

Sustainability

A keen awareness of our social responsibility runs through everything we do: it shapes our business policy, our strategy, and every other aspect of our corporation.

1 Business ethics

Compliance with ethical standards

We respect universal ethical principles. The UN Global Compact commits companies to overarching principles on human rights, labor, the environment and corruption while advancing socially beneficial goals. As supporters of the UN Global Compact, we submit an annual Communication on Progress (COP) report that describes how we implement its ten principles in each of the four areas listed above. We also inform our internal and external stakeholders openly about our efforts to apply strict moral and ethical standards to everything we do, at every level of our business. More detailed information about the Communication on Progress (COP) can be found at www.unglobalcompact.com

Company-wide Code of Conduct

Our workforce is highly diverse, comprising individuals from every part of the world. This fact makes it all the more important for us to have a set of shared values we can all identify with. u-blox's Code of Conduct is firmly based on the UN Global Compact and can be accessed in seven languages on the corporate intranet, together with other relevant information. The Code of Conduct stipulates the ethical standards and behavior we require from our employees and external third parties acting on our behalf. In 2015, to help ensure that our people remain aware of our Code of Conduct and anti-bribery guidelines, we set up an e-learning course. u-blox employees

completed the course in 2015 and 2016 and are required to repeat it each year.

Anti-corruption

We have stringent anti-bribery regulations that are central to our ongoing efforts to eliminate corruption in any form and at all levels. As a company operating internationally, we inevitably have business dealings in countries where corruption is widespread. Thus it's essential that our people have clear, objective guidelines that equip them to deal with any form of corruption to which they may be exposed. In 2016, u-blox had a clean record on corruption and human rights and faced no investigations or legal proceedings.

Insider trading

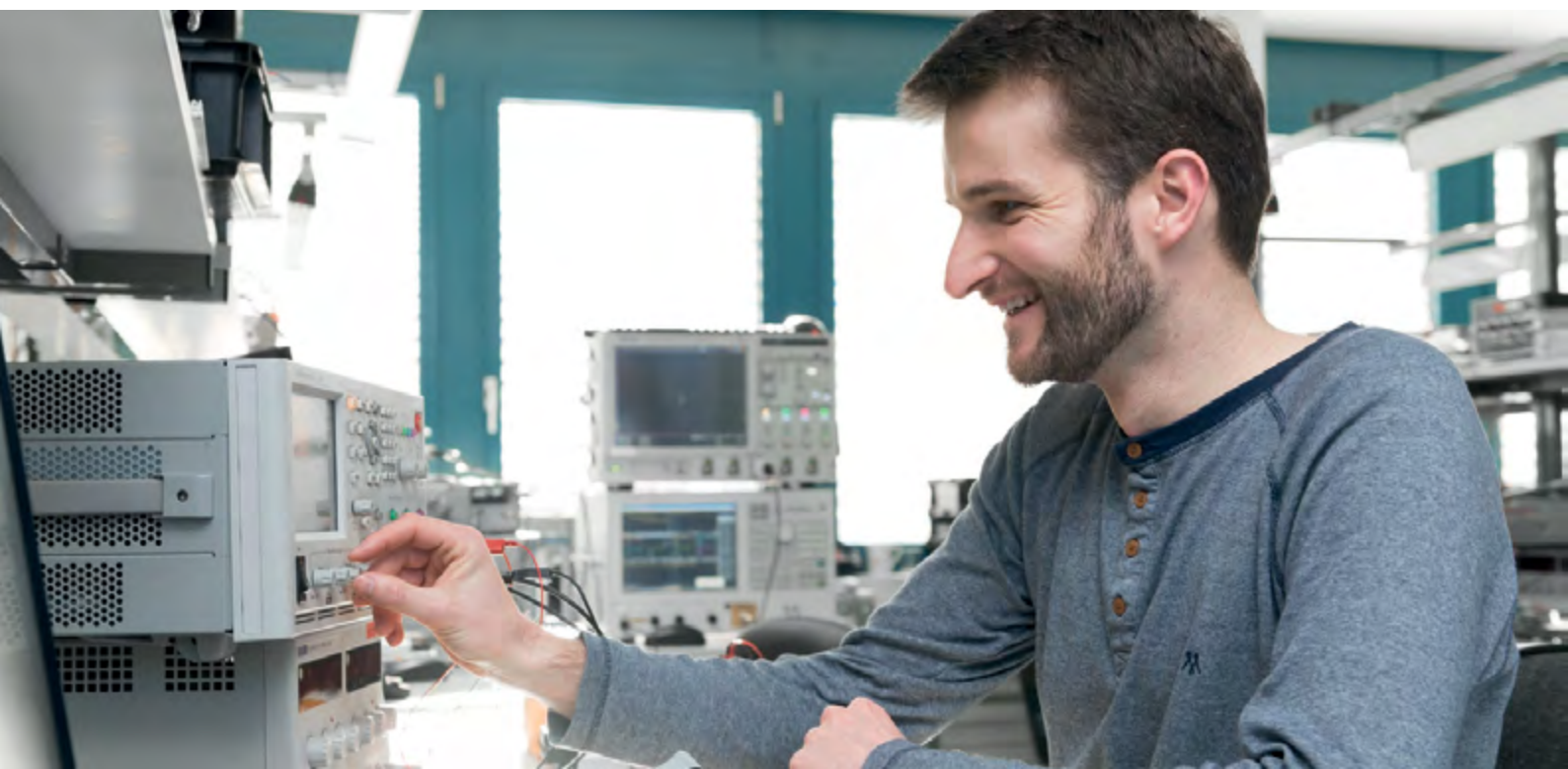
u-blox employees are forbidden to trade company's shares during times when knowledge of specific information could influence the stock price.

