Corporate Carbon Footprint 2021

SEGGER Microcontroller GmbH





Content

I. General II. System limits and data III. Results CCF IV. Comparison V. Summary and outlook VI. Appendix

I. General

Brief introduction to SEGGER Microcontroller GmbH
What is CCF and how to compare relevant Emissions
Methodology & Reporting Standard

A brief introduction to SEGGER Microcontroller GmbH

SEGGER Microcontroller GmbH is a worldwide leading manufacturer of innovative development tools for embedded systems, generic embedded software and programming devices with more than 30 years of experience.

Our customers include the who is who of the consumer, industrial, automotive and healthcare world. We are an innovative, continuously growing company with additional offices in the USA and China (both separate legal entities). Our headquarters are in Monheim am Rhein, Germany.

Our motto "It simply works" reflects in our products which are professional and easy-to-use in a complex, highly-technical, industry. Embedded Systems are a growing part of everyday life and we at SEGGER are passionate about being a part of it.

What is a Corporate Carbon Footprint?

A Corporate Carbon Footprint (CCF) represents the greenhouse gas balance of company-related greenhouse-relevant emissions. The calculation of greenhouse gas emissions includes all six greenhouse gas categories (GHGs) defined by the Intergovernmental Panel on Climate Change (IPCC) and the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). As of 2015, nitrogen trifluoride (NF₃) is also included.

How to compare relevant Emissions?

In order to compare the greenhouse-relevant emissions, it is necessary to standardize them with the aid of characterization factors. These are provided by the IPCC, among others, and are updated at regular intervals. The global warming potentials of the individual substances are combined into a total global warming potential with the aid of the characterization factors and reported as a total under the designation carbon dioxide equivalent (CO_2e). CO_2e represents the average warming effect over a given period of time. In this study, the global warming potential is considered for a period of 100 years.

Methodology & Reporting Standard

Description of methodology

In the following sections the procedures and underlying principles for calculating a Corporate Carbon Footprint in accordance with the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard, 2004 ("GHG Protocol") are described.

Reporting Standard

The GHG Protocol Corporate Accounting and Reporting Standard, 2004, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It is the most widely used and recognized international standard for accounting for greenhouse gas emissions from organizations. The principles of GHG calculation and information on the scope concept can be found in the appendix.

II. System boundaries and data

System boundaries
Overview of collected data

System limits

Reporting year

For the calculation of the CCF, all relevant activity data were collected within the calendar year from 01.01.2021 to 31.12.2021.

Organizational boundaries

The GHG emissions analysis and boundaries (of the company) are based on the control-based approach. The company has both operational and financial control over operations at the site in Monheim am Rhein.

Operational Boundaries

For this CCF, mandatory Scope 1 and Scope 2 emission sources were considered for GHG inventory compilation. Scope 3 emissions are optional for CCF compilation. In the present case, selected applicable Scope 3 emissions are also included in the calculation.

Overview of emissions recorded (1/3)

	Source of Emission			
Scope 1 – direct emissions				
Scope 1 .1	Direct emissions from combustion processes of stationary combustion sources	Natural Gas		
Scope 1.2	Direct emissions from combustion processes of mobile combustion sources	Fuel & Petrol company Cars		
Scope 1.3	Direct emissions from volatile gases	No leakage from air condition units – this will be constantly reviewed in the calculation of the CCF the coming years		
Scope 1.4	Direct emissions from processes	Not relevant for SEGGER		
Scope 2 – indirect emissions				
Scope 2 .1	Indirect emissions from purchased electricity	Green Electricity purchased from energy supplier		
Scope 2 2	Indirect emissions from district heating & cooling	Not relevant for SEGGER		
Scope 2 .3	Indirect emissions from purchased steam	Not relevant for SEGGER		

Overview of emissions recorded (2/3)

