THE ROAD TO NOTHING

NOTHING (R)

2023 Sustainability Report

TAKE NOTHING FROM THE EARTH TO MAKE OUR PRODUCT.

LEAVE NOTHING BEHIND WHEN IT'S REPLACED.

Contents

Message from the CEO

I'm delighted to share with you the second edition of the Nothing Sustainability Report. Though there's a long way ahead, we are accelerating on our path of learning how to do better, constantly striving to reduce our products' environmental impact and make them more meaningful.

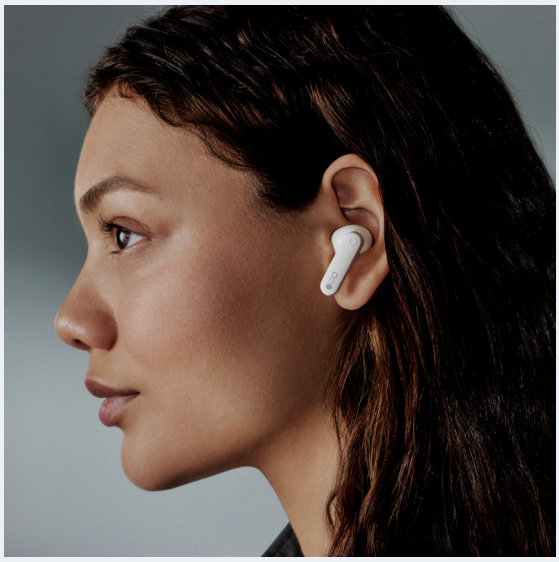
Sustainability has, and always will, be a critical consideration in our product development. Following our sustainable efforts with Ear (1) and Phone (1), we have developed a comprehensive sustainability strategy, which we are now implementing across our product line. Phone (2) was a key milestone in 2023. Here, we took significant strides, such as the extensive use of recycled materials and the complete elimination of plastic from our packaging. These efforts allowed us to reduce our carbon footprint sooner than we anticipated.

2023 was a pivotal year for us in forging new partnerships. We became members of the Aluminium Stewardship Initiative and the Initiative for Responsible Mining Assurance. Together, we aim to progress on this sustainable path and set new standards for 2024 and beyond.

Carl Pei
CEO & Co-founder

About Nothing

In 2023, we continued to grow and expand, with teams established in more regions, surpassing a total headcount of 400. We launched our first second-generation product, Ear (2) and our groundbreaking flagship smartphone, Phone (2). As our team and product lineup grew, so did our sales with total shipments exceeding two million units. Additionally, we introduced CMF by Nothing, a sub-brand focused on making wonderful design accessible to all.



About this report

Nothing is committed to releasing sustainability reports annually to ensure stakeholders can accurately track our goals and progress.

Report boundary

This report covers activities from 1 January to 31 December 2023.

External assurance

The carbon footprint values and material recycled content data presented in this report have been audited and certified by an independent third-party institution.

Contact us

If you have any questions about this report or wish to obtain further information, please contact us via email: sustainability@nothing.tech

For our annual sustainability reports and product sustainability reports, please visit: nothing.tech/pages/sustainability

Our 2025 goals

Our environmental strategy has always been focused on addressing fundamental issues and sets specific goals to guide our actions. Taking into account new external changes such as regulatory updates and technological innovations, we review these goals each year and ensure they are aligned with Nothing's development status.

1

Circularity

Introduce 7 types of recycled metals in our phones.

Use recycled or bio-based sources for 80% of plastics contained in our phones.

Extend the lifespan of our products, launch trade-in programmes and expand product recycling programmes to more areas.

2

Climate action and carbon transparency

Apply carbon footprint labels to electronic products.

Ensure that every product series decreases its carbon footprint with each generation starting in 2025.

Use 100% renewable energy in the final assembly process.

Participate in carbon removal or carbon offset projects.

3

Low impact packaging

Achieve plastic-free packaging in our phone products, then gradually extend to all product lines.

Use recycled or FSC-certified sources for all fibres in product and shipping packaging.

Reduce the printed area on packaging and use plant-based ink.

4

Greener chemistry

Create a complete product chemical database.

Promote the Nothing Restricted Substance Management Standards throughout the supply chain.

5

Sustainable supply chain

Implement a set of Sustainability Policies for suppliers, with regular assessments and progress updates. Including:

Water: reduce water consumption per unit of product manufactured by key suppliers.

Waste: ensure key suppliers achieve zero waste to landfill.

Minerals: conduct responsible mineral supply chain audits and publish smelter and refiner lists.

Phone (2) leads the industry in sustainability

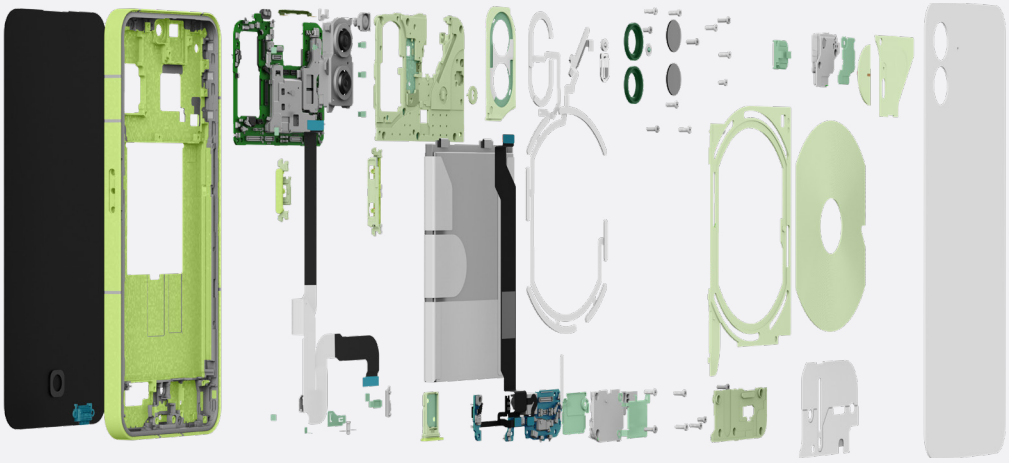
"Sustainability and transparency are central to the Nothing ethos." — Wallpaper, Nothing Phone (2) review

Phone (2) has 53 parts made with bio-based and recycled materials, including plastic, aluminium, steel, tin, and copper, which account for 20% of the phone's weight.

Nothing Phone (2) has a lifecycle carbon footprint of 53.45 kg CO_2e. Despite being a more powerful device, this is 8.6% lower than Phone (1), thanks to our focus on renewable energy and sustainable materials.

The packaging is plastic-free and FSC Mix certified, with over 60% of the fibres coming from recycled sources.

Phone (2) is free of harmful substances like PVC, brominated flame retardants (BFRs), polycyclic aromatic hydrocarbons (PAHs) and mineral oil.



Parts made with recycled and bio-based plastics

Parts including recycled tin

Parts made with recycled steel

Parts including recycled copper and recycled tin

Parts made with recycled aluminium

Note: some sustainable parts are not illustrated in this graph as they are small in size.

