

It's exponential our sustainability potential

The u-blox Sustainability Report



Table of contents

03	<u>About this report</u>
04	<u>A message from our CEO</u>
06	<u>Who we are</u>
08	<u>Case Study: How our technology can play a role in communities</u>
10	<u>Our sustainability strategy & priorities</u>
14	<u>The five pillars of our Sustainability Strategy: In depth</u> Pillar 1: Business ethics, privacy and security Pillar 2: Employees Pillar 3: Environmental Responsibility Pillar 4: Supply chain responsibility Pillar 5: Communities
32	<u>Case Study: Jonathan Perkins</u>

About this report

Welcome to u-blox's first sustainability report documenting our performance and achievements related to environmental, social and governance (ESG) factors.

u-blox is committed to doing business sustainably. We have been a signatory of the world's largest corporate sustainability initiative – the United Nations Global Compact – since 2012. And we have progressively done more each year to improve the sustainability of all aspects of our business. You can read more about our continuous progress in this report.

As part of our continual improvement, we will be producing this insight yearly to increase transparency and address areas for improvement relevant to our shareholders, customers, suppliers and the communities in which we operate.

The report reaffirms our support for the principles and Sustainable Development Goals set out in the UN Global Compact. It outlines the five pillars of our Sustainability Strategy and our activities in each area. It also sets out our goals related to ESG issues under each pillar, against which we will report on progress in the future. During 2020-2022, u-blox will start to implement the goals through our products and services, operations and community engagements. The data delivered in this report is as of August 1, 2020.





A message from our CEO

Sustainability has always been at the heart of what we do and now we are going further

Introducing our annual Sustainability Report

It is with great pleasure that I present you with the first u-blox Sustainability Report. While we have long integrated sustainability in our annual reports, having a dedicated document will enable us to go into more detail about what we are doing and where we are striving to achieve more. It represents a key milestone in our company's journey as we introduce non-financial goals for environment, social and corporate governance (ESG).

In this inaugural report, we are setting the scene. We outline the five pillars of our Sustainability Strategy, describe where we are today and share our key goals in each area. We will report back on our progress against these goals in future Sustainability Reports.

We see this process as iterative: we will continually and actively seek out to discover new ways in which we can be a better corporate citizen and establish further goals and targets that drive us all to improve.

What sustainability means at u-blox

For us, sustainability has always been about maximizing the positive effect that we, as a business, can have. And this goes right to our very core: Our positioning and connectivity products and services are transforming the way we all live, work, travel and play and making a significant contribution to a more sustainable future.

The connected industries we enable are safer and more efficient. Connected cities, underpinned by our products and services, reduce energy consumption and improve quality-of-life. Connected healthcare can save lives. Connected vehicles make our roads safer and reduce emissions. Connected business means less need for travel – the importance of which has never been greater than in a world coming to terms with Covid-19.

“For us, sustainability has always been about maximizing the positive effect that we, as a business, can have.”

A good corporate citizen

Of course, it is critically important that our products and services are also produced sustainably. This means we must do business with integrity, look after our employees and respect each other, tread lightly on the environment, contribute to the communities that host us, and ensure our supply chain partners do likewise.

Although sustainability has always been at the heart of what we do, we know there is much more we can accomplish, and together with our stakeholders, we are going further. Join us as we discover our exponential potential towards a more sustainable world.



Thomas Seiler
Chief Executive Officer

Who we are

u-blox makes wireless communication and positioning technology. Our products and services are critical enablers of the smart connectivity that underpins the Internet of Things (IoT). One of the most exciting aspects of this connected world is its ability to make the way we live, work, travel and play more sustainable.

This sustainability potential is underlined by World Economic Forum and IoT Analytics research, which found that an incredible 84% of existing IoT deployments can help address the United Nations' Sustainable Development Goals – a central part of the UN Global Compact.

Our people

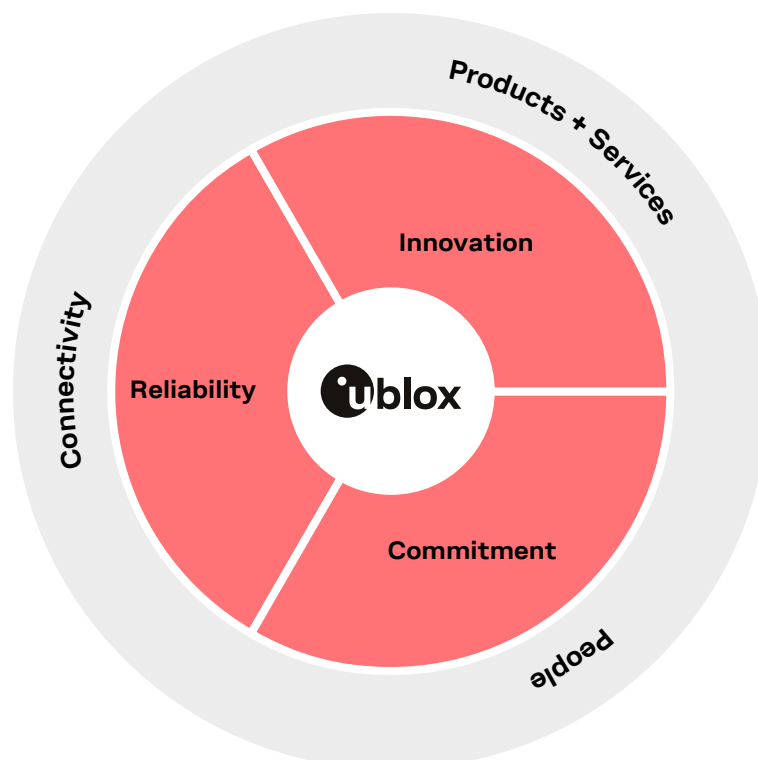
Behind our products and services is a global team of people. It is their diversity, energy, expertise and commitment to our company values that enable our success.