Political affiliations

u-blox neither funds nor subsidizes any political party or organizations.

Privacy, 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.





Our employees

On December 31, 2016, u-blox's workforce stood at 836. Of these, 24.3% worked at corporate headquarters in Thalwil, Switzerland, with the remaining 75.7% at 14 R&D centers and 15 sales and marketing offices in countries all over the world. This global structure reflects a recruitment policy based on diversity: only by employing the very best people at locations worldwide can we maintain our leading market position.

A solid reputation as an attractive employer

In markets as competitive and highly skilled as those in which we operate, we need the very best individuals available. Finding them and ensuring that they stay with us is thus a top priority. We help them to develop their professional skills and attain their full potential: ultimately, their sense of achievement and fulfillment benefits both them and the company. Our annual appraisal process helps employees stay focused on their personal objectives, while a policy of promoting our own people to vacant management positions provides them with additional incentive. In 2016, salaries and social benefits amounted to CHF 65.8 million (compared with CHF 59.2 million in 2015).

Naturally, u-blox has a fair and non-discriminatory employment policy. Nevertheless, the proportion of male employees is significantly higher than female, though the balance is improving. At the end of 2016 women accounted for 15.4% of the workforce, compared to 13.7% in 2015. Executive management is exclusively male, and the seven-strong Board of Directors comprises only one woman to six men. The reason for the discrepancy lies in the predominance of engineering positions in the company's workforce, for which only a small number of women are suitably qualified. In other, non-product-related areas, such as HR, administration and logistics, the proportion of women is over 70%. We have a vested interest in helping to redress the overall situation and actively support various initiatives and programs to attract women to engineering studies at university level.

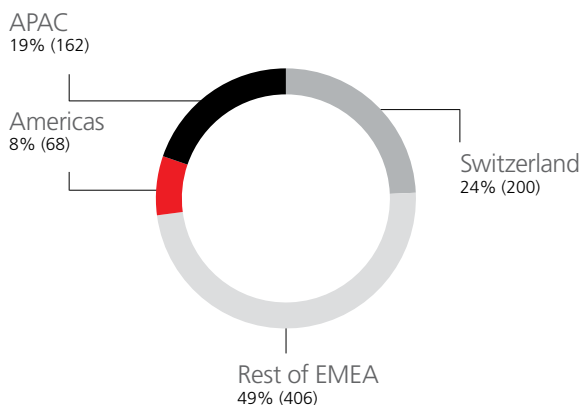
Annual performance review meetings are a valuable means of discussing employees' performance over the preceding twelve months and obtaining direct feedback on their satisfaction. We have a set of compensation and promotion guidelines based firmly on clearly defined individual and corporate goals. The company has a reputation for being an attractive employer and regularly features in the Swiss top-100 employers list. In 2016, we also conducted our biennial Group-wide satisfaction survey: 79% participated. Employee commitment remains very high. 84.5% stated "I would give my best". Staff turnover in 2016 stood at 6.7% (2015: 8.7%).

Striking a healthy life/work balance

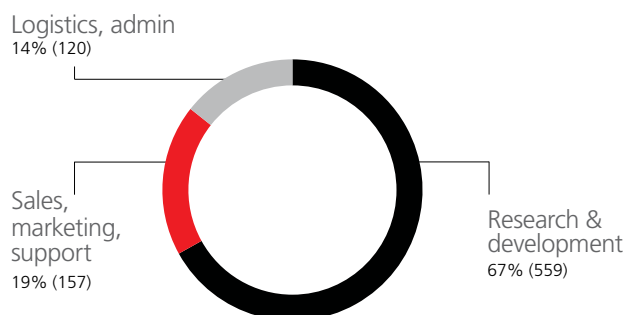
Employees who are content with their lives at home and at work are more engaged and efficient. Life-quality plays a central role here, and we take proactive measures to increase it by offering our people flexible working hours together with work, remuneration and vacation programs tailored precisely to their needs. After five years with u-blox, employees are free to take a sabbatical. Apart from this, we offer interactive, real-time internal communications that keep them fully and regularly informed about the state of the company.

