

Sustainability

u-blox is an international company with business interests in every corner of the globe. As such, our operations are subject to the strictest scrutiny. Our policies, strategies and everything we do, therefore, are determined by an overarching sense of corporate social responsibility.

Business ethics

Strictly defined ethical standards

As a company committed to the UN Global Compact, we undertake to respect universally accepted principles on human rights, labor, the environment and corruption while playing an active role in the advancement of projects that benefit society in general.

A universally applicable Code of Conduct

With a workforce made up of individuals from every part of the world, it is vital that we can all identify with and put into practice the values that shape our operations. Our Code of Conduct complies with the guidelines set out in the United Nations Global Compact. Together with much other relevant information, it is available in seven different languages on our corporate intranet. It defines the behavior and ethical standards we expect of our employees, our suppliers and all external third parties acting in u-blox's name. As a means of ensuring that all our employees are conversant with the terms and conditions of our Code of Conduct, particularly those relating to bribery, we have an e-learning course which everyone in the company is required to repeat annually.

Anti-corruption measures

Any company with worldwide operations is inevitably confronted with corruption. In some of the countries in which we have dealings, bribery and corruption are widespread. To discourage these practices, we have stringent regulations that provide our people with explicit guidelines on how to deal with any form of corruption that crosses their path in their day-to-day business. In 2017 u-blox had an untainted record and was involved in no investigations or legal proceedings.

Insider trading

u-blox employees are strictly forbidden from trading company shares when knowledge of specific information could influence the stock price.

Political affiliations

u-blox has no financial interests in any political party or organization.

Privacy, confidentiality and data protection

In compliance with all relevant data protection legislation, u-blox spares no effort to ensure that its employees' data is handled in the strictest confidence.



Our employees

On December 31, 2017, u-blox had a head count of 964. Of these, 24.9% worked at corporate headquarters in Thalwil, Switzerland, with the remaining 75.1% at 14 R&D centers and 15 sales and marketing offices in countries worldwide. Our employee structure reflects our recruitment policy. We are keenly aware that we can maintain our leading market position only if we seek out and employ the best people available in the regions in which we work.

Maintaining our reputation as an attractive employer

We operate in a highly technological and competitive environment. Remaining at the forefront of our markets calls for the very best individuals available. Finding them is one thing, keeping them another. This is the reason we focus so sharply on helping our people to develop their personal and professional skills to the maximum of their ability. We have regular internal assessments of their progress: these give them a guideline to development and provide a measure of their achievement over specific periods. We also have a clear policy of promoting people from within our ranks to positions of seniority. This approach incentivizes them and acts as a reminder that we actively reward hard work and attainment. In 2017, salaries and additional benefits totaled CHF 70.5 million (compared with CHF 65.8 million in 2016).

Despite upholding a non-discriminatory employment policy, we have a workforce that is still predominantly male. It is fair to say, however, that the balance is shifting. The main reason for the disparity lies in the fact that most of the jobs offered by the company require an engineering background, an area in which women tend to be under-represented at large. In areas that are not product-related, such as HR, administration and logistics, women are in the majority (over 70%). We would be happy to welcome more women to the technological side of our business and for this reason

take an active role in supporting initiatives that encourage women to study engineering and science-related subjects at university.

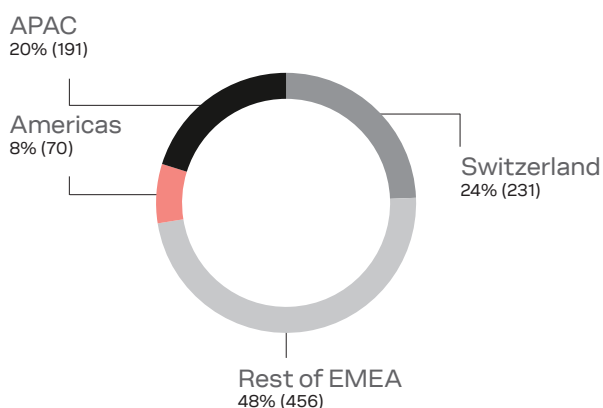
One of the most useful tools we have for assessing employee performance is the annual review meeting. It is also an opportunity for employees to tell us directly how happy they are with the company and their jobs. We have a detailed set of remuneration and promotion guidelines geared to individual and corporate objectives. We are encouraged by the fact that u-blox has a solid reputation as a desirable employer and regularly features in Switzerland's Top-100 company list. A further indication of employee satisfaction is the relatively low level of staff turnover (7.6% in 2017) group-wide.