Our values

To create products and services that enhance global sustainability – and produce them in a truly sustainable way – everything we do is founded on three core values.

Firstly, we are **innovative**, investing heavily in R&D to push the boundaries of what technology can enable. Secondly, we are **restless**, always looking to do more and be better, across every aspect of our business. And thirdly, we are **reliable**, meaning our customers can trust our products and services to underpin theirs.

These values provide a framework for growth that is both profitable and sustainable, enabling us to create commercially attractive products that genuinely make a positive difference.



How our products support sustainability

As you read this, products from across our cellular, short range and positioning portfolios and services are enabling various applications that create a more sustainable world.

Driving greener travel.

u-blox JODY-W2 Wi-Fi and Bluetooth products are being used in an inductive electric vehicle (EV) charging initiative which promises to simplify this key aspect of EV ownership, and thereby drive adoption of zero-emission vehicles.

Making communities safer and energy efficient.

Our UBX-M8 GNSS chipset and SARA-R4 series cellular modems are being used in smart street lighting around the globe. This enables real-time fault-detection that leads to faster repairs, keeping communities safer and energy efficient.

Reducing greenhouse gas emissions from central heating.

a significant contributor to global greenhouse gas emissions. The SARA-R4 cellular range is at the heart of a globally available system that cuts energy waste from buildings.

Improving health and well-being.

Our cellular products have long been used in sleep apnea monitors, enabling people, from the comfort of their own homes, to diagnose whether they have the condition. Elsewhere, our Bluetooth BMD and low-power positioning products can be found in a range of fitness equipment and trackers, giving people greater insight into their health and well-being.

Managing transportation fleets.

Our products enable fleet management systems so trucks, delivery van and service cars can more efficiently use data in a predictive manner for improved loading, optimized routing, surveilled driver behavior and vehicle maintenance. Our solutions form the core of such systems: They improve the ecological footprint of fleets worldwide and create an economic advantage.



CASE STUDY:

How our technology can play a role in communities

The CARU digital flatmate brings independence, joy and safety to later life

CARU's interdisciplinary team of experts has one vision: to enable everyone to grow old in their own home. With great passion and entrepreneurship, they are shaping the future of an aging society with pioneering AgeTech. In 2018 they launched their award-winning CARU Smart Sensor to the market and have received a lot of positive responses with more than 5'000 successful emergency calls so far.

"Independent and free: That's how we've always lived. This is how we raised our children. And that's what I'm allowing myself now in my later life. I love to work in the garden for hours on end or to go for a long walk in the evening. Since we have the CARU Family Chat, we also share the little things in our everyday lives. The many short contact points spread over the whole day give me - and my daughters - more security and serenity." Mika, age 88 years young!

The solution for an independent life as we age

Designed with and for older people, their families and caregivers to make everyday communication simple, fun and uncompromising in an emergency, the CARU team chose a u-blox LARA-R211 LTE Cat 1 module for voice support and cellular location service.

By simply plugging in the stylish IoT device in the nearest electrical outlet, CARU is ready to interact by voice and touch control. And if WiFi is not available, the device can connect via an integrated SIM card. CARU's plug and play, voice-controlled approach has removed many of the technological barriers which reinforce the social isolation people in later life often experi-

ence. Gone are the days of trying to remember passwords or the visual and dexterity challenges of using a smartphone or tablet.

In addition to direct and indirect communication, CARU sensors measure various parameters in the room, such as humidity, CO2 levels, temperature, brightness and noise. Behavior patterns are recorded and analyzed over time so that CARU can report anomalies, which might be important for caregivers.

Bringing the family closer together

CARU, with voice-based family chat and emergency calling, makes it easy to share everyday things with each other through voice messages sent to family members on their smartphone. When younger family members are at work, they can stay connected with their loved one by listening to or recording a voice message and sending it in between meetings to the CARU family chat.

Immediate help in an emergency and peace of mind

With the simple voice command, "Help – Help!" – CARU connects the user via loudspeaker to their loved ones or a designated trusted person and makes access to care or emergency services easier than ever before. This means peace of mind for everyone, knowing help, if needed, is only a command away.