Performance indicators	2015	2016
Total headcount (end of the year)	750	884
Jobs created	126	134
Women in overall workforce	13.7%	15.4%
Part-time employees	7.3%	8.4%
Fluctuation	8.7%	6.7%

Employees per region (end of 2016, FTE based)



Employees per function (end of 2016, FTE based)



Social commitment

Through our past involvement in projects with a social or health-related component, we have established a reputation for taking our corporate social responsibility seriously. We use our human, financial and technological resources to initiate change and make communities stronger.

One area that recurs continuously in our project portfolio is health, and 2016 was no exception.

One of the projects we support is called No Isolation. This connected healthcare start-up in Norway has pioneered an avatar for children with long-term illnesses who are confined to home or hospital for lengthy periods. Essentially a robot, the AV1 avatar takes the child's place in the classroom, on excursions and even at birthday parties, enabling the child to participate in everyday events when the medical condition prevents him from being physically present.

In 2016, u-blox donated 500 4G cellular modules to No Isolation. These enable the AV1 to transmit audio and video signals from any location with 4G coverage and eliminate the need to connect the robot to a local wireless network (LAN). The avatar is completely within the child's control and features a camera, microphone and speaker, which stream live to the child's smartphone or tablet, allowing him to see and hear the avatar's surroundings in real time, to talk with his own voice and to decide in which direction to look.

No Isolation's award-winning avatar helps to overcome the feeling of social isolation experienced by many sick children who are forced to stay away from school. The project demonstrates the power of u-blox's technology to solve a long-term children's health issue and epitomizes the company's vision of an Internet of Things That Really Matter.



No Isolation's avatar AV1.



The avatar enables children to participate in everyday events.



The avatar takes the child's place in the class room.

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Supply chain sustainability

Upholding responsibility in the supply chain

Introduced in 2012, u-blox's Sustainable Supplier Program was designed to guarantee safe working conditions all the way down the supply chain line, to ensure that workers the world over are treated with due respect and consideration and to limit the environmental impact of operations. The Program is based on the principles of the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, a coalition of the world's leading electronics companies that aims to improve labor and human rights, worker health and safety, social, ethical, and environmental responsibility and management systems in the global supply chain. We carry out sustainable auditing of our supply chain internally and inspect a selected group of suppliers' factories each year.

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Environmental issues

Treating our planet with care and respect

u-blox already has an exacting set of environment-protection measures in place. Despite this, we never rest in our efforts to ensure more effective control of our sustainability objectives. We require the same demanding standards from our suppliers as we set for ourselves and work with our principal contract manufacturers to make them even more stringent. For years now, we have closely monitored the use of potentially hazardous materials at every stage of the production cycle.

We operate a zero-tolerance policy towards conflict materials from any source and maintain close links with our suppliers to ensure that all the metals used in our products – gold, tin, tungsten and tantalum – are from acceptable sources. We are a fabless semiconductor company and ethically bound to demand that our key manufacturing partners comply with clearly defined environmental standards. Enforcing these requirements is a complicated and time-consuming exercise, and we take steps to ease the burden by gathering and storing essential and otherwise useful data while monitoring compliance.

Reducing greenhouse gas emissions

Curbing our production of carbon dioxide is a process that starts at headquarters in Thalwil and runs all the way down the value chain. We take active steps to dissuade employees from using their own vehicles for the daily commute by reimbursing the cost of the journey to and from work by public transport. We have radically cut back on the need for our employees to travel to meetings abroad by installing new video-conferencing facilities at all major offices worldwide. And by outsourcing the production of our components to external manufacturers with ISO 14001 certification and their own CO₂-reduction programs, we are able to lower our overall carbon dioxide output.

Finally, the products we develop and produce substantially reduce CO₂ emissions. Our sensors eliminate the need for utility companies to send employees on costly and environmentally damaging journeys merely to read meters. GPS tracking enables cars to take the most efficient route from one place to another. And wireless communication from sensor-activated systems make it possible for local authorities to provide street lighting only when it is needed, massively reducing the burden on their finances and the amount of electricity used. And as new ways of using our products are invented on a daily basis, their environmental contribution grows exponentially.