Scope	Source of Emission	Remarks			
Scope 3 - indirect emis	Scope 3 - indirect emissions				
Scope 3.1	Purchased goods and services	Not relevant in this calculation of SEGGER CCF – this will be constantly reviewed in the calculation of the CCF the coming years			
Scope 3.2	Capital Goods	Not relevant for SEGGER			
Scope 3.3	Fuel- and energy-related emissions not included in Scopes 1 or 2	Upstream emissions from natural gas, petrol, diesel and electricity purchased (data not included in Scope 1 and 2			
Scope 3.4	Upstream transportation and distribution	Not relevant in this calculation of SEGGER CCF – this will be constantly reviewed in the calculation of the CCF the coming years			
Scope 3.5	Waste generated in the operation	Waste disposed by the waste disposal company			
Scope 3.6	Business Travel	Travelling by plane, car, train, taxi			
Scope 3.7	Employee commuting	Travelling by car, train			
Scope 3.8	Upstream leased assets	Not relevant for SEGGER			
Scope 3.9	Downstream transportation and distribution	Not relevant in this calculation of SEGGER CCF – this will be constantly reviewed in the calculation of the CCF the coming years			
Scope 3.10	Processing of sold products	Not relevant in this calculation of SEGGER CCF $-$ this will be constantly reviewed in the calculation of the CCF the coming years			

Overview of emissions recorded (3/3)

Scope	Source of Emission Factor	Remarks
Scope 3 - indirekte E	missionen	
Scope 3.11	Use of sold products	Not relevant in this calculation of SEGGER CCF – this will be constantly reviewed in the calculation of the CCF the coming years
Scope 3.12	End-of-Life treatment of sold products	Not relevant in this calculation of SEGGER CCF – this will be constantly reviewed in the calculation of the CCF the coming years
Scope 3.13	Downstream leased assets	Not relevant for SEGGER
Scope 3.14	Franchises	Not relevant for SEGGER
Scope 3.15	Investments	Not relevant for SEGGER

Activity data and emission factors (1/2)

Activity data

Consumption data for Scope 1 (stationary combustion and company cars) and Scope 2 (electricity) represent real consumption volumes in the period from 01.01.2021 to 31.12.2021. Data for Scope 3 (Fuel- and energy-related emissions not included in Scopes 1 or 2, waste generated in the operation, business travel and employee commuting) are also based on real consumption volumes in the period from 01.01.2021 to 31.12.2021.

Activity data and emission factors (2/2)

Emission factors

The emission factors used are listed in the appendix. The sources of the emission factors used are scientifically recognized and are used internationally to calculate GHG emissions. For the most part, the emission factors used in this report are from the DEFRA database (Full set for advanced users 2021, version 2.0, accessed on 22.09.2022).

For purchased green electricity, emission factors from IPCC (Annex III: Technology-specifc cost and performance parameters. In: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, accessed on 22.09.2022) were used.

Activity data explanation

Source of emission	Remarks
Stationary combustion sources	The fuel used was natural gas.
Fleet vehicles	For the company fleet, the kilometres driven with the company cars with regards to required travels for company purposes were recorded.
Electricity	The purchased electricity was 100% green electricity.
Fuel and energy-related emissions	All upstream chain emissions of the fuels used and the electricity supply were taken into account.
Waste generated in the operation	The quantities of the different bins in use (due to waste separation) were calculated according to their different sizes and emptying cycles and were converted accordingly after consultation with the disposal company.
Business travel	Business trips taken into account were made by car, train or plane.
Employee Commuting	Employees were asked how they commute to work and which type of car they have. Commuted kilometers were calculated accordingly and were matched to the different categories of travel (car, bike, trains).

Data quality

Activity data

Activity data were collected exclusively by SEGGER Microcontroller GmbH and are based almost exclusively on actual consumption values. The only exemption are km driven by company cars. As private use is also permitted for company cars, the km calculated for the CCF are only those km, that relate to mandatory travels for the company.

Emission factors

The emission factors are taken from recognised specialist sources. The emission factors used are average values for certain technological and spatial conditions (DE). Supplier or supplier-specific factors were not used.

Conclusion

According to all aforementioned explanations on data procurement and data collection, the data quality of the activity data and emission factors used for evaluation of the SEGGER Microcontroller GmbH Corporate Carbon Footprint is classified as high.