Our Sustainability Strategy and priorities

u-blox's core business is to create connectivity and positioning products and services for the Internet of Things (IoT) ecosystem. IoT is poised to make an exponential contribution to a more sustainable world, and as a member of this critical ecosystem, u-blox has a key role in contributing to the innovation driving sustainability across it – and a responsibility to produce our products and services sustainably. Sustainability is becoming an inherent part of our company culture with every decision we make – at all levels of the business.

Our Sustainability Strategy is designed to ensure sustainability considerations feed into every decision we make – at all levels of the business.

How we shape our Sustainability Strategy

To underline our commitment to be a good corporate citizen – and learn from a community of like-minded, responsible organizations – we signed the United Nations Global Compact in 2012. This is the world's largest corporate sustainability initiative.

The organization has established 17 Sustainable Development Goals (SDGs), a blueprint for achieving a better and more sustainable future for everyone. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

Since 2012 we have continually worked on implementing policies and activities around our five-pillar sustainability strategy, and we have progressively done more each year to improve the sustainability of all aspects of our business.

Our priorities

In 2020, we renewed the materiality analysis to identify and prioritize the topics that are most important to u-blox and our stakeholders. Coupled with the United Nations SDGs, the results are shaping how we want to organize, report and communicate about sustainability in the foreseeable future.





We have identified several topics, which we have grouped into five areas and aligned with the SDGs to form the basis of our Sustainability Strategy:

- Business ethics, privacy and security
- Employees
- Environmental responsibility
- Supply chain responsibility
- Communities

Our specific sustainability goals, projects and commitments are all designed to contribute towards one or more of the SDGs.

Our top sustainability focus areas and goals

Based on the materiality analysis and SDGs, we have selected five areas we will be focusing on in the near future, which we have set out below. We later outline some of the specific steps we are taking in support of these areas.

Our 5 engagements	Our aim	Supported SDG
 <p>Business Ethics</p>	<p>We believe in doing business the right way. Conducting ourselves with honesty and integrity – and maintaining high standards around privacy and security – is essential if we are to win and maintain the respect of our customers, investors, business partners and the communities where we operate.</p>	<p>3, 5, 8, 16</p>
 <p>Employees</p>	<p>We encourage diversity and promote a culture of inclusion among our employees. Our varied backgrounds, ideas and experiences are critical to our success. Fostering a truly inclusive organizational culture will help us attract and retain the best talent. People retention is therefore a key performance indicator that we monitor.</p>	<p>4, 5, 8, 9, 11</p>
 <p>Environmental responsibility</p>	<p>We are committed to protecting our planet for future generations. We will do this by continually seeking ways to make our products and operations even more environmentally friendly.</p>	<p>3, 12, 16</p>
 <p>Supply chain responsibility</p>	<p>Our focus is to ensure we create our products in ways that do not harm individuals, communities or the environment, and that all minerals and other materials are sustainably and responsibly procured.</p>	<p>3, 12, 16</p>
 <p>Community</p>	<p>We believe in building sustainable communities around the world. And u-blox is contributing in various ways: we provide our technology, we make financial contributions, we encourage (and incentivize) our people to offer their expertise, and we work with educational establishments to support people's learning.</p>	<p>3, 4, 5, 10, 11</p>

Our goals



Sustainable products

- We strive to ensure that our products benefit society and the environment. We are working to make a difference where we can and supporting like-minded organizations, so that collectively our impact on humanity and our planet is beneficial.



Protect the environment

- We will be strengthening the way we monitor our suppliers' environmental compliance and influence their further efforts.
- Emissions from our headquarters in Thalwil, Switzerland, will reach net zero by 2022.



Do business the right way

- We ensure that our partners meet our high standards on ethics and labor rights. We have defined our expectations and guidance and continue to educate and enforce them in all directions. We are enhancing our audit capacity and intensity.