CIRCULARITY

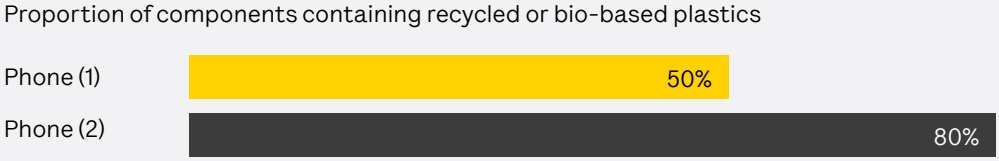
Circularity: Goals and progress

Circularity aims to minimise the waste of resources consumed by consumer electronics products. By using more recycled and renewable materials, driving production processes with clean energy, providing durable products and effectively recycling electronic waste, we are moving closer to a closed-loop cycle and a future with less waste.

Goal 1:
Progress use of recycled metal - On track

Ear (2)	Tin
Phone (1)	Tin, aluminium
Phone (2)	Tin, aluminium, copper, steel
2025 goal	Tin, aluminium, copper, steel, gold, cobalt, rare metals

Goal 2:
Progress use of recycled or bio-based plastics - On track



Goal 3:
We have been continuously promoting the recycling of waste electronic products, including trade-in programs.

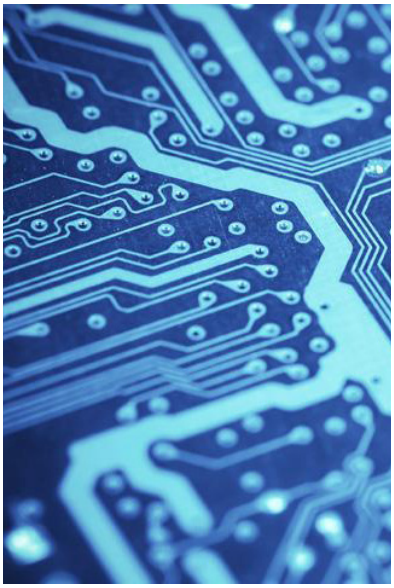
Circularity: Our solutions

Since the product contains various metal materials, we need to consider our selection of recycled metals. Based on our environmental impact research and the Nothing product roadmap, we create a priority list; considering those metal types with significant environmental impacts during mining, are highly recyclable, and are widely used in products. In practical operations, considering this alongside supply chain opportunities and material reliability, we ultimately decided to use recycled aluminium and recycled tin for Phone (1).

In 2023, we introduced copper from recycled sources for the first time. We transitioned the copper foils in the main board of Phone (2) to be sourced 100% from recycled materials. The main board is the component with the highest carbon footprint contribution in phones and earbuds, accounting for over 30% of the total, and it plays a decisive role in product performance. Whilst using recycled materials in the main board is a challenging process, it's a worthwhile endeavour in the long-run.

Copper foil, a thin conductive layer, is laminated onto an insulating layer to create the substrate of a printed circuit board (PCB), known as copper-clad laminate (CCL).

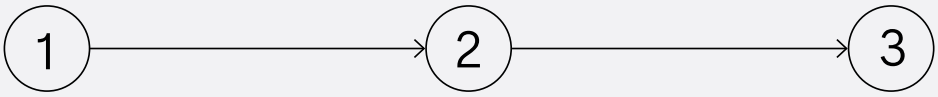
Complete circuit patterns are delineated on the CCL through processes such as exposure, development and etching, resulting in a PCB with intact electrical performance. In the 10-layer main board of Phone (2), each layer is covered with copper foils, and the thickness of a single copper foil sheet is less than 10 micrometers. The depth and flatness of these copper foils can affect signal transmission speed, energy loss and other aspects in the circuit. To ensure that recycled copper foils do not compromise the performance of the main board, we actively engage with multiple suppliers, collaborate with industry-leading manufacturers and conduct various tests to verify that the main board fully meets the requirements for high-speed, low-loss transmission in 5G networks.



Circularity:
Our solutions

Introduction of recycled metals

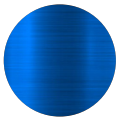
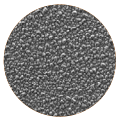
Recycled metal introduction process



1. Identification of recycled metal sources
2. Material R&D and reliability verification
3. Introduction into product assembly

Progress of recycled metal introduction

Metal	Application area	Specific progress
Aluminium 	Primarily used in middle frames of phones to provide structural support.	Introduced. 100% recycled aluminium is used in the middle frames, power buttons and volume buttons of Phone (2). Our recycled aluminium is sourced from industrial processing waste and has been independently verified by a third-party for its recycled content.
Copper 	Used in VC uniform temperature boards for critical heat dissipation, as well as plating on PCBs to form conductive traces for current transmission.	Introduced. 100% recycled copper is used for the copper foils on the main board of Phone (2). This marks the first time Nothing has used recycled copper.
Tin 	Primarily used for soldering electronic components.	Introduced. We began using recycled tin in Phone (1), and in 2023, we expanded its use to more products and components, including the main boards of Ear (2) and Phone (2), as well as multiple flexible PCBs.

Metal	Application area	Specific progress
Steel 	Widely used in electronic products in the form of steel sheets to enhance the structural strength of components and as screws for connections.	Introduced. Recycled steel with a recycling content exceeding 90% is used for all 28 stamping parts of Phone (2). Stamping parts refer to steel components obtained by applying pressure to deform the steel material.
Gold 	Due to its good conductivity and ductility, gold exists in many parts in the form of gold plating. Among phone components, the highest concentration of gold is found in cameras, where it is used as gold wire to connect the camera and PCB, serving as a signal transmission medium.	Verified. In 2023, we requested suppliers to complete technical verification for camera modules using recycled gold wire, including the impact of recycled gold on process parameters, yield rates and more in the production line. Meanwhile, we are exploring the possibility of introducing recycled gold into the main board. We commit that by 2025, Nothing will use recycled gold in our phones.
Cobalt 	Lithium cobalt oxide batteries have the advantages of high energy density and high charging efficiency, making them the best choice for consumer electronic devices. Lithium cobalt oxide is the cathode material for batteries.	Sourced. Currently, the use of recycled cobalt in consumer electronic lithium batteries still faces technical challenges such as impurities in the recycled material and reduced stability. Additionally, the cost of recycled cobalt in the market is limiting its widespread application. We are actively seeking reliable sources of recycled cobalt and have made some progress.
Lithium 	Lithium cobalt oxide batteries achieve the process of charging and discharging through the movement of lithium ions between the positive and negative electrodes.	Sourced. Currently, the use of recycled lithium in consumer electronics batteries, although technically feasible theoretically, still requires more support and effort for commercial-scale use. We plan to further evaluate the performance of the material and aim to introduce recycled lithium by 2025.
Rare earth elements 	Mobile phones contain various rare earth elements, such as indium for screen display and neodymium-iron-boron magnets for motors. Most of the rare earth elements in phones are concentrated in magnet materials.	Recycling rare earth elements faces significant challenges. The recycling rate of waste electronic products and other waste containing rare earth elements is relatively low. The extraction and separation of rare earth elements are difficult and costly, which makes it difficult to apply recycled rare earth elements in consumer electronic products. We will prioritise exploring the feasibility of introducing recycled rare earth elements into permanent magnets.

