ENVIRONMENTAL POLICY

1.   INTRODUCTION

1.1.   The purpose

Mips is a company in the helmet industry with a product that is a small, but important, part of a helmet. We want us and the whole helmet industry to be more sustainable and limit our impact on the environment. Just as our product can make a decisive difference in a helmet, we believe our company can make a decisive difference in the world. That is why we have adopted this environmental policy which is the basis for our environmental management system by outlining the environmental strategy and requirements relevant to us, Mips AB (publ), and our subsidiaries ("Mips"). This environmental policy is based on Mips' environmental focus areas and targets. We shall always consider this environmental policy in all our processes to minimize our negative environmental impacts.

1.2.   Mips' approach to sustainability and the sustainability strategy

Our sustainability strategy has its basis in the corporate strategy while also building on Mips' core values. We are world leaders in our field and also aim to be industry leaders when it comes to sustainability, enabling us to identify risks and opportunities, live up to the expectations of others, and lead the way for others. We see sustainability as a key business driver for both us and many of our external stakeholders. Managing business in a sustainable way strengthens Mips' ability to continue to grow while delivering strong financial and operational results. We also believe that an environmentally responsible strategy will help us maintain an advantageous position in the marketplace and that employees and consumers are increasingly interested in doing business with responsible companies. We also expect our business partners to act in a sustainable and environmentally responsible way.

As a part of our sustainability strategy, and in line with the UN Global Compact's Ten Principles (see more below), we strive to support a precautionary approach to environmental challenges by, among other things, applying regular risk analyses. These analyses form the basis for the priorities and key areas we are focused on in our sustainability program and when deciding on the

1

"acceptable" level of risk. In this work, we always strive to anticipate and prevent potential risks and to take early actions aiming to ensure that environmental damage does not occur. All functions in the company participate in the risk management with the aim of communicating the identified risks and mitigating actions while increasing risk awareness throughout the organization.

Science is part of our DNA and we always encourage the development and diffusion of environmentally friendly technologies that can help reduce the use of raw materials and energy leading to increased efficiency. We believe that technology innovation creates new business opportunities and contribute to an increased competitiveness.

We also always strive to undertake initiatives to promote greater environmental responsibility from a broad perspective such as by applying cleaner and more efficient production processes by, for instance, looking into using more sustainable raw material inputs in our products. As part of this work, we also work with product designs and external suppliers to improve our business' environmental performance and extend responsibility throughout the value chain. To measure our performance, we make regular environmental impact assessments of our business (such as according to the Greenhouse Gas Protocol Initiative) and life cycle assessments of our products. These initiatives are reflected in our sustainability targets and indicators which can be found in our Annual Report and Sustainability Report on our website www.mipscorp.com.

2.   MIPS' CORE ENVIRONMENTAL PRINCIPLES

2.1. Products

Our products shall be manufactured in accordance with all applicable laws and regulations, aiming to achieve the least possible impact on the environment by applying clean and efficient production processes. We should always look for more sustainable alternatives to the material used in our products and our products shall be designed for easy assembly and minimizing the number of components and waste. They should always be fit for mass production. The packaging used for Mips' products shall always be made of recyclable material. We also expect our partners to use recycled packaging materials when supplying goods to us.

Our products shall be subjected to a 'design for sustainability' review in the concept phase to evaluate environmental aspects, minimize negative environmental impacts during the product's life cycle and, ultimately, help reduce the use of raw materials and energy leading to increased efficiency.

Our products shall be designed and manufactured for durability and have a lifespan at least as long, or longer, than for the helmet in which the product is installed.

As mentioned above, we make regular environmental impact assessments and life cycle assessments of our products.

2.2. Energy

Energy from renewable sources shall be used to the extent possible in our operations and we shall urge our subcontractors and other business partners to also use energy from renewable sources in their operations. Consumption of energy should always be minimized through continuous improvement programs for instance by applying more efficient production processes and by developing environmentally friendly technologies that can help reduce the use of raw materials and energy.

2.3. Logistics

Mips has an ambition to always choose the most environmentally friendly choice of transportation. Transport service providers shall be selected with preference for those who are ISO 14001 certified and have committed to a net zero greenhouse gas ambition. Mips' products shall be manufactured as close to the helmet manufacturers' factories as possible to minimize product transport. Material suppliers shall be selected with care and with preference for those located as close to the helmet production plants as possible.