Respect our people

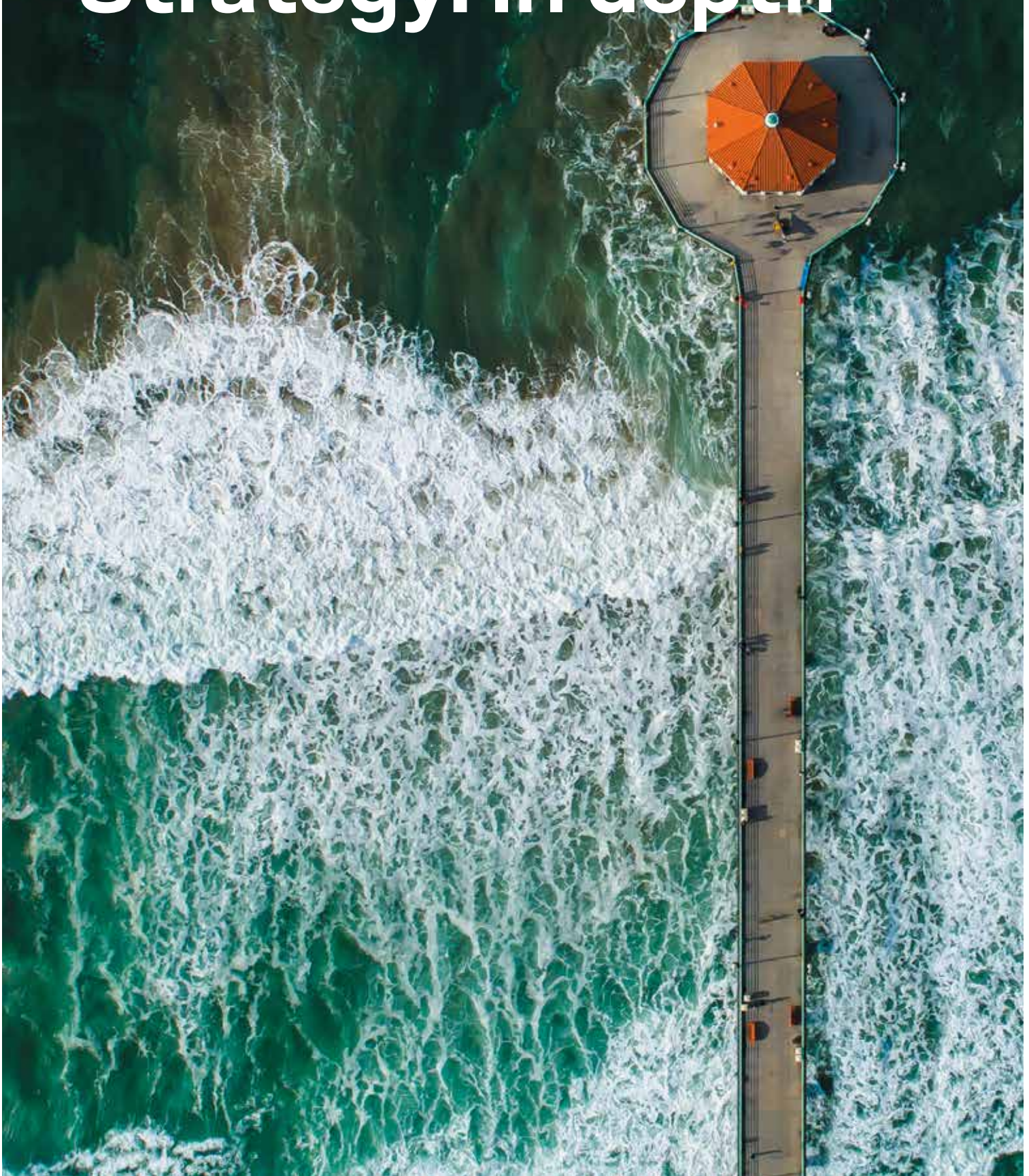
- We are dependent on the close interaction between our people and strive to enable an atmosphere that supports open communication so that the best ideas can emerge.
- We are fostering openness and a sense of belonging at u-blox while training all our staff in non-violent communication techniques.



STEM education

- We engage with communities to improve STEM education believing such initiatives are the solution to recruiting more women in technical roles. We are broadening our engagement in orientation events for young students to communicate the positive aspects of and future career possibilities in STEM.

The five pillars of our Sustainability Strategy: In depth



Pillar 1:

Business ethics, privacy and security



Our goals at-a-glance

We believe in doing business the right way. Conducting ourselves with honesty and integrity – and maintaining high standards around privacy and security – is essential if we are to win and maintain the respect of our customers, investors, business partners and the communities where we operate.

UN Global Compact signatory

As we outlined previously, we have been a signatory of the world's largest corporate sustainability initiative – the UN Global Compact – since 2012. Alongside the Sustainable Development Goals, the Compact sets out 10 principles on how signatories should conduct their business. These principles cover human rights, labor, the environment and anti-corruption, and they feed into every aspect of our business, both strategically and operationally.

How we ensure the highest standards of business ethics

Our Board of Directors, as the body accountable to our shareholders, oversees the way the company is managed, including the ethics of our operations. The Board and the Executive Team define the procedures and standards set out annually in our Corporate Governance Report and set high standards for all employees to follow.

To help our employees understand what this means for them day-to-day, we have a Code of Conduct, based on the principles in the UN Global Compact. Everyone at u-blox receives annual business ethics training, which provides practical guidance on how to respond in different situations.

Encouraging people to speak up

We are proud of our record when it comes to doing business the right way. But we always want to do even better. In 2020 we expanded our 'Speak Up' whistle blower program. This now provides a safe, easy and anonymous way for employees to report potential misconduct related to our business. Complaints can be made directly through an externally provided service, which offers the possibility to report anonymously. Our Compliance Committee will investigate all reports and has the power to set binding actions that require the relevant part of the business to follow. These could include organizational measures to protect against similar occurrences in the future and individual disciplinary action.

“Everyone at u-blox receives annual business ethics training, which provides practical guidance on how to respond in different situations.”