III. Results of the Corporate Carbon Footprint (CCF) calculation

1. Results based on the data collection form

- 2. Climate performance
- 3. Explanation of results

Results CCF (1/4)

The total emissions for the year 2021 are 81 t CO_2e

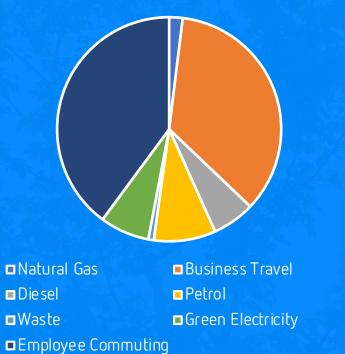
Emission overview Scope 1 & Scope 2

Scope	Source of emission	Quantity	Unit	CO2e [t]
Scope 1 - direct emissions				
Second 11	Natural Gas	4.959	kWh	1.01
Scope 1.1				
	km (diesel)	86.649,60	km	13.35
Scope 1.2	km (petrol)	51.758	km	9.37
	km (plug-in hybrid)	76.757	km	5.63
Scope 2 - indirect emissions				
Sec. 21	Green Electricity	129.146,86	kWh	0
Scope 2.1				

Results CCF (2/4)

Emission overview Scope 3

Overview Scope 3 emissions

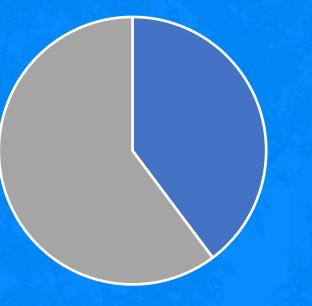


Scope 3 – indirect emissions					
Scope	Source of emission	Quantity	Unit	CO2e [t]	
	Natural Gas	4.959	kWh	0.17	
Scope 3.3	Green Electricity	129.147	kWh	3.58	
(Upstream)	Diesel	86.649,60	Km	3.21	
	Petrol	128.516,60	Km	4.64	
Scope 3.5	(Waste – Paper, plastics, residual)	19.34975	t	0.41	
Scope 3.6	Business Travel (Plane, Taxi)	45.567,66	km	18.29	
Scope 3.7	Employee Commuting	139.798,40	km	20.47	

Results CCF (3/4)

Emissions

Emission overview total (all Scopes)

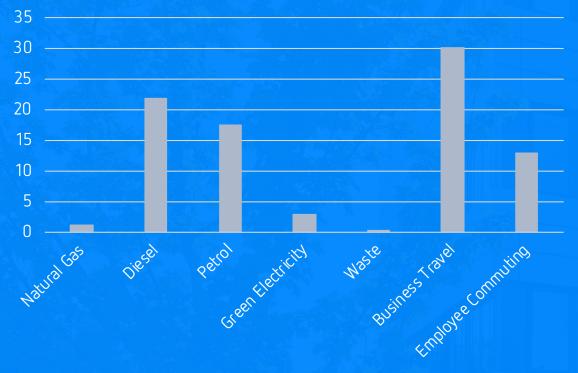


Source of emission	Quantity	Unit
Scope 1	29.35	t CO ₂ e./Year
Scope 2	0	t CO ₂ e./Year
Scope 3	50.78	t CO ₂ e./Year
Total	81 (80.13)	t CO₂ e./Year

■Scope 1 ■Scope 2 ■Scope 3

Results CCF (4/4)

Emission overview based on emission sources (Scopes combined)



Emission from	CO₂e [t]
Natural Gas	1.18
Diesel	16.56
Petrol	19.64
Green Electricity	3.71
Waste	0.41
Business Travel (Plane, Taxi)	18.29
Employee Commuting	20.47

CO₂e (t) in 2021 based on emission sources

Climate performance

In order to be able to interpret and evaluate the results of the company's accounted GHG emissions, the climate performance offers a possibility to interpret emission developments of the company in a year-on-year comparison. Thus, by comparing the collected CCF data with relevant company key figures, meaningful performance indicators on the company's climate performance can be made.

For SEGGER Microcontroller GmbH, the performance indicator "climate intensity per employee" is considered in this initial survey. In 2021, 60 employees worked for SEGGER Microcontroller GmbH, resulting in a performance indicator for 2021 of 1.42 t CO_2e /employee. This was lower than in 2020, where the performance indicator was 1.64 t CO_2e /employee

Explanation of results (1/2)

As a first step, the creation of a CCF served SEGGER to quantify the greenhouse-relevant gases, i.e. to determine the current status. In a second step, a reduction of greenhouse gas emissions can be achieved or unavoidable emissions can be offset.