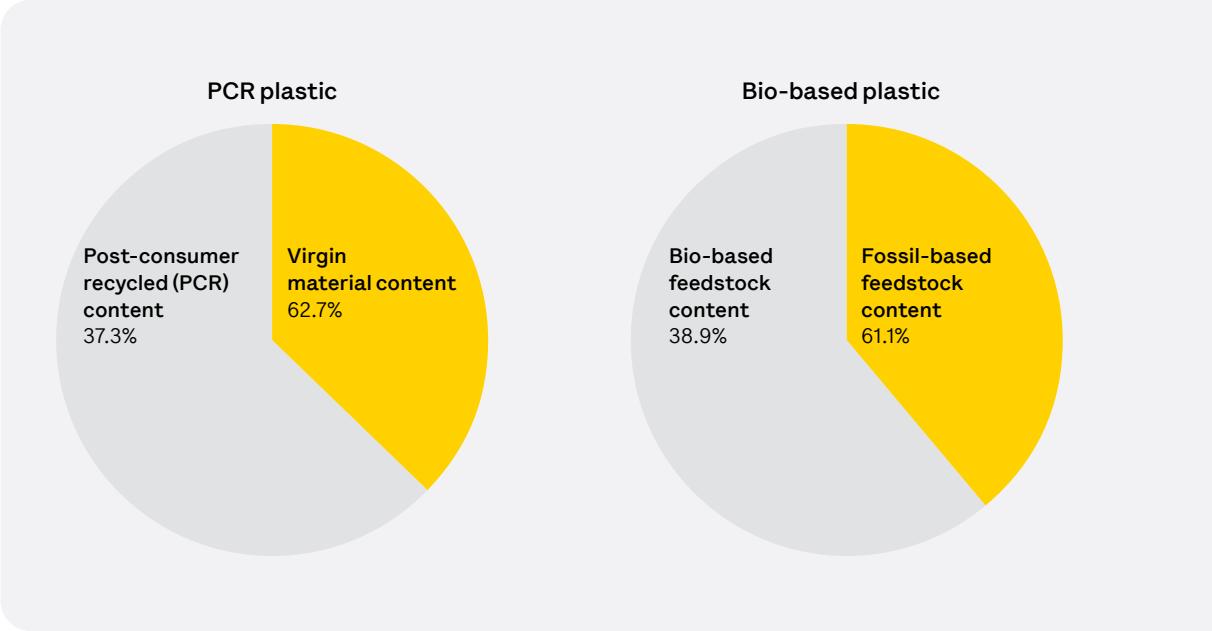
Circularity:
Our solutions

Recycled or bio-based plastics

Phone (2) made significant progress for the use of plastics from recycled or renewable sources. We thoroughly examined all individual plastic parts and adopted sustainable materials in as many components as possible. As a result, the proportion of plastic parts containing recycled or bio-based materials reached 80% - far beyond the industry average.

Consumer electronic products have diverse requirements for plastics in terms of physical, optical and mechanical properties, depending on the function of different components. This fundamentally determines the material systems available for each plastic part, such as Polycarbonates (PC), Polyethylene terephthalate (PET), Polyamide (PA), and more. Currently, the manufacturing of recycled or bio-based plastics faces many challenges. The main types that can be applied to consumer electronic products and meet the requirements for mass supply and technical reliability are PC containing post-consumer recycled (PCR) content and PA with bio-based content. Therefore, we have endeavoured to use environmentally friendly plastics in almost all applicable PC and PA components, and developed and tested them according to standard practices for conventional plastics to ensure excellent performance.

For certain plastic components with specific performance requirements, we plan to conduct continuous exploration with longer development cycles. For example, PBT plastics will be used for the middle frame antenna to ensure sufficiently high nanoinjection bonding force and mechanical performance, while PMMA materials with high light transmittance will be used for the flash covers. Such explorations require the involvement of more partners in the industry. We look forward to collaborating with various stakeholders to jointly promote the widespread application of recycled and renewable materials.



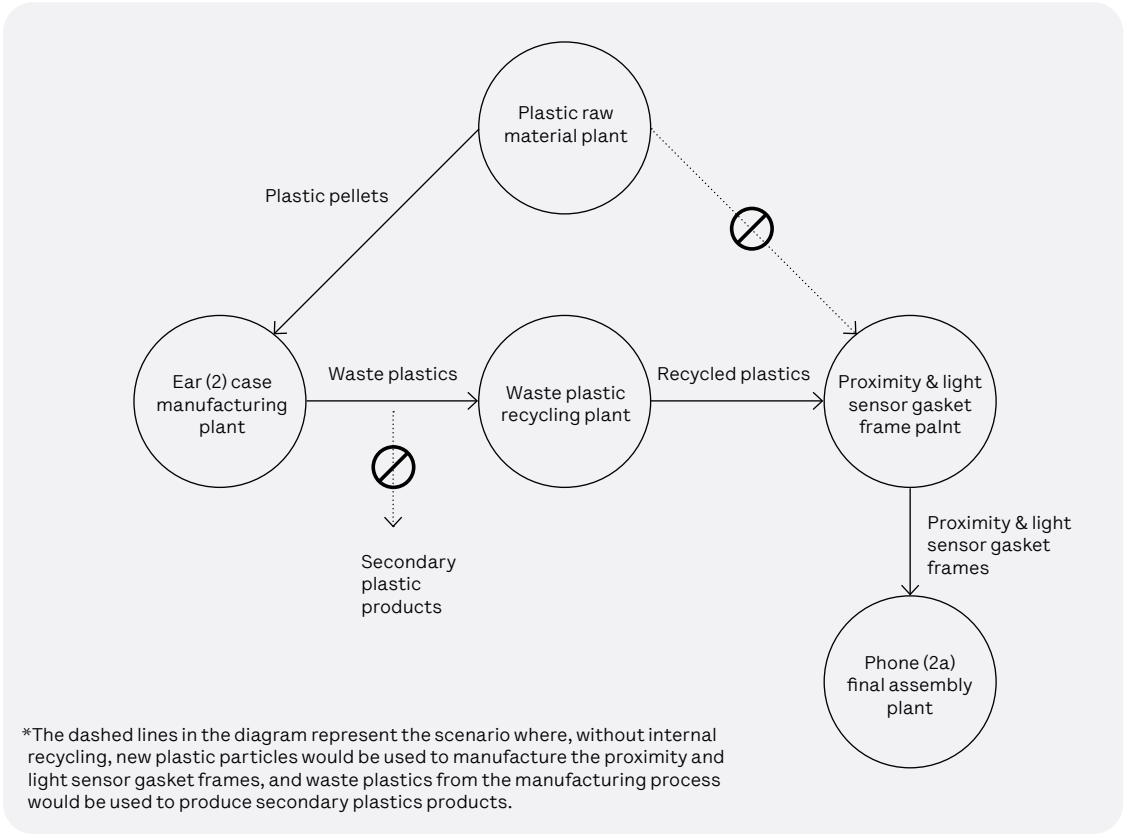
Circularity:
Our solutions

Internal recycling of waste plastics

In our quest to provide more environmentally friendly products, we strive to find new solutions without compromising the appearance and performance of our products. We firmly believe that transparent design and product sustainability are at the core of Nothing's identity.