Zero tolerance for bribery and corruption

A key pillar in the u-blox Code of Conduct is our zero tolerance for bribery and corruption. Both are the antithesis of doing business the right way. We do not give or accept bribes and have clear guidelines for employees to follow when it comes to gifts and entertainment. In 2019 we continued to achieve 100% compliance.

Open-door policy

We work hard to nurture an open-door policy throughout the business. We promote open communication at all levels and listen to and act upon employee needs.

An open information policy

Since the foundation of our company, we foster an open information policy and keep all staff updated every month in detail about the course of our business, the progress in our projects and the status of our organization. We treat all our colleagues with respect and trust.

“Our intellectual property (IP), which includes patents, trademarks, copyrights and trade secrets, comprises some of our most valuable assets.”

Intellectual property

Our intellectual property (IP), which includes patents, trademarks, copyrights and trade secrets, comprises some of our most valuable assets. We treat it with extreme care to protect our market position and competitive advantage. Moreover, we invest heavily in growing this portfolio of IP every year, with more than 20% of our revenue dedicated to R&D to generate a constant flow of innovation.

Equally important, we respect the intellectual property rights of others. We are a willing licensee to standard essential patents (SEPs).

Data privacy

Customers and partners entrust us with their personal and sensitive data. We take our responsibility to protect it extremely seriously.

Our Privacy Policy explains how we use any personal data we collect. We protect this data in line with the policies and procedures set out in our Information Security Management System (ISMS). Data privacy is covered in all employees' periodic business ethics training. In addition, where someone's role requires them to process personal data in any way, we provide additional, job-specific training.

The procedures for handling privacy non-conformances are set out in our ISMS.

Digital and physical security

We have a company-wide security function, made up of specialized security experts and other stakeholders from right across the business. This function is responsible for the security of our physical sites around the world, as well as our information systems, products and services.

Its work is overseen by our Corporate Security Management team and our Information Security Management System is aligned with ISO 27001 and Common Criteria (ISO/IEC 15408) requirements.

Product security

To protect our customers – and theirs – against the many and varied threats their devices and data face in the connected world, it is our responsibility to create secure products. This means designing for security from the start, ensuring we have full-lifecycle security plans in place for our products, and keeping them secure throughout their long field lives.

IoT security is complex, fast-moving and multi-faceted. Addressing it demands a sophisticated, multi-pronged approach. Security is built in our products. The u-blox Trusted Domain and its five pillars form a foundation for building new generations of secure devices.

“We work closely with our key suppliers to safeguard security in our products’ supply chains.”

Below are some highlights of what we are doing: In 2020, we signed the GSM Association (GSMA) Digital Declaration, a set of aspirational principles to guide activity in the digital age to build a sustainable and secure digital future.

We have also recently started working to implement IoT SAFE, a GSMA-endorsed IoT SIM applet for secure, end-to-end communication, in our UBX-R5 LTE-M/NB-IoT chipset.

Through our collaboration with digital security leader Kudelski Group, we are incorporating its premium-grade security, including robust encryption key management into our latest range of cellular products.

We work closely with our key suppliers to safeguard security in our products’ supply chains. We collaborate with independent security researchers to test our products, both pre- and post-launch. We have a Responsible Disclosure Policy in place to enable individuals or organizations to report product and service vulnerabilities to us. The policy can be found on our website.

Looking ahead: Our Goals

Elsewhere, in collaboration with Kudelski Group, we will be expanding premium-grade security to our other product lines, to further protect the businesses and individuals using these products.

Pillar 2:

Employees



Our goals at-a-glance

We encourage diversity and promote a culture of inclusion among our employees. Our varied backgrounds, ideas and experiences are critical to our success. Fostering a genuinely inclusive organizational culture will help us attract and retain the best talent. Therefore, people retention is a key performance indicator that we monitor.

Diversity and equal opportunities

Evidence shows that more diverse workforces are more productive, which is good for u-blox, our customers and our shareholders. We have equality policies covering all aspects of our operations, including recruitment, pay, training and development. Our HR team actively supports all parts of the business by providing practical help and training to colleagues to ensure we treat everyone equally.

Like many engineering businesses, we have a gender imbalance, which we also see at universities where women studying engineering make less than 20% of the population. We seek to address our gender imbalance with a combination of our recruitment, training, mentoring and retention strategies, including working with educational institutions and communications programs targeting potential candidates.

We closely monitor the gender balance at all levels of our business. At the end of 2019, 15% of our overall workforce was female. Sixteen of our senior and management level positions are held by women. Positions requiring an engineering degree have low levels of gender diversity proportional to the current situation at universities. However, in administrative roles, women hold a majority of the positions. At the Board of Director level, two out of seven members are women. We encourage all of our employees, regardless of gender to actively engage with their peers in fora and other external industry association roles to help take IoT forward.

For example, Sylvia Lu, Head of Cellular Technology Strategy at u-blox, was recently elected as a member of the board of the Alliance for Connected Industries and Automation (5G-ACIA) on behalf of u-blox. Recently in her capacity as a board member with Cambridge Wireless, Ms. Lu, along with other industry and academic leaders helped to establish a partnership with the Cherie Blair Foundation for Women (CBFW). In under six weeks, a business resilience program was developed and rolled-out to help women business owners in low and middle income countries combat the negative effects of COVID-19.