For SEGGER Microcontroller GmbH, total GHG emissions of approx. 81 t CO_2e were generated for the calendar year 2021.

All emissions in 2021 originate from Scope 1 and Scope 3, as you can see from the emission overviews on the previous slides.

Explanation of results (2/2)

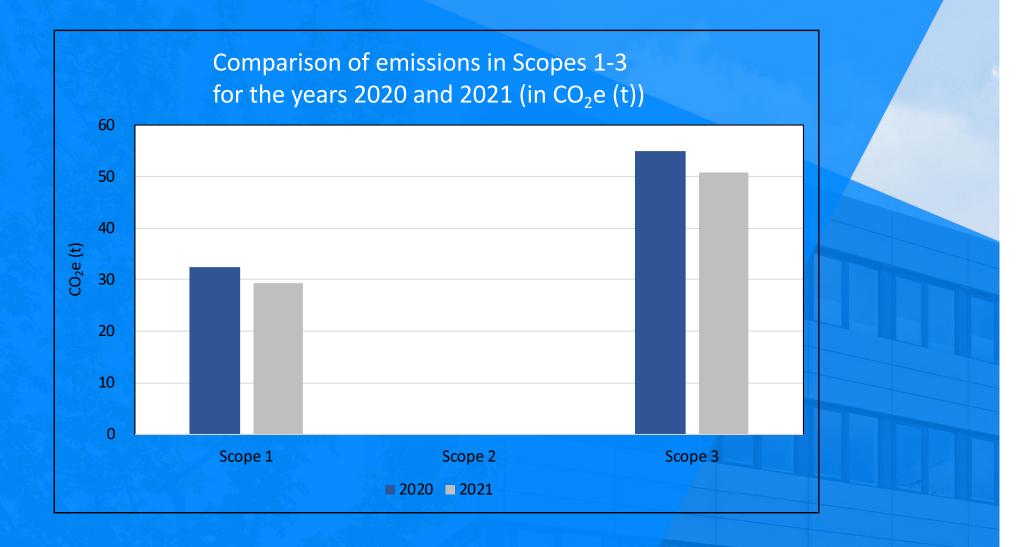
Due to the fact that SEGGER Microcontroller already obtains green electricity from MEGA Monheim, there are no emissions in Scope 2, as the production of green electricity does not generate any GHG emissions for Scope 2, which is why it is accounted for according to the GHG Protocol with the emission factor $0.0 \text{ t } \text{CO}_2\text{e/kWh}$.

However, in the upstream chains of electricity generation (Scope 3.3), e.g. through the construction and maintenance of plants, greenhouse gas-relevant emissions occur for the assumed energy sources (mean value from hydropower, solar power and wind power).

IV. Comparison

Comparison (1/4)

This GHG balance provides a transparent overview of the GHG emissions generated by SEGGER Microcontroller GmbH for Scope 1, 2 and 3 of the calendar year 2021. It is the second calculation for the GHG – inventory, so a first comparison to the past can be made. Due to the pandemic, the emissions are on a lower level than in 2020, so the first "real" comparison can be made in 2022. According to the calculation for 2021, the main emission sources are still business travels and commuting (either with a company car or a private car).

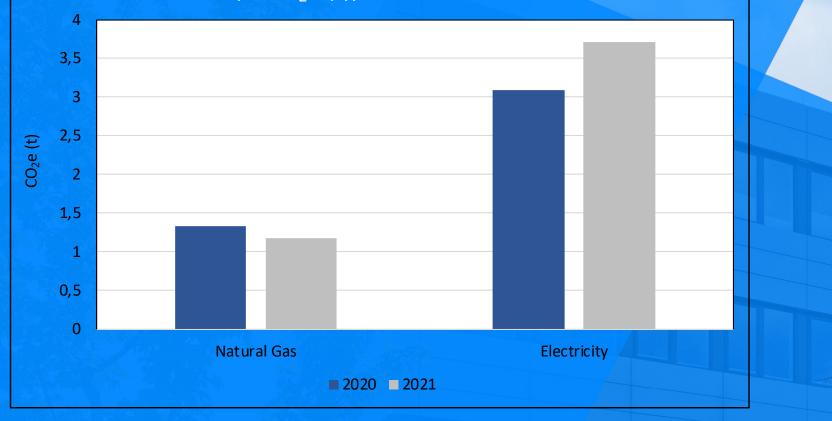


Comparison (2/4)

The consumption of natural gas has decreased significantly in comparison to 2020 due to the warmer weather and the shorter heating period that could not be covered by the installed heat pump.