Continuing the transparent design of our first generation earbuds, the charging case of Ear (2) presents a challenge in manufacturing due to its extreme transparency and stringent precision requirements. Plastics that do not meet these standards become waste. Typically, such waste enters a larger waste stream and is disposed of without traceability. Even if recycled, the mixture of waste plastics complicates the recycling process and increases costs, resulting in recycled plastics with reduced performance due to impurities. Therefore, we have developed a different approach by incorporating separately sorted waste plastics into our internal recycling chain. This shortens the recycling process for waste plastics, reduces performance losses and allows their reuse in our products.

We have formed a dedicated team with suppliers at different stages of our supply chain to trace the flow of waste plastics. Our structural engineers, together with plastic suppliers, add new components to waste plastics to improve their structural strength. The modified waste plastics are then remelted into plastic particles, sent to the phone component manufacturing plant, and injection-moulded into the phone's proximity & light sensor gasket frame. Throughout this process, we repeatedly test the performance of the recycled plastics to ensure their durability and resilience, meeting our consistently stringent standards. This attempt provides a paradigm for our internal circularity, prompting us to rethink how to maximise the use of materials in our products and ultimately achieve the goal of a closed-loop cycle.



*The dashed lines in the diagram represent the scenario where, without internal recycling, new plastic particles would be used to manufacture the proximity and light sensor gasket frames, and waste plastics from the manufacturing process would be used to produce secondary plastics products.

Circularity:
Our solutions

Product durability

We consider product durability throughout the entire lifecycle, from design to usage. We have established rigorous durability standards for our products, including water resistance, drop resistance and more, to ensure the robustness of product components across various scenarios. Additionally, we regularly release software and security updates to enhance the user experience. In 2023, we opened our first exclusive Nothing-branded after-sales service centre in India, further enhancing our after-sales support network for users. At present, we have collaborated with third-party partners to launch a trade-in programme for Phone (2) in the UK, which not only provides consumers with a value recovery path for their old devices but also ensures their proper disposal.

Circularity:
Our solutions

Waste products recycling and disposal

The recycling and disposal of waste electronic products are crucial aspects of establishing a circular economy supply chain. In accordance with the Waste Electrical and Electronic Equipment (WEEE) Directive implemented in multiple countries/regions worldwide, we collaborate with third-party certified recycling organisations to ensure that two-thirds of the countries or regions where Nothing products are sold are covered by product recycling programmes. This ensures that waste products are properly disposed of.

CLIMATE ACTION

Climate action: Goals and progress

Climate change is affecting our lives in profound and far-reaching ways, posing threats to ecosystems, urban infrastructure and even human life across different regions and industries globally. We need to accelerate our actions to avoid irreversible impacts. In the development of Phone (2), we have made a leap forward in the proportion of recycled or renewable materials used in our products, achieving the goal of gradually reducing the carbon footprint of phones from generation to generation ahead of schedule. We strive to be trailblazers in the industry, forging a path where business growth aligns seamlessly with emission reduction.

2025 goal	Progress in 2023
Apply carbon footprint labels to all products.	Achieved as planned. Major product packaging introduced in 2023, including Ear (2), Phone (2) and associated cases, as well as those from our sub-brand CMF, have carbon footprint labels.
Use 100% renewable energy in the manufacturing processes of key suppliers.	Achieved as planned. The assembly manufacturing processes for Ear (2), Phone (2) and CMF products have achieved 100% green electricity manufacturing.
Ensure that every product series decreases its carbon footprint with each generation starting in 2025.	Achieved ahead of schedule. Compared to the previous generation, the carbon footprint of Phone (2) has decreased by 8.6%.
Invest in carbon removal or carbon offset.	Continuously monitored. We have been closely monitoring the effectiveness of carbon offset projects and advancements in carbon removal and sequestration technologies. We will consider supporting these projects in the future provided they become technically mature and cost-effective, and have significant emission-reducing effects.

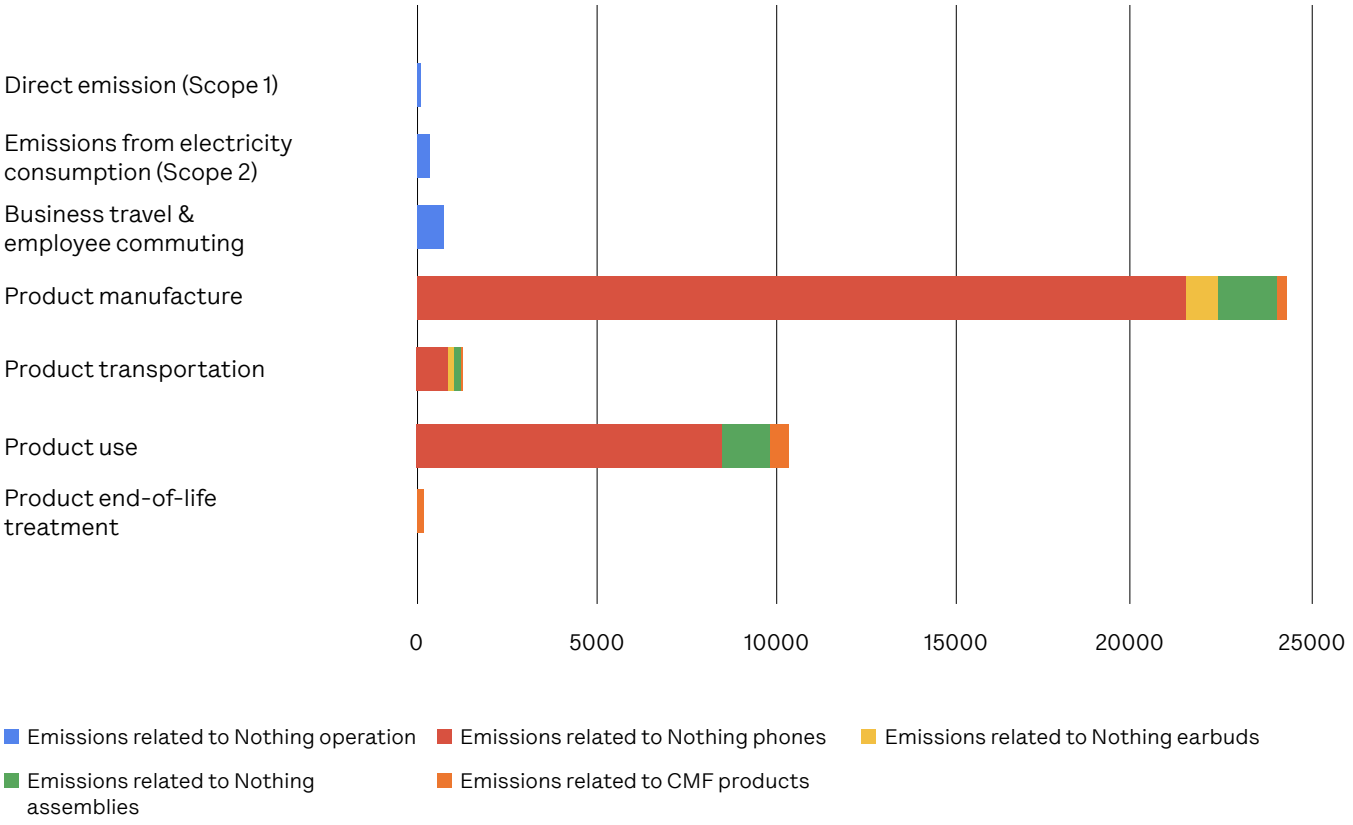
Climate action:
Our solutions

Comprehensive greenhouse gas inventory

We conduct a thorough review of Nothing's greenhouse gas emissions year by year, covering both direct emissions from operations and indirect emissions resulting from supply chain activities, particularly those related to the lifecycle of our products. This allows us to accurately assess the overall environmental impact of our expanding operation locations and growing business.