Type of Role	Female	Male
Administration	40%	60%
R&D, Engineering	10%	90%
Sales	23%	77%
Total:	16%	84%

Employee retention

Employee retention is a strategic goal at u-blox, and we have a wide variety of measures in place to support it. To monitor this, besides tracking key performance indicators showing our numbers of leavers, both voluntary and dismissals, we conduct and review semi-annual performance and objectives reviews. With such insight, we define career progress measures.

We have outlined below some of our actions to support employee retention:

Culture of inclusion and diversity reflecting the communities we work in and the markets we serve

Across all our operations, currently in 22 countries with staff representing 55 nationalities, we promote an inclusive culture where diversity is valued, and everyone is treated with dignity and respect. Our corporate values and identity guidelines, which are provided to all employees, help to ensure that we have a culture that nurtures diversity and inclusion regardless of race, gender, national origin, age, religion, disability, sexual orientation, gender identity or gender expression. As a global company, we believe our people and culture should reflect the diversity found in the communities we work in and the markets we serve. Further, we believe diversity drives innovation and efficiency and helps us to better serve our customers and our industry.

Our headquarters in Thalwil, Switzerland, is a good example, where our employees represent 32 different nationalities. Additionally, 51 of our development teams have members in more than one physical site, often in several countries. Collaboration is facilitated through virtual meetings and a unique training program for line managers of multi-site teams has been developed to support international leadership in a multi-cultural environment. The policy can be found on our website.

Continual training

For each job category, we have defined capability and skill sets and the respective training materials and contents. Courses are available on-line or off-line led by qualified trainers.

“We believe diversity drives innovation and efficiency and helps us to better serve our customers and our industry.”

Internal mobility

We promote from within and encourage internal mobility, to give our people the opportunity to fulfill their potential and shape their career in the way they wish. During 2019, 20% of employees were promoted or moved roles within the business.

Work/life balance

We hire people who are passionate about what they do, but we do not want their work to take over their lives. Alongside their annual leave allowance, all employees are contractually entitled to time off to care for dependents and other special reasons. We also offer the opportunity for employees to buy extra leave – and many do. And after five years' service, employees have the option to take a two-month sabbatical. We also support part-time working and arrange or support a variety of sports and leisure activities for our teams around the world.

Pay and benefits

Appealing employment packages, with equal pay based on the job grade, are another important part of our strategic aim to attract and retain the best people.

All positions are graded using the Mercer Universal Position Code. We benchmark our salaries using two different providers to ensure we remain an enticing employer for the very best people.

Permanent and contract workers

We believe in giving our people stability in their lives and work. That's why the vast majority of those working for u-blox are permanent employees. At the time of publication, 99.2% of our workforce is employed on a permanent contract.

Training and development

Every employee will have their own idea of how they want their career to progress. Alongside our core training, we offer flexible professional development opportunities for everyone in the business including courses and material from selected external providers, and training developed in-house, unique to u-blox.

We are in the process of rolling out a centralized learning management system to ensure all our training and professional development is centrally logged. The system will enable managers to assign training to employees, those employees to track their progress and for the company as a whole to identify and recognize experts in particular areas. We have employed nine trainees in various jobs in apprenticed schemes on a permanent basis over the last four years.

Continuous feedback

We regularly run reoccurring surveys to gauge satisfaction across a range of topics that influence employee retention. This enables our management teams to continually monitor and improve the way we operate, to maintain and increase employee retention levels.

“We have employed nine trainees in various jobs in apprenticed schemes on a permanent basis over the last four years.”

Health and safety

Many roles are desk-based, making them relatively low risk in terms of health and safety. As part of our Health and Safety Policy, all of our laboratories have procedures in place to identify and mitigate risk. We also encourage employees to bring potential health and safety issues to our attention, and we respond openly to any concern that is raised. In 2019, we are pleased to say there were no reported accidents.

Looking ahead: Our goals

We are dependent on the close interaction between our people and strive to enable an atmosphere that supports open communication so that the best ideas can emerge. We are training all our staff in nonviolent communication techniques, and at the same time, fostering openness and a sense of belonging.

Pillar 3:

Environmental responsibility



Our goals at-a-glance

We are committed to protecting our planet for future generations. We will do this by continually seeking ways to make our products and operations even more environmentally friendly.

Product compliance is essential in enabling us to sell worldwide. This means meeting both international legislation and customer-specific requirements around product design and production. We strive to develop ultra-low-power chips and modules, which enable highly energy-efficient products for customers and end-users.

We have already touched on some of the ways u-blox products and services help people around the world protect the environment. At the same time, we must ensure that our own operations – and those of our suppliers – tread as lightly as possible on the environment. This covers everything from the raw materials to the shipment of our products.

