

Sustainability

When it comes to the implementation of strategy, policy and every other aspect of our operations, one factor is at the heart of everything we do: corporate social responsibility.

1 Business ethics

Strict compliance with ethical principles

We communicate openly with internal and external stakeholders, informing them of our commitment to moral and ethical principles in every aspect and at every level of our business. We support the policies and principles set out by the UN Global Compact, which unites us with other companies prepared to align their operations and strategies with universally accepted principles on human rights, labor, the environment and corruption. We report yearly on progress made in implementing the ten principles. The Communication on Progress (COP) can be viewed at www.unglobalcompact.com.

Overarching Code of Conduct

Our employees come from widely differing backgrounds. Such diversity makes the importance of a set of common values even more important. Our Code of Conduct is based on the UN Global Compact and, together with other related information, can be found on the corporate intranet in seven languages. It clearly defines the standards, business ethics and behavior we expect of our employees and others acting on our behalf. In 2015, we initiated an e-learning course on our Code of Conduct and Anti-bribery Guidelines, which employees are obliged to take every year.

Anti-corruption

The anti-bribery guidelines are a vital component in our efforts to stamp out corruption in any form. The international nature of our operations inevitably means that we are present in certain countries where corruption is rife, so it is vital that we provide our people with clear, objective instructions on how to deal with corruption should they be confronted with it. In 2015 u-blox was not affected by investigations or legal procedures relating to corruption or human rights.

Insider trading

u-blox has implemented a policy for all employees prohibiting the trade with u-blox shares in case of insider knowledge of facts which could have an impact on the share price if they were publicly known. Under the policy, employees are prohibited from trading with u-blox shares in case of insider know-how.

Political organizations

No political parties enjoy funding or subsidies from u-blox.

Strict confidentiality and data protection

As part of its compliance with all relevant data protection legislation, u-blox makes every effort to ensure that its employees' personal data is treated in the strictest confidence.





Employees

The keyword in u-blox's recruitment policy is diversity. We can maintain our strong position only by employing the very best people at locations all over the world. At the end of 2015, we had 750 employees, 25.2% of them at Thalwil headquarters in Switzerland. The remaining 74.8% were employed at 14 R&D centers and 15 sales and marketing offices around the globe. Our expanding market activities necessitated an increase in the number of employees from 117 to 140 FTEs in sales, marketing and support. R&D saw numbers grow from 428 to 509, while Logistics and Administration FTEs increased from 69 to 87.

u-blox: creating a place people want to work

Our ambitious growth and development plans call for the best people. u-blox is prepared to find and, more importantly, to retain them. We have a vested interest in fostering a culture that encourages employees to develop their professional and leadership skills. We have an annual appraisal process that helps our employees define and stay on track towards their personal goals, and our policy of filling vacant management posts with our own people opens up attractive promotion prospects. Last year, our salaries and social benefits spend amounted to CHF 59.0 million (compared with CHF 48.0 million in 2014).

Despite a fair and non-discriminatory employment policy, u-blox's workforce at the end of 2015 comprised 13.7% women (2014: 14.6%). There are no women in Executive Management and the Board of Directors comprises one woman and six men. The main reason for the discrepancy lies in the predominance within the company of engineering positions, for which only a relatively small pool of women is suitably qualified. Recruitment potential is thus limited. In non-product functions like logistics, administration, HR, etc, the ratio of women exceeds 70%. We support various activities to attract women to engineering education at high school level.

We gather feedback on employee satisfaction through annual performance review meetings. Performance and compensation are assessed using both Group and individual targets. Every other year, we also conduct a detailed employee satisfaction survey. The next one is scheduled for 2016.

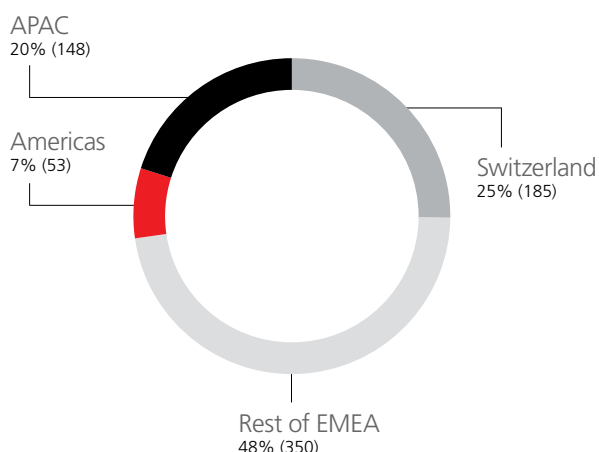
u-blox has a set of guidelines relating to compensation and promotion that are based on clearly defined individual and corporate goals. Assessments of employee performance are carried out once a year. u-blox's reputation as an attractive employer is well known and the company is regularly cited as one of Switzerland's top 100 employers. Staff turnover in 2015 stood at 8.7% (2014 8.6%).

Life and work: getting the balance right

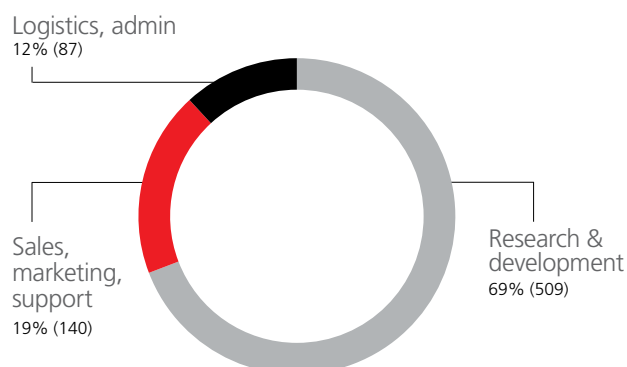
The quality of our employees' lives is all-important to their well-being. We actively strive to achieve this balance by offering flexible working hours and specially tailored work/ pay/ vacation programs. Our people are also entitled to a sabbatical after five years' employment with the company. Interactive, real-time internal communications are accessible to employees worldwide and the workforce receives regular updates on the state of the company.