Based on these key findings, we calibrate our climate goals and strategies. Given that phone manufacturing constitutes a significant portion of emissions (accounting for 50%), it remains a focus of our recent emission reduction efforts.

Nothing organisational carbon footprint 2023



Climate action:
Our solutions

Carbon footprint label

We firmly believe that conscious green consumer choices are crucial for achieving sustainable transformation in our business. Therefore, we are committed to providing carbon footprint labels for all our products, including sub-brands and accessories, to ensure that consumers have reliable and transparent information when making purchasing decisions. This also enables consumers to understand the changes in carbon footprint across generations of products.

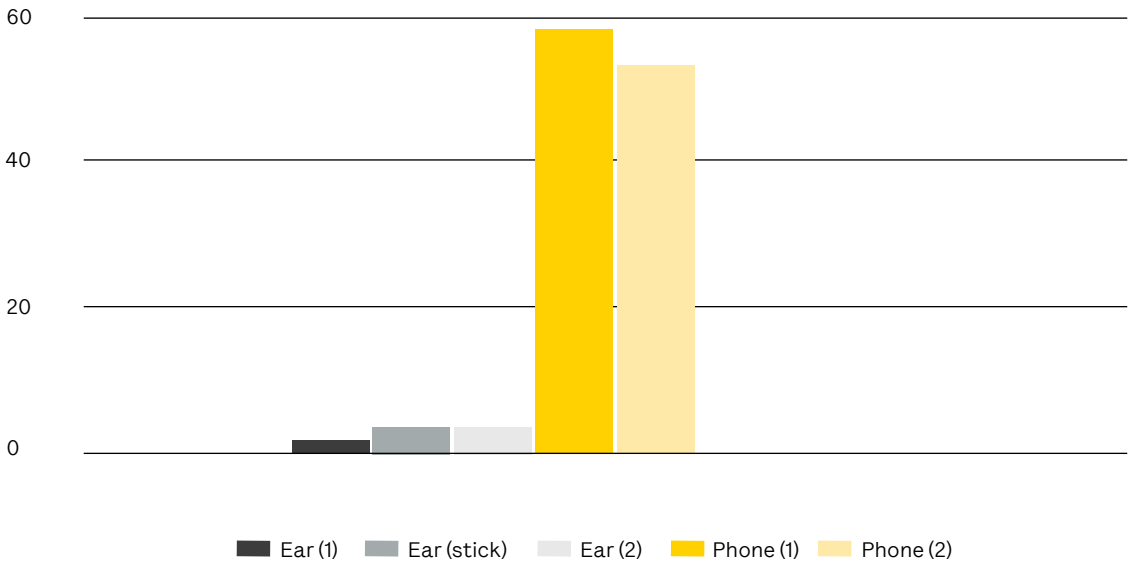
We continuously improve our data collection and calculation methods to enhance the accuracy of carbon footprint assessments. By tracking more direct and raw data from various supply chain stages, we can calculate carbon footprints in a way that is closer to the actual situation. While using more recycled materials, we remain attentive to related issues. Taking the recycled aluminium middle frame of the Phone (2) as an example, we gather detailed data from multiple suppliers involved in recycled aluminium smelting, aluminium processing and frame manufacturing, to accurately capture the material input and energy consumption in the recycling and processing of the recycled aluminium. This enables us to replace the database coefficients used in the calculation process for the recycled aluminium frame in Phone (1).

Currently, we have developed the capability to calculate carbon footprints according to the ISO 14067 standard and have invited internationally renowned third-party institutions for independent certification. They conduct on-site audits and document reviews to ensure the fairness and objectivity of our calculations.

Knowing just the numerical value is not enough; it's important to understand what it means. Here are some equivalent estimates to help us comprehend:

One Ear (1) produces 1.78 kg of CO_2e, which is equivalent to driving a gasoline car for 10 km.

One Phone (1) produces 58.50 kg of CO_2e, which is equivalent to flying from Manchester to London on a plane (a journey of 240 km).



Climate action:
Our solutions

Renewable energy manufacturing

The manufacturing of electronic products relies almost entirely on electricity. So adopting a cleaner renewable energy becomes a crucial factor in reducing carbon emissions. During the 2023 reporting period, we purchased 3,240 MWh of International Renewable Electricity Certificates (I-RECs) to cover the electricity consumption of the final assembly activities for all products from Nothing and CMF. This equates to a reduction of 2,600-tonne CO_2e in emissions.

We plan to involve more tier-2 and tier-3 suppliers in our renewable energy projects and strive to directly use or indirectly purchase renewable electricity from local sources.

Climate action:
Our solutions

Low carbon design

When calculating the carbon emissions of each electronic product throughout its lifecycle, it is evident that the acquisition and manufacturing of components represent the highest carbon intensity, exceeding 50% of the product's carbon footprint.

Reducing this carbon footprint remains challenging as better-performing phones often require faster main boards, more durable batteries and materials with superior mechanical properties, all of which involve increased material extraction and more complex processing procedures.

As an innovative technology brand, we have to ask ourselves "what can we do to have the greatest influence?" The answer is low carbon design. We seek every opportunity in product design to reduce carbon footprints. For Phone (2), we have maximised the use of recycled materials for various components and replaced plastics with paper in the packaging. During manufacturing, we use renewable energy. In the distribution phase, we have attempted to switch to sea freight for some packaging materials, which reduces emissions by 95% compared to air freight. We also introduce a trade-in programme at the end of the product life cycle. We believe that these cumulative efforts will ultimately spark positive environmental changes.

LOW IMPACT PACKAGING

Packaging: Goals and progress

Low impact packaging

Our commitment to sustainability extends to every detail, covering not only our products but also their packaging. We require our product packaging to be lightweight, plastic-free, and easily recyclable, while still protecting the contents and ensuring a hasslefree unboxing experience.

2025 goal	Progress in 2023
Eliminate plastic components in product packaging by 2023 to achieve plastic-free packaging.	Achieved. We completely removed plastics from the packaging of Ear (2) and Phone (2).
Use recycled or FSC-certified sources for all fibres in product and shipping packaging.	Progressing as planned. The proportion of recycled paper sources in Phone (2) packaging has reached 60%.
Reduce the printed area on packaging and use 100% plant-based or carbon-negative ink.	Continuously monitored. We are validating the reliability of new bio-ink or carbon-negative ink printing in new products.