Our own operations

Our Environmental Management System (EMS) manual sets out binding guidelines for our employees, supporting them in fulfilling their tasks in accordance with our sustainability objectives. It is also intended as an information tool for our customers and distributors, as it provides evidence of the implementation of their requirements in our environmental management system operations.

We have a dedicated team in place that manages all our environmental protection work, including, checks on the fulfillment of our environmental requirements by our suppliers of parts, and services, as well as product material compliance reporting, internal training and continuous improvement.

From a product material data perspective, all our volume products are RoHS compliant, according to Directive 2011/65/EU and Directive 2015/863/EU, and REACH compliant, according to the latest SVHC published in Annex XIV of EU chemicals regulation (EC) 1907/2006; to understand and prove whether the substances used in u-blox products meet the requirements, we provide a detailed list of materials and substances at the homogeneous material level for each product.

Suppliers

As part of our Environmental Management System, we have a detailed manual setting our suppliers guidelines. The headline requirements are that all our component, product and material suppliers must hold ISO 14001 certification. Fabless companies should maintain an environmental management system and request that their production partners are ISO 14001-certified.

Much of our environmental footprint comes from manufacturing our products. For us to minimize this, as a fabless company, we must work closely with our suppliers to control air emissions, waste management and recycling, and water management. Each of our suppliers has policies and strategies in place to deal with these very important issues, and u-blox monitors their operations closely. We cooperate exclusively with top tier manufacturers in our industry with leading environmental compliance and governance systems in place.

“We have a dedicated team in place that manages all our environmental protection work.”

Looking ahead

We will be strengthening the way we monitor our suppliers’ environmental compliance and operations, and increase data transparency to the benefit of all our stakeholders.

Elsewhere, we are launching a company-wide program to incentivize and recognize good environmental practices across our entire business. We will maintain careful management of the use of hazardous substances in our products and supply chain and have begun the process of commissioning an independent assessment of our environmental impact.

Pillar 4:

Supply chain responsibility



Our goals at-a-glance

Our focus is to ensure we create our products in a way that does not harm individuals, communities, or the environment, and that all minerals and other materials are sustainably and responsibly procured.

We are a fabless company, which means partners manufacture our products on our behalf. For us to address sustainability holistically, these production partners – and all our other suppliers – must also take responsibility.

We have a robust supplier management system, to ensure the products we make are of high quality and produced in line with stringent environmental, social and governance procedures. This is not only a requirement from u-blox but also increasingly from our customers.

Our Sustainable Supplier Program

Membership in the u-blox Sustainable Supplier Program is mandatory for all suppliers that work with us directly. This program ensures we only work with organizations that adhere to high standards around social, environmental and ethical issues.

We have selected prime suppliers in our industry, who maintain high standards, and with which we can establish long lasting relationships. With our core manufacturers, this means for more than 15 years. As part of the program, all our first-tier suppliers must sign our Code of Conduct, which is based on the Responsible Business Alliance (RBA) Code of Conduct.

Two-thirds of our suppliers are RBA members themselves, underlining their own and their suppliers’ commitments to high standards around social, environmental and ethical issues.

The graphic below shows how our Sustainable Supplier Program works:



Human and labor rights

Our goal with regard to human and labor rights is very simple: there should be no abuse of any form, taking place during the manufacturing of our products. This means no child labor, no trafficked labor, and no forced labor. Working hours and pay must comply with local laws or the RBA Code of Conduct, whichever is stricter.

We ask all our suppliers to report any human or labor rights incidents to us, and we are pleased to say we have never experienced one.

Conflict minerals

Intrinsically linked with human rights is the issue of conflict minerals. This is another area we take extremely seriously, given the impact it can have on human life.

We aim to use 100% conflict-free material in our products, and we require our suppliers to buy from smelters that adhere to the Responsible Minerals Initiative's audit scheme, and the Responsible Minerals Assurance Process. We closely monitor this issue and carry out detailed checks whenever a supplier changes smelter or reports a change in compliance status.

We are pleased to say that, to date, we have not discovered any incidents of minerals that support armed conflicts in our products.

“We aim to use 100% conflict-free material in our products.”

Looking ahead: Our goals

We want to further strengthen the protection provided to people working in the u-blox supply chain. So, the next step on our improvement journey will be to enhance our supplier verification and audit processes, specifically around human and labor rights, as well as health and safety. This will involve more frequent risk-assessments and audits of our supply chain partners.

Pillar 5:

Communities



Our goals at-a-glance

We believe in building sustainable communities around the world. And u-blox is contributing in various ways: we provide our technology, make financial contributions, encourage (and incentivize) our people to offer their expertise, and work with educational establishments to support learning.

A key focus of our work with communities will be to inspire the next generation around science, technology, engineering and mathematics (STEM), and ultimately encourage more people to pursue careers in this area.

As a business, we have a footprint in communities all around the world. They provide our workforce. They educate and nurture future generations. They supply the raw materials that make up our products. And they are home to our family of partners and customers.

