



NORDIC[®]
SEMICONDUCTOR

Policy: Environmental impact reduction

Purpose: This policy outlines Nordic Semiconductor's commitment to reducing its environmental impacts for pollution, water and resources. Climate change topics are addressed by its own policy.

Scope: Nordic Semiconductor operations and its environmental impacts.

Objective

Nordic Semiconductor recognizes the critical importance of addressing environmental impacts to ensure a sustainable future.

Being a preferred partner to environmentally conscious stakeholders, Nordic Semiconductor shall work proactively to reduce any negative impact on environment and as a minimum incur no loss of business or profitability due to incidents or issues related to disturbance to health or environment.

Nordic Semiconductor shall consult with relevant stakeholders on environmental issues to identify opportunities for environmental impact reduction.

Nordic Semiconductor shall maintain a management system certified to ISO 14001, as a framework to manage the environmental impacts, risks and opportunities.

1. Pollution

Nordic Semiconductor is committed to protecting the natural environment by minimizing waste generation, pollution, and the use of hazardous substances in its products and the manufacturing thereof.

Nordic Semiconductor shall identify relevant sources of pollution in its own operations and work to implement actions preventing pollution to air, water and soil. Identified sources of pollution shall be regularly controlled and monitored.

Nordic Semiconductor shall wherever possible reduce waste and promote reuse and recycling. Recycling shall be carried out by certified waste handlers or according to local regulations.

Nordic Semiconductor shall ensure compliance with applicable external requirements, including customer commitments. Nordic Semiconductor shall minimize the use of substances of concern and replace substances of very high concern with safer alternatives or technologies where technically and economically feasible.

Nordic Semiconductor shall ensure that its suppliers live up to its standards for pollution prevention, as well as reporting and handling of pollution incidents and emergency situations in its supply chain.

2. Water

Nordic Semiconductor shall regularly monitor water availability risks in areas of high-water stress where it operates.

While Nordic Semiconductor uses very little water in its own operations, the company recognizes that the outsourced production of semiconductors requires significant amounts of clean water.

Nordic Semiconductor shall ensure that its manufacturing subcontractors

- implement measures to reduce water consumption and promote recycling and reuse,
- prevent and reduce pollution by ensuring that all wastewater is treated to meet or exceed regulatory standards prior to discharge,
- implement emergency response plans for water constraint scenarios

3. Resources

Nordic Semiconductor shall promote circular economy principles, to reduce the risk of natural resources depletion, by re-use or recycling of resources wherever feasible.

Since the production of integrated circuits needs material of certain purity and quality, the usage of recycled material is not always possible in the production. Still, Nordic Semiconductor is committed to investigating and, where relevant, implementing solutions for transitioning away from use of virgin resources in its operations. This includes

- Prioritizing the procurement of sustainable and ethically sourced materials
- Incorporating renewable and recycled materials into Nordic's products and packaging

Nordic Semiconductor shall minimize waste by promoting

- practices to reduce material waste in production processes
- responsible recycling of Nordic's products

Nordic Semiconductor shall collaborate with its suppliers to identify improvements for resource reduction.

4. Regulatory compliance

Nordic Semiconductor shall comply with applicable legal and customer requirements. This includes primarily the following regulations:

- REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals): the EU regulation for managing the risks posed by chemicals to human health and the environment. REACH applies to all chemical substances, including those used in industrial processes as well as in everyday products like paints and cleaners.
- ROHS (Restriction of Hazardous Substances): a directive aimed at limiting the use of specific hazardous materials found in electrical and electronic products.
- POP: the EU regulation that governs the production, use, and disposal of chemicals classified as Persistent Organic Pollutants.
- California Prop 65: officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986, requires businesses to provide warnings to Californians about significant exposure to certain chemicals that may cause cancer, birth defects, or other reproductive harm.
- Halogen free: as per IEC 61249-2-21 standard for printed circuit boards and interconnecting structures, halogen-free materials are defined by limits for chlorine and bromine content. To be classified as “halogen-free”, a substance must consist of less than 900 parts per million (ppm) of chlorine or bromine and have less than 1500 ppm of total halogens.

5. Employee Education and Engagement

Nordic Semiconductor will educate and engage its employees on environmental reduction strategies, promoting awareness and encouraging initiatives from employees.

6. Monitoring

Nordic Semiconductor shall establish and evaluate relevant environmental performance goals to ensure continuous improvement of its environmental management system.

Monitoring activities carried out by Nordic Semiconductor includes:

- Water consumption with tier-1 subcontractors
- Hazardous substances usage in Nordic Semiconductor’s products
- Company’s generation of different waste types and recycle ratios
- Waste in production processes with tier-1 subcontractors

7. Reporting

Nordic Semiconductor shall report its environmental impact reduction performance, with targets and progress to key stakeholders and other interested parties based on its commitments and agreements.

The company will publicly report on its environmental impact reduction progress for pollution, water consumption and resource usage in annual reports.

8. Continuous improvement

Nordic Semiconductor is committed to continuously improving its environmental impact reduction strategies and adapting to emerging challenges and opportunities.