Packaging:
Our solutions

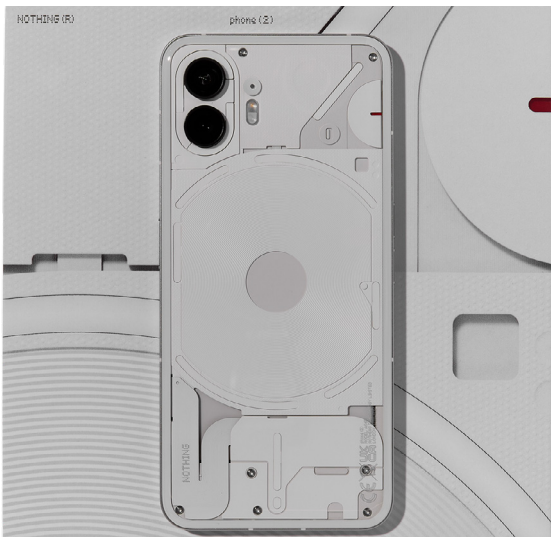
Plastic-free packaging

Among the environmental issues related to packaging, plastic pollution poses the most significant threat, making it central to our eco-friendly packaging strategy.

While we removed the primary plastic component – the plastic wrap – from the Phone (1) packaging, plastic still existed in some easily overlooked components, including the colour box lamination, tear strip, internal adhesive tape, and phone wrap.

These plastic components, often combined with paper or glue, play a crucial role in protecting the product from scratches or damage. At the same time, our packaging solutions need to strike a balance between reducing environmental impact and meeting various competitive demands, including Nothing's unique design style, reliable product protection, ambitious cost targets, and a satisfying unboxing experience.

To this end, we experimented with various packaging designs and conducted several rounds of testing with manufacturers. We had experienced suppliers acknowledging that developing plastic-free packaging solutions for Phone (2) posed the greatest challenge and demanded the highest standards. Throughout this process, we constantly iterated and introduced new materials and techniques. Ultimately, we replaced the lamination with more advanced printing ink, substituted the plastic wrap with parchment paper, innovated a multi-layer paper structure for the tear strip, and used paper tape instead of plastic tape internally. These changes allowed us to eliminate plastic in the most inconspicuous of details.

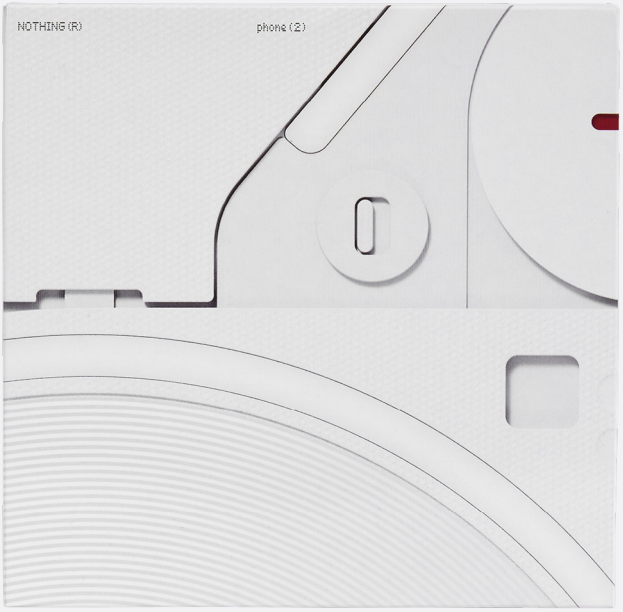


Packaging:
Our solutions

Recycled paper

For the packaging of Phone (2), we have used paper certified by FSC MIX. This means at least 60% of the paper contains recycled fibres, while the remainder comes from sustainably managed and responsibly operated forests. This approach not only preserves the long-term sustainability of forest resources but also safeguards the rights and interests of the communities involved.

However, the use of FSC-certified paper faces challenges such as increased costs, supply chain limitations, and longer delivery times. In response to these challenges, we have decided to initially adopt FSC-certified packaging materials in our flagship models.



FSC
www.fsc.org
MIX
Packaging | Supporting responsible forestry
FSC® C010953

Packaging:
Our solutions

Bio-based ink

In 2023, we continued to use vegetable ink for product packaging, primarily soy-based ink, where soy oil serves as the solvent. This ink is more effective than traditional mineral oil-based inks in reducing the emissions of volatile organic compounds (VOCs) and enhancing natural degradation.

Furthermore, we have actively explored a novel environmentally friendly ink called Living Ink, which is derived from algae. This innovative ink builds upon vegetable ink by replacing the conventional petroleum-based carbon black with melanin extracted from algae, further increasing the proportion of bio-based materials.

We have now begun experimenting with the application of algae ink for printing manuals and have conducted comprehensive testing on its abrasion resistance, temperature tolerance, and harmful substance content. Although algae ink still faces challenges in terms of cost and its suitability for all printing processes (for example, limited colour choices make it inapplicable for all printing processes), we plan to promote its use on suitable product packaging once its commercial viability is established.

GREENER CHEMISTRY

Greener chemistry: Goals and progress

Creating safer, greener products means strictly managing the chemicals used throughout the entire process, from product manufacturing to use, through to recycling. We enforce a rigorous chemical management policy and comprehensively identify the chemicals used in our products and their manufacturing processes. We also hold ourselves to stricter standards than are legally required, ensuring the utmost safety for every supplier, employee, and consumer.

2025 goal	Progress in 2023
Create a complete product chemical database.	Achieved. In 2023, we completed the collection of all material components for each product.
Require suppliers to comply with the Nothing Restricted Substance Management Standards.	Achieved. All suppliers added in 2023 have signed the Commitment to Not Use Restricted Substances and implemented the Nothing Restricted Substance Management Standards across all product lines.

Greener chemistry: Our solutions

Strict standards

We have established ever stricter standards than the regulations outlined in the Regulations on Restricted Substances in Multiple Countries. These standards are known as the Nothing Restricted Substance Management Standards (hereinafter referred to as the 'Standards'), which are updated annually based on regulatory changes and industry best practices.

In 2023, we further strengthened the management of mineral oil in the Standards. It is worth noting that, unlike many companies' commitments to restricted substances, we not only enforce this standard in a single product but strictly adhere to it across all product lines, including our sub-brand CMF by Nothing.

Step 1 Product development

Follow the latest version of the Nothing Restricted Substance Management Standards during product design.

Step 2 Supplier screening

Audit the restricted substance control of all potential suppliers. In 2023, all new suppliers passed this audit.

Step 3 Material selection

Collaborate with potential suppliers to jointly develop and screen materials that meet the requirements.

Step 4 Signing commitments

Suppliers confirmed for cooperation are required to sign the Supplier Commitment to Not Use Restricted Substances which outlines specific implementation plans and breach regulations. When the standards are updated, suppliers continuing their collaboration with us must re-sign the commitment to ensure contract terms are updated.

Step 5 Incoming inspection

Requires factories to test each batch of purchased materials and conduct spot checks. Any non-compliant materials should be immediately returned, and suppliers should rectify the situation.

Step 6 Process control

Screen and test auxiliary materials used during manufacturing to ensure they comply with the Standards.

Step 7 Shipment inspection

Conduct random sampling inspections of products before shipment to ensure they meet the requirements under the Standards.