The energy comsumption of green electricity has increased by 1/5 in comparison. This is due to several factors, the main ones definitely are the purchase of hybrid vehicles for the company fleet which are charged in Monheim, the increase in employee-numbers and also the air filters which were bought and used in each office with more than 2 employees during the pandemic.

Comparison of the consumption of natural gas for 2020 and 2021 (in $CO_2e(t)$)

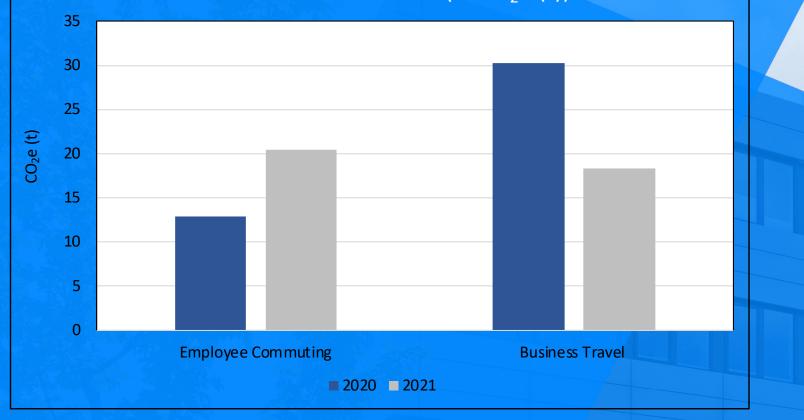


Comparison (3/4)

The km travelled for commuting have increased in 2021 due to the fact that SEGGER has hired 7 additional employees who did not come from a direct neighborhood.

Emissions for business—travels decreased by more than 1/3 compared to 2020 — this was due to the fact that meetings were held online as well and trade shows were cancelled.

Comparison of the emissions for commuting and business travels for 2020 and 2021 (in CO_2e (t))



V. Summary and outlook

Summary and outlook (1/4)

Potential for optimisation still includes paying attention to lower fuel consumption when purchasing new vehicles. This is already being taken into account, as new additions and replacements to the company fleet have to be a hybrid or a fully-electric vehicle. This company policy was implemented in 2020 and shows the first effects in 2021 where emissions for diesel were lower than in 2020, but emissions for petrol (also hybrids) went up as we exchanged older diesel cars for new petrol-hybrid and fully electric vehicles.

Summary and outlook (2/4)

The company keeps up the offer to all employees to get a company bicycles to encourage climate-friendly commute to work, which will keep showing an impact in future calculations as employees make use of this especially in summer.

By using green electricity, nearly 61.66 tons of GHG emissions (which is more than 50% of the total Emissions of SEGGER Microcontroller GmbH) can already be avoided, compared to the use of electricity from the German grid mix.

Summary and outlook (3/4)

Unavoidable GHGs incurred are going to be offset with emission rights in order to designate SEGGER Microcontroller GmbH as a climate-neutral company in 2021 and in future years.

Climate neutrality means reducing greenhouse gas emissions as much as possible, but it also means compensating for any remaining emissions. This is how a net-zero emissions balance can be achieved.

Summary and outlook (4/4)

For 2021 SEGGER Microcontroller GmbH has offset their emissions of 81 tons of CO_2e in 3 different projects:

- Climate-Combi Project Brasil & Germany A project for forest protection / afforestation, Standard VCS – 21 tons
- Creation of a green belt for climate and species protection in the Luangwa Valley, Sambia - REDD+, Standard VCS & CCBS (Climate, Community & Biodiversity Standards) – 40 tons
- Afforestation of pasture land in Uruguay, Standard VCS 20 tons

V. Appendix

Principles of GHG calculation
Information on the scope concept
Abbreviations
Sources

Principles of GHG calculation (1/2)

Relevance

GHG accounting must adequately capture and present all significant emissions of a company.