All transportation to end markets is handled by Mips' customers, who are encouraged to choose sustainable options to the extent possible.

2.4. Greenhouse gas emissions

Reduction of greenhouse gas emissions from our own and subcontracted facilities, processes, raw material usage and transports are one of our key focus areas. All available techniques, methods and materials should be considered to contribute to Mips' goal to reduce greenhouse gas emissions. As travelling is contributing to greenhouse gas emissions, the impact from travelling should be minimized to the extent possible. When it comes to greenhouse gas emissions from our operations, Mips may – as a last resort – undertake climate compensation initiatives through for instance using Renewable Energy Certificates (I-REC).
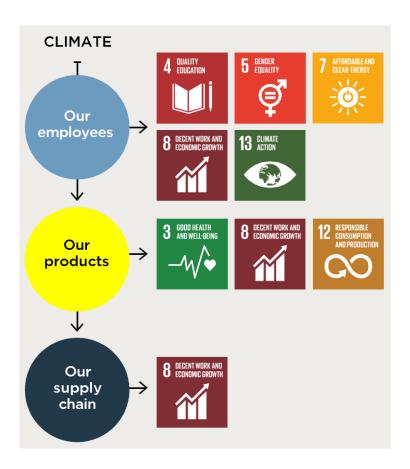
2.5. Waste and recycling

Waste is both an environmental and economic burden and shall be minimized. Our target is to recycle everything that can possibly be recycled, which also includes electronics, meaning that all waste shall be identified, collected and disposed accordingly to ensure the highest possible recycling rate. Also, when it comes to the helmets used in our testing, these shall be sent to be destroyed and burnt at incinerators where the energy generated through combustion is recycled by a third party and used for local household heating.

Recycled and recyclable material shall be used in the production of our products to the extent possible.

3. COMMITMENTS AND ENGAGEMENTS

Mips is a participant of the UN Global Compact and continually enhances efforts to protect and respect the UN Global Compact's Ten Principles (which can be found at https://www.unglobalcompact.org/what-is-gc/mission/principles), and promote its spirit within the areas of human rights, labor standards, the environment and anti-corruption. In Mips' environmental work, we particularly promote UN Global Compact's environmental principles being Principle 7 (businesses should support a precautionary approach to environmental challenges), Principle 8 (undertake initiatives to promote greater environmental responsibility) and Principle 9 (encourage the development and diffusion of environmentally friendly technologies) as further set forth above in section 1.

Mips also wants to contribute to achieving the 17 UN Sustainable Development Goals (which can be found at https://www.unglobalcompact.org/sdgs/17-global-goals) and have chosen to align Mips' sustainability targets with nine of the UN Sustainable Development Goals as set forth below. More information about Mips' sustainability work can be found in our Annual Report and Sustainability Report's and on our website www.mipscorp.com.

Mips is also committed to the Paris Agenda, and our targets for greenhouse gas emissions have been approved by the Science Based Targets initiative ("SBTi"). Mips is pursuing efforts to limit the global warming to 1.5°C and our targets for greenhouse gas emissions are thus well in line with SBTi's objective of keeping global warming well below 2°C. For more information about the SBTi, please visit https://sciencebasedtargets.org/.

In addition, Mips also supports the International Bill of Human Rights, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. For more information about these, please visit:

- International Bill of Human Rights: https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights
- OECD Guidelines for Multinational Enterprises: http://mneguidelines.oecd.org/guidelines/
- UN Guiding Principles on Business and Human Rights: https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights-implementing

4.   IMPLEMENTATION AND COMPLIANCE

The CEO of Mips shall be responsible for the implementation of and compliance with this policy. The executive management at Mips supports the CEO and is responsible for ensuring that employees are aware of Mips' values, goals and aims, and that they comply with regulations, laws, and guidelines in their daily work. As part of their introduction, all new employees are informed about Mips' sustainability values and objectives and related policies, which ensures a shared understanding between all employees of the ethical, social, and environmental guidelines that exist in Mips.

The policy shall be annually reviewed by the Board of Directors and shall, in addition, continuously be reviewed and revised whenever the Board of Directors or the CEO deems it appropriate.

5.   CONTACT PERSONS

If you have any questions about this policy, please turn to your manager or the CFO to discuss.

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