Greener chemistry: Our solutions

Safe Materials

We collect material composition information and testing reports for all components across our supply chain, layer by layer, to quickly identify health and safety risks in our products. This enables us to make wiser material choices, ensuring the use of safer materials while maintaining product quality as much as possible.

We strive to eliminate and reduce the use of harmful substances in our products. Taking cables as an example, although PVC is widely used as a wrapping material for wires due to its low cost, its potential health and environmental hazards have prompted us to phase out PVC from all our products since 2022. This measure covers our standalone Nothing cables and all accompanying cable accessories, including internal wiring.

Moreover, we pay close attention to ingredients in wearable devices that may cause allergies. All product parts that come into prolonged contact with the skin undergo rigorous testing. Using the common allergen nickel as an example, we conduct artificial sweat nickel migration tests on all metal components in earphones, mobile phones, and watches that directly contact the skin. This ensures that corrosion caused by sweat in real-world usage conditions does not lead to a sensitive reaction to nickel on the skin.

Greener chemistry: Our solutions

Chemical substance		Removed and limited harmful substances
Polyvinyl chloride (PVC)		We have removed PVC from all our products. Commonly used for connecting wires, PVC endangers human health and the environment while being manufactured, during product use and when it is being disposed of.
Polycyclic aromatic hydrocarbons (PAHs)		We have removed PAHs from all plastic components that come into contact with human skin. PAHs are commonly found in plastics and potentially cause cancer through skin contact.
Antimony trioxide		We have banned the use of antimony trioxide in all of our products. The World Health Organization's International Agency for Research on Cancer (IARC) has classified antimony trioxide as a Group 2B agent, which is possibly carcinogenic to humans as outlined in the IARC monographs. It is often added to connecting wires as a flame retardant.
Beryllium		We have discontinued the use of beryllium in electronic components including connecting wires and switches. Exposure to beryllium can cause beryllium poisoning.
Chlorinated and brominated flame retardants (CFRs and BFRs)		We have removed these two flame retardants from all components. CFRs and BFRs accumulate in the environment and human body over a long period and can cause serious harm.
Red phosphorus		After we removed halogen flame retardants, we went further and required red phosphorus to be replaced with organophosphorus as a flame retardant. Red phosphorus is not only toxic, but also flammable.

SUSTAINABLE SUPPLY CHAIN

Sustainable supply chain: Goals and progress

To reach our sustainability goals and drive widespread change, we need to work closely with our supply chain. This means clearly communicating our vision and goals, providing resources and support, and monitoring supplier performance to encourage continued improvement.

2025 goal	Progress in 2023
Implement a set of Sustainability Policies for suppliers. Regularly assess and update progress.	Progressing as planned. We communicate environmental sustainability policies to our supply chain and enhance suppliers' environmental performance through audits, advocacy and other measures.
Reduce water consumption of key suppliers.	Progressing as planned. We are actively encouraging suppliers to reduce water consumption through improved processes.
Achieve zero waste to landfill by key suppliers.	Progressing as planned. We require assembly suppliers of phones to regularly fill out solid waste data tracking forms to gradually reduce the waste landfilling rate.
Ensure responsible mineral sourcing across the supply chain. Regularly release Nothing conflict minerals reports and publish smelter and refiner lists.	Progressing as planned. All final assembly suppliers have signed a commitment not to use conflict minerals and have disclosed the smelter lists for the source of 3TG metals in their products.

Sustainable supply chain: Our solutions

Supply chain audit

In 2023, we further enhanced our Nothing Supplier Due Diligence Procedure and made significant updates to the Nothing Supplier Development Management Procedure, emphasising the environmental and social responsibility policies within our supply chain.

The new procedures explicitly state that we will conduct rigorous audits of suppliers in key areas such as environmental performance, ethical and labour standards, hazardous substance management, conflict minerals and business ethics. Minimum qualification standards are clearly defined. We will ensure the effective implementation of this stringent supplier screening mechanism to drive continuous improvement and compliance upgrades throughout our supply chain.

Sustainable supply chain: Our solutions

Optimised environmental performance

On the basis of ensuring compliance, avoiding environmental violations and establishing a robust environmental management system, we have set higher standards. For solid waste, we require suppliers to document waste generation, flow and disposal, and develop plans to gradually reduce the landfilling rate of waste. With improved yields in the assembly process, the amount of production waste has significantly decreased. Pallets and cartons used for transporting raw materials are recycled, while the majority of the remaining waste is disposed of through incineration.

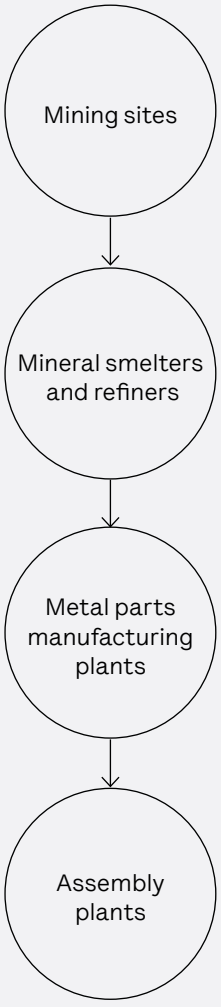
Sustainable supply chain: Our solutions

Responsible mineral sources

Electronic products use various critical metal elements, among which the '3TG' minerals – tantalum, tin, tungsten, and gold – are considered high-risk factors in procurement. This is because the extraction of some 3TG minerals occurs in conflict-affected and high-risk regions, and the profits from these activities often fund military groups, thereby exacerbating human rights violations in those regions. To sever any connection between our procurement funds and these illegal and violent activities, we require our suppliers to conduct thorough investigations and disclose the sources of their minerals to us.

Following industry best practices, we ask our suppliers to use the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) provided by the Responsible Minerals Initiative (RMI) to confirm whether 3TG minerals in our products originate from smelters and refiners that have been evaluated by the Responsible Minerals Assurance Process (RMAP). As smelters and refiners are relatively fewer participants in the metal supply chain, ensuring that these companies have undergone comprehensive due diligence processes provides strong assurance that the 3TG minerals used come from responsible mining activities.

