect data and evidence from organization and stakeholders in the value chain to track progress and ensure accurate reporting.

GHG Inventory: Nordic Semiconductor's GHG inventory shall be based on the latest revision of the GHG Protocol. GHG inventory accounting shall be carried out with operational control approach, and include measurements for scope 1, scope 2 and all relevant scope 3 categories. The GHG inventory shall be completed annually (in Q1) for the previous calendar year and include traceable references to all sources and evidence used.

GHG Inventory verification: Nordic Semiconductor shall conduct regular 3rd party verification of the GHG inventory and climate-related initiatives to assess progress and identify areas for improvement.

Lifecycle Assessment (LCA): Nordic Semiconductor shall conduct LCA of products in the market in accordance with ISO 14040/44 standards. LCA shall be carried out at least annually to evaluate and improve the environmental impact of the products.

Transparency: Nordic Semiconductor shall report GHG inventory, reduction targets and progress to key customers and other external stakeholders based on its commitments and agreements. The company will publicly report on its climate action progress in annual reports.

8. Continuous Improvement: Nordic Semiconductor is committed to continuously improving its climate change strategies, setting new goals, and adapting to emerging challenges and opportunities.

Terms and definitions

Scope 1 GHG emissions: emissions that occur from sources owned or controlled by an organization

Scope 2 GHG emissions: emissions from purchased energy

Scope 3 GHG emissions: emissions that occur in the value chain of an organization, both upstream and downstream

Lifecycle Assessment (LCA): a systematic methodology used to evaluate the environmental impacts associated with a product's life cycle