Completeness

The calculation must capture all relevant emitted GHG emissions. If certain emission sources are not included, this must be clearly stated and justified.

Consistency

The calculation must be based on uniform methods so that the results can be compared over time. Any changes in the data basis, the calculation limits and the emission factors must be reported.

Principles of GHG calculation (2/2)

Transparency

Clear and comprehensible presentation of the data used, emission factors, calculations and results for external third parties must be documented.

Accuracy

It must be ensured that the quantification of greenhouse gases is neither systematically above nor below the actual emissions and that uncertainties and distortions are minimised as far as possible.

Information on scope concept (1/3)

The operational system boundaries define which emission sources are considered within the previously defined organisational boundaries. The operational boundaries are subdivided into Scope 1, 2 and 3 according to the GHG Protocol. For this CCF, the mandatory emission sources from Scope 1 and Scope 2, as well as selected Scope 3 categories, were considered for the preparation of the GHG balance.

The individual scopes in detail

Scope 1 - Direct emissions

Scope 1 includes all GHG emissions that occur directly in the organisation, e.g. GHG emissions from combustion by stationary sources or mobile sources (company-owned fleet), GHG emissions from processes, and GHG emissions from fugitive gases.

Information on scope concept (2/3)

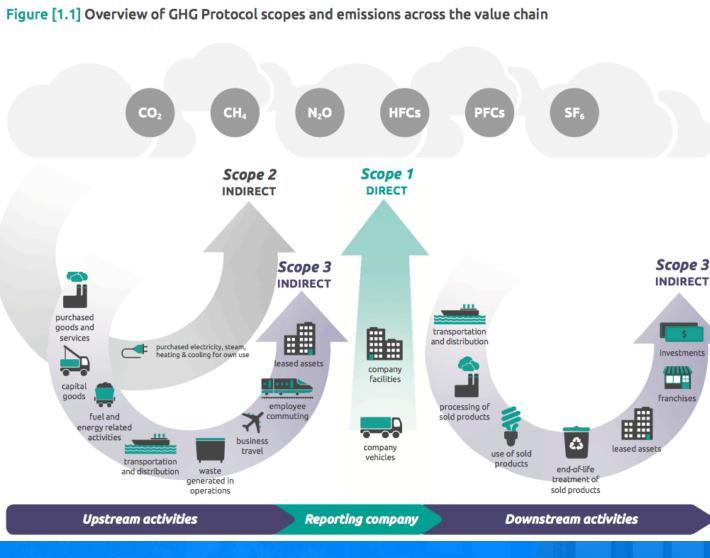
Scope 2 - Indirect emissions

Scope 2 includes all indirect GHG emissions resulting from the provision of energy outside the organisation by a utility company. This includes electricity, steam, district heating and district cooling.

Scope 3 - Indirect other emissions

Scope 3 includes all emissions that occur before (upstream) or after (downstream) the corporate activity. These include, for example, GHG emissions in the supply chain, employee commuting or the assembly and use of the goods produced.

Information on scope concept (3/3)



Abbreviations

CCF	Corporate Carbon Footprint
CO ₂	Carbon dioxide
DEFRA	Department for Environment Food & Rural Affairs
е	Equivalent
GHG	Greenhouse Gas
IPCC	Intergovernmental Panel on Climate Change

Sources

DEFRA database

Full set for advanced users 2021, version 2.0, accessed on 22.09.2022 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversionfactors-2021

GHG Protocol

2004, accessed on 22.09.2022 https://ghgprotocol.org/corporate-standard

IPCC

Annex III: Technology-specific cost and performance parameters. In: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, accessed on 22.09.2022

https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-iii.pdf

SEGGER Microcontroller GmbH Ecolab-Allee 5 40789 Monheim am Rhein

Contact person: Mr. Ivo Geilenbrügge Managing Director Phone: +49 2173/99312-0 E-Mail: ivo.geilenbruegge@segger.com