Getting the life-work balance right

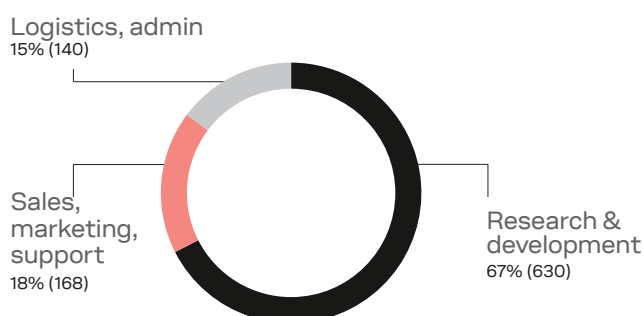
We are acutely aware of the importance of life-quality for our employees and their mindset. We have a raft of measures in place to give them flexibility with their working time and vacations as well as their remuneration. After five years, employees are entitled to take a sabbatical. We also take steps to ensure that our people are fully informed about the company's standing and provide monthly updates through real-time internal communications.

| Performance indicators | 2015 | 2016 | 2017 |
|-----------------------------------|-------|-------|-------|
| Total headcount (end of the year) | 750 | 884 | 964 |
| Jobs created | 126 | 134 | 87 |
| Women in overall workforce | 13.7% | 15.4% | 15.1% |
| Part-time employees | 7.3% | 8.4% | 8.5% |
| Fluctuation | 8.7% | 6.7% | 7.6% |

Employees per region (end of 2017, FTE based)



Employees per function (end of 2017, FTE based)



Social commitment

Over the years, we have made contributions to several projects with a mainly educational or health component.

As part of a move to broaden understanding of electronics and its potential value in creating new and innovative future products, u-blox recently supported Paul Gough, a u-blox employee and visiting assistant professor, to run a ten-day workshop at Shih Chien University in Taiwan that looked at ways of combining two radically different elements: electronic devices and sportswear.

Master students in fashion design started out by watching athletes in their daily routines with a view to creating sportswear that could motivate them and measure performance. They then brought their ideas to a workshop where they liaised with electronics graduates from neighboring National Taiwan University to turn the concept into reality. The disparate disciplines made it challenging for the students to communicate initially. The new electronics materials also moved the students out of their comfort zones, challenging their ideas of what a garment is.

By the second half of the workshop, ideas were starting to take shape in the form of prototypes, such as a jacket that gives feedback on posture and arm stability for Olympic target shooting or shoes that measure cycling cadence and foot position. Although not planned, the common theme that emerged was connected sportswear. Many ideas used an app for a smartphone that connected with garments via Bluetooth and was used to make the desired settings as well as give feedback on posture or performance. At the end of the workshop, students discussed the overarching concept of clothes that are no longer passive but actively provide feedback to the wearer to make sports or other activities more effective or simply more fun.



Developing a garment for a dancer that changes colour as the dancers arm move.

Supply chain

In 2012 we announced a Sustainable Supplier Program with three central objectives: to ensure safe working conditions at every stage of the production process; to guarantee its international work force due respect and consideration in every aspect of their jobs; and to minimize the impact of operations on our environment. The program takes its lead from the RBA (Former EICC) Code of Conduct, which was defined by a consortium of the world's leading electronics companies to enhance the global supply chain. Measures include improvements to labor and human rights, worker health and safety, social, ethical, and environmental responsibility and management systems. We conduct internal audits of our supply chain and inspect several of our suppliers' factories each year.

Environment

u-blox genuinely cares for the world we live in and never ceases in its search for more effective ways of achieving our sustainability objectives. We painstakingly monitor the use of potentially dangerous materials throughout the production cycle and demand the same exacting standards from our suppliers as we impose on ourselves.

The use of conflict materials in u-blox products is strictly forbidden. Our suppliers are aware of this and go to enormous lengths to guarantee that the tin, gold, tungsten and tantalum they source is from legitimate sources. Imposing these environmental requirements on our key partners is labor-intensive and time-consuming.

Treating our planet with care and respect

We already have 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 carefully monitored the use of potentially hazardous materials at every stage of the production cycle.

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 data while overseeing compliance.

Greenhouse gas reduction

We tackle the carbon dioxide problem head-on, starting at our head offices in Thalwil. We actively encourage our employees to use public transport for the journey to and from work by reimbursing the cost. Modern video-conferencing systems at all our major office worldwide have substantially reduced the need for employees to travel abroad. By operating as a fabless manufacturer and working with producers who have ISO 14001 certification and CO₂-reduction programs of their own, we are able to lower our overall carbon dioxide output even further.

But perhaps most importantly of all, we should point to our products, which drastically reduce CO₂ output. GNSS Positioning systems now make it child's play for a car to choose the shortest and fastest route from starting point to destination. Utility companies no longer need to rely on employees making expensive journeys that harm the environment, merely to read meters. Sensor-activated lighting systems allow municipal councils to install the necessary infrastructure with the cost of paying for it when it is not in use. As the Internet of Things increasingly takes control of our lives, u-blox technologies are set to make further significant reductions to the by-products of industrialization.