



ENVIRONMENTAL POLICY

1. INTRODUCTION

1.1. The purpose

Mips Group's products play an important part in helmets and in hand and body protection. We are committed to strengthening sustainability performance within our own operations and influence the entire industry to become more sustainable. Just as our products can make a decisive difference in for head and body protection, we believe our operations can make a decisive difference in the world. This environmental policy forms the foundation of our environmental management system. It sets out the direction and environmental core principles applicable to Mips AB (publ), and all its subsidiaries ("Mips" or "Mips Group"). The policy is based on Mips Group's environmental focus areas and guides our efforts to prevent pollution, reduce negative environmental impacts and continually improve our environmental performance. We shall always consider this environmental policy in all our processes to minimize our negative environmental impacts.

1.2. Mips' approach to sustainability

Mips Group is world leader in its field and aims to be industry leader also when it comes to sustainability. For Mips, sustainability is not just about risk mitigation and compliance. It is also seen as a lever for innovation and as a way to strengthen Mips' ability to continue to grow while delivering strong financial and operational results. We also believe that an environmentally responsible business will help us maintain an advantageous position in the marketplace and that employees and customers are increasingly interested in doing business with responsible companies. We integrate sustainability as a natural part throughout our business operations and we also expect our business partners to act in a sustainable and environmentally responsible way.

We strive to support a precautionary approach to environmental risks and impacts by, among other things, applying regular risk analyses and materiality assessments. These analyses form the basis for the priorities and key areas we are focused on in our sustainability program. In this work, we always strive to anticipate and prevent potential impact and to take early actions aiming to

ensure that environmental damage does not occur. All functions in the company participate in risk management with the aim of communicating 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 sustainable technologies that can help reduce the use of raw materials and energy, leading to increased efficiency. We believe that technological innovation creates new business opportunities and contributes to increased competitiveness.

We also strive to undertake initiatives to promote greater environmental responsibility from a broad perspective such as by applying more efficient production processes and, looking into using more sustainable raw material inputs in our products. As part of this work, we also work with product design and external suppliers to continually improve our business' environmental performance and extend responsibility throughout the value chain. We regularly measure our sustainability performance (such as according to the Greenhouse Gas Protocol Initiative) and perform life cycle assessments of our products as part of product development. 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. Negative environmental and climate impact shall be prevented and reduced by applying protective measures and precautionary principles and by using raw materials and energy efficiently and responsibly. We shall continuously explore more sustainable alternatives to the materials in our products and increase the use of recycled and recyclable materials. For packaging materials, our primary approach shall be to reuse packaging material from incoming goods. Any packaging procured should come from certified and/or recycled material. We also expect our partners to use certified and/or recycled packaging materials when supplying goods to us.

Our products shall be subjected to a 'design for sustainability' review as part of the product development process, to evaluate environmental aspects and minimize negative environmental impacts during the product's life cycle. This shall be supported by life cycle assessments.

Our products shall be designed and manufactured for durability and have a lifespan at least as long, or longer, than for the end-user product in which Mips Group's product is installed.

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 sustainable technologies that can help reduce the use of raw materials and energy.

2.3. Logistics

Mips has an ambition to limit negative climate impact from transportation. Transport service providers shall be selected with preference for those who can provide low-carbon alternatives, are ISO 14001 certified and have committed to a net zero greenhouse gas ambition. Mips Group's products shall be manufactured close to the manufacturing factories of the end-products to minimize transport needs. Material suppliers shall be selected with care and with preference for those located as close to the production plants as possible.

2.4. Greenhouse gas emissions

Reduction of greenhouse gas emissions from our own operations and subcontracted manufacturing facilities as well as from raw material usage and transport are part of our key focus areas. All available techniques, methods and materials should be considered to contribute to Mips' goal to reduce greenhouse gas emissions. Climate impact from travelling should also be minimized to the extent possible.

2.5. Waste and recycling

Waste is both an environmental and economic burden and shall be minimized. Waste that is generated shall be material recycled to the greatest extent possible. This is also applicable for electronics that cannot be reused. This means that all waste shall be collected and separated to ensure the highest possible material recycling rate. When it comes to the waste from our testing, this shall be sent to waste incineration plants where the energy generated through combustion is recovered and used for district heating or electricity generation.

Any hazardous waste shall be kept sorted and separated from other waste. Only authorized hazardous waste management providers are allowed to collect and handle hazardous waste.

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 six of the UN Sustainable Development Goals in line with Mips material sustainability area. 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 reducing greenhouse gas emissions in line with the Paris Agreement's goal of limiting global warming to 1.5°C. Our science-based targets for greenhouse gas emissions have been approved by the Science Based Targets initiative ("SBTi"). 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 Group shall be ultimately 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 Group's 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.