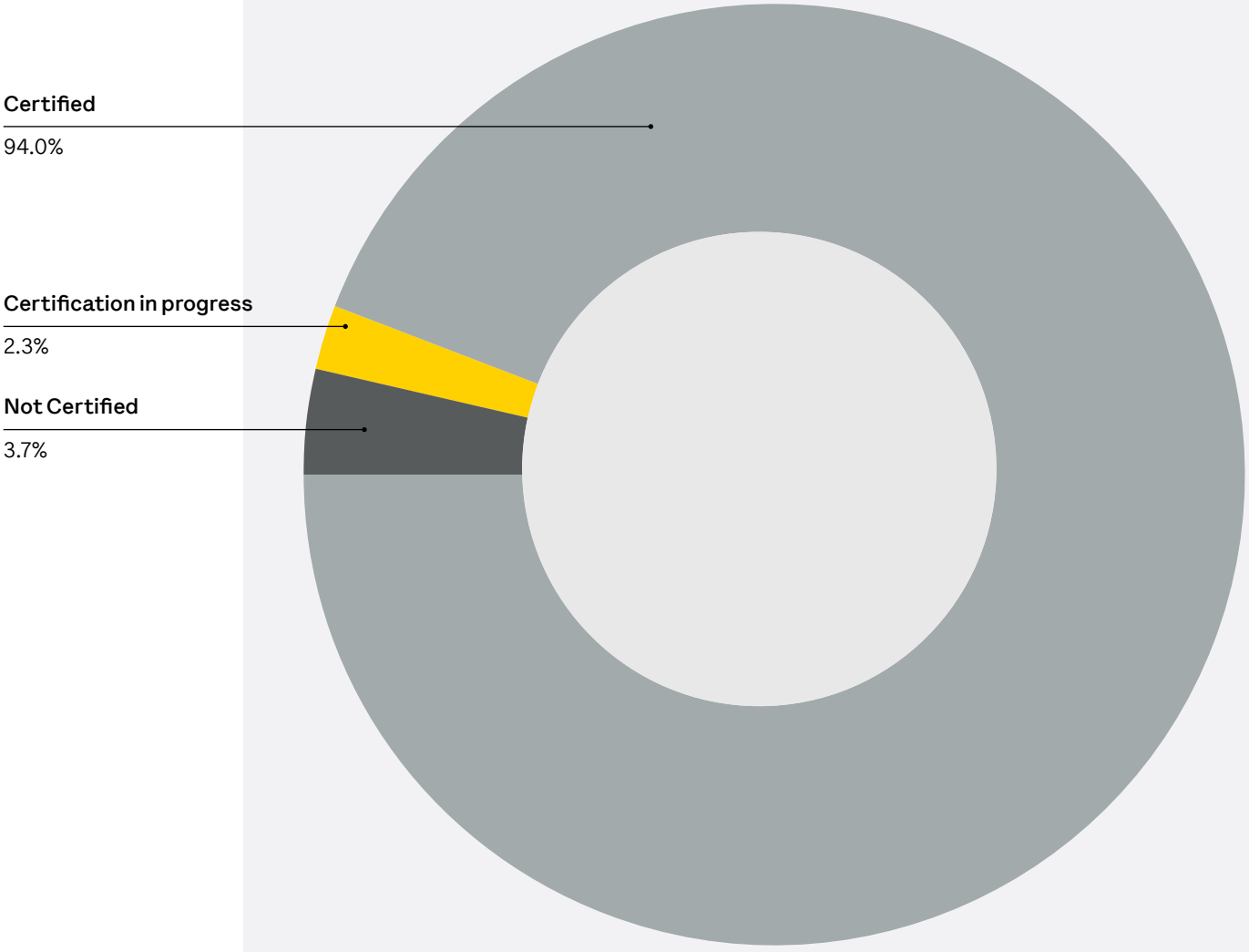
Simplified metal supply chain



Sustainable supply chain: Our solutions

Below are the findings of our investigation into the smelters and refiners that supply tin, tantalum, tungsten, gold, and cobalt for Phone (2). A total of 95% of our suppliers participated in the data reporting, and most of them provided not just information on the smelters and refiners that were ultimately integrated into Phone (2), but also details of all relevant facilities in their supply chain. Based on this, we identified a total of 265 eligible smelters and refiners.

Third party audit status of smelters and refiners



PARTNERSHIP FOR CHANGE

Sustainable supply chain: Our solutions

Partnerships for change

In 2023, partnerships became the key to our environmental breakthroughs. Extending beyond our supply chain to engaging in dialogues with more stakeholders, including our community and sustainability-focused alliances. This engagement deepened our understanding of the issues that stakeholders care about and their expectations of Nothing, allowing us to identify areas where we can make a meaningful impact.

In 2023, we joined The Initiative for Responsible Mining Assurance (IRMA) as part of its Buyers group. IRMA provides a comprehensive and independent assessment framework for all environmental and human rights issues related to industrial mining. Nothing places a high priority on maintaining high standards of environmental and social responsibility in our supply chain, particularly regarding the impact of mining on surrounding communities and ecosystems. Despite the complexity and opacity of the path from mineral sources to Nothing products due to the multi-tiered and ever-changing nature of the supply chain, we still hope to support mineral-producing areas in adhering to best practices.

We believe IRMA is the most comprehensive mining certification system with full transparency and a commitment to continuous improvement. Based on this, we have emailed our core suppliers, encouraging them to familiarise themselves with IRMA and fully communicate their support for IRMA assessments to mineral-producing areas. Through our participation in IRMA, we believe that the challenges faced by mines will be fully understood, and solutions will be gradually found.

Aluminium is a key material in our products, and we have adopted recycled aluminium in the manufacturing of middle frames for our phones. Furthermore, to promote sustainable development throughout the aluminium value chain, we have joined the Aluminium Stewardship Initiative (ASI). ASI has developed standards and supply chain tools specifically for the aluminium industry, focusing on low-carbon aluminium production, human rights diligence management, a circular economy, product traceability, and more issues. As a member of ASI, we participate in the Climate Change Working Group and the Circular Economy Working Group, discussing how to incorporate the goal of limiting global warming to 1.5 degrees Celsius into ASI standards.

Partaking in industry initiatives helps us gain a deeper understanding of best practices and receive feedback from diverse voices to guide our environmental efforts.

It also demonstrates our unequivocal support for environmental protection and our desire to collaborate with others to drive more significant change. While some sustainability initiatives currently have certain requirements regarding enterprise size, we plan to expand our partnerships as we continue to grow and share the same enthusiasm with more passionate partners.

APPENDIX

Nothing GHG emission inventory

Emission sources			2023	2022	2021	Note: Explanations for changes in carbon emissions
Emissions related to Nothing operation	Scope 1: Direct emissions	Fugitive methane from office wastewater processing	13.40	10.34	4.92	The emissions increased in correlation with the rise in the number of employees. (Please note that the previously disclosed data from 2021 contained errors, which have been corrected here.)
		Fugitive emissions of refrigerants	46.26	0	19.28	Our office replenishes the refrigerant every two years; so there was no refill required in 2022.
	Scope 2: Emissions related to electricity consumption (location-based)	Electricity consumption	297.06	275.52	37	An increase in the number of employees and the increase in the number of offices globally led to higher electricity consumption.
	Scope 3: Indirect emissions	Business travel	419.26	150.2	26.19	After the relaxing of pandemic measures in 2023, business travel frequency and distance returned to normal levels.
		Employee commuting	303.86	242.6	54.93	The increase in the number of employees led to higher emissions from commuting.
		Fuel and energy related activities	84.34	57.14	9.65	Increased electricity consumption entailed corresponding waste losses.
		Others	43	40.38	46.68	Other categories include the procurement of IT equipment, electricity for service centres, and waste management in company operations.
Emissions related to Nothing products	Scope 3: Indirect emissions	Product manufacture	24610.76	13759.06	504.35	We launched more products and introduced the sub-brand CMF by Nothing, hence an increase in overall product sales led to a substantial jump in emissions.
		Product transportation	1473.27	654.23	170.16	
		Product use	10467.52	7860.98	49.51	
		Product end-of- life treatment	116.95	57.46	14.56	
Carbon offset			0	0	-738.33	
Total carbon emission			37875.68	23107.91	317.91	