Performance indicators	2014	2015
Total headcount (end of the year)	625	750
Jobs created	80	126
Women in overall workforce	14.6%	13.7%
Part-time employees	7.2%	7.3%
Fluctuation	8.9%	8.7%

Employees per region (end of 2015, FTE based)



Employees per function (end of 2015, FTE based)



Community

u-blox has a presence in many countries around the globe. One of our main concerns is to demonstrate our commitment to the regions where we have commercial interests by giving something back. We harness the human, financial and technical resources at our disposal to make significant, tangible changes that makes communities stronger and less dependent. As in previous years, we have continued to support health and educational programs, but in 2015 extended our range to support employees who are involved in charity work as a means of eliminating some of the problems facing the people in the communities to which they belong.

Doing our best to ease the refugee crisis

In a concrete push to support the Slovenian Red Cross in its efforts to handle the thousands of refugees straining its resources, u-blox's office in Italy organized a donation and clothing collection. With winter approaching, refugees were in dire need of suitable garments to keep out the cold. Our colleagues quickly collected funds and used clothing, and participated at a second-hand winter market.

An employee summer event with a difference

In 2015, u-blox's team in Greece organized their annual summer event at the community home run by the Smile of the Child welfare organization. As their way of contributing, our people in Greece donated the money they had saved for their summer event, contributed money out of their own pockets and gave personal gifts, mainly books, to the children.

A busy October for San Diego

u-blox employees in San Diego were involved in two separate volunteer and corporate events to help local people. One group teamed up with Ronald McDonald House Charities to provide a home-cooked meal for more than 150 seriously ill children and their family members. A few days later, employees represented the company in the 2015 Bike the Coast century ride (100 miles, to be precise) that took them along Highway 101 from Oceanside to Del Mar.

A global effort for children at Christmas

Unlike their more fortunate counterparts, thousands of financially disadvantaged children and orphans worldwide do not receive gifts at Christmas. To alleviate the problem, u-blox ran a global campaign embracing Italy, Greece, Singapore, Korea, Sweden, Pakistan and Switzerland that encouraged employees to donate Christmas presents such as toys, games and food for distribution to children in need. Site managers gave employees precise information about local projects, specifying the organization(s) receiving assistance and the kind of gifts that could be donated. Thanks to our people, scores of children around the world got a surprise visit from Santa Claus for Christmas 2015.



Donating presents to children in need in Pakistan



Employee summer event in Greece

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Supply chain responsibility

Ensuring the safety of the supply chain

Since initiating its Sustainable Supplier Program in 2012, u-blox has spared no effort to maximize the safety of working conditions in the supply chain, ensure that workers worldwide are treated with respect and consideration, and minimize the impact of its operations on the environment. u-blox's in-house program is based on the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, which applies to labor and human rights, health and safety, environmental factors, ethics and management systems. The sustainable auditing of our supply chain is done internally. Each year we inspect a subset of chosen suppliers' factories. In 2015 we defined improvement actions together with suppliers. No evidence was found that made a formal audit necessary.

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Environment

Taking responsibility for the world we live in

As part of its efforts to ensure effective control of our environment and sustainability objectives, u-blox works closely with key contract manufacturers and suppliers to tighten up and improve an already impressive set of measures. We expect the same exacting sustainability standards from all our suppliers as we impose on ourselves. Over the years, we have closely supervised potentially harmful materials used at all stages of the manufacturing cycle. Conflict minerals from any source are absolutely prohibited. We liaise closely with our partners to identify the provenance of all the metals used in our products and to ensure that tantalum, tin, tungsten and gold come from acceptable sources.

As a fabless semiconductor company, we insist that all our key manufacturing partners comply fully with legal, industrial and customer-specific environmental requirements. Ensuring that these standards are met and maintained is a complex and laborious process. We therefore make ongoing efforts to improve the collection and storage of all essential data while monitoring compliance.

Carbon dioxide emissions

Our contribution to reducing CO₂ emission starts at headquarters in Thalwil and manifests itself the entire way along the value-added chain and in our products. In Switzerland, we cover the cost of our employees' journeys to and from work by public transport, thus discouraging the use of their own vehicles. We have taken further steps to reduce our CO₂ footprint by introducing a video-conferencing system at all our major offices worldwide, thus reducing the need for employees to travel to meetings. And we have a manufacturing model that lowers our own CO₂ output by outsourcing production to third-party manufacturing partners with ISO 14001 certification. In compliance with our strict environmental requirements, they too have their own CO₂-reduction programs in place.

Finally, the actual products we make can lead to a significant reduction in CO₂ emissions. Sensors used in vending machines, for example, eliminate unnecessary journeys to replenish stocks. In cars and trucks, they cut fuel use and emissions by calculating the shortest and quickest routes from A to B. Used by utility companies, they remove the need for visits to read meters. Sensor-activated street lighting systems massively cut the power bill for municipalities. Every day, new ways of using our products contribute to this global effort.