We could not do business without the support of these communities in all corners of the world. This is why it is so important we support them in return – and we can offer more than just money. The expertise of our people, coupled with the capabilities of our technologies, means we can make a meaningful difference to communities in ways few other organizations can.

The u-blox Community Involvement Strategy is delivered through four key programs that we combine wherever appropriate to create maximum benefit.

- Corporate giving
- Product giving
- Employee volunteering
- Education

Combating deforestation in Madagascar

For more than 10 years, we have worked with the Association for the Development of Solar Energy (ADES) in Madagascar, where we bring three elements of our support to bear in a powerful way. ADES produces and sells energy-efficient cooking stoves, which help protect communities' health and well-being, while also combating deforestation. In such a large country, a key challenge for ADES is getting its stoves out to remote communities. We have funded a number of these trips and donated our technology in the form of location-aware vehicle trackers, which help the organization better manage its scarce resources. Elsewhere, we have supported ADES reforestation projects, to bring back critical habitat for the country's wildlife and fight climate change. A recent u-blox donation saw 2,500 trees planted.

We are proud to say that one of our employees, Herbert Blaser, is now an ADES board member.

Collectively, the work we have done with ADES has made a lasting impact. We have directly contributed to the distribution of more than 4,000 stoves, each of which typically reduces the time a household spends gathering firewood by up to 600 hours per year. Overall, our work has cut the country's CO2 emissions by more than 38,000 tons.

Providing children's education in Ghana

In Ghana, we work with the Savannah Education Trust to fund education and meals for rural children. Our donations have enabled the Trust to build kindergarten and primary school buildings in Mettoh, which are now used by more than 250 children.

Inspiring the next generation of engineers

Engineers are critical to our future success – and there are not currently enough coming through our education systems, especially female engineers. We want to excite and inspire future generations around technology and innovation.

“We want to excite and inspire future generations around technology and innovation.”

We are continuing to work with Engineers shape our future and Schweizer Jugend forscht in Switzerland. These organizations provide a range of exciting workshops for high school students, giving them hands-on engineering experience to stimulate their interest in engineering and technology. We also take part in the Swiss National Future Day, when we open our doors to girls and young women, showing them what a career as an engineer could involve, through a variety of hands-on activities. Elsewhere, we also sponsor a range of university programs and code clubs, including FooCafé in Sweden.

At the university level, we continually sponsor

research projects related to wireless technology to contribute to the further improvement of our products' core technology.

Using technology to improve lives

We are now in our fifth year of working with No Isolation. This organization has created a robotic avatar designed to enable children, who cannot leave their homes as a result of long-term



illnesses, to be part of school lessons, parties and other activities. u-blox products enable the robot to stream audio and video in real time, so that children can interact with their friends, and reduce their sense of isolation. 2,000 children in 14 countries have benefited to date.

Incentivizing our employees to volunteer their time and expertise

Our uGive program provides an incentive to our employees to volunteer for causes of their choice. For every hour an employee volunteers for a cause, u-blox donates CHF 20, up to a maximum of CHF 800. A wide variety of organizations has benefited from uGive, from the Scouts Australia to the Guide Dogs for the Blind Association in the UK and the Italian bone marrow donor association, ADMO.



Looking ahead

As we touched on in the 'Employees' section, we will be expanding our educational outreach programs globally to inspire children and young people to pursue STEM careers.

“Our uGive program provides an incentive to our employees to volunteer for causes of their choice.”

Elsewhere, we would like to increase the uptake of the uGive program. We will be increasing the visibility of the program internally so that more causes ultimately benefit.

We will also actively be seeking out more innovative projects where our technology can create individual and societal benefits in communities around the world.



CASE STUDY:

Jonathan Perkins, Senior Principal Engineer, u-blox UK and volunteer

uGive - helping visually impaired people navigate!

I'm a volunteer fundraiser and local group treasurer for the Guide Dogs for the Blind charity in the UK - a cause close to my heart as my wife is a guide dog owner - so I can see first-hand how much of a difference they can make to people's lives.

Guide Dogs work includes:

- breeding and training the dogs through a network of volunteer puppy walkers and professional trainers
- specifically matching by temperament and ability a dog to an owner's needs (currently, there is about an 18 month waiting list)
- supporting the owner and dog partnership throughout the dog's working life
- providing a volunteer human guide service to those unable to use a dog
- providing support services for families with visually impaired children

My volunteering includes helping to run fundraising and information stalls at local village fairs and supermarket collection days. As treasurer, I am also responsible for all our local collection boxes, counting and banking all the money raised. It is great fun taking part in the events; we can have guide dog puppies on the stand to meet the public which always makes people smile.

“My volunteering includes helping to run fundraising and information stalls at local village fairs and supermarket collection days.”

Looking ahead

As we touched on in the 'Employees' section, we will be expanding our educational outreach programs globally to inspire children and young people to pursue STEM careers.

Elsewhere, we would like to increase the uptake of the uGive program. We will be increasing the visibility of the program internally so that more causes ultimately benefit.

We will also actively be seeking out more innovative projects where our technology can create individual and societal benefits in communities around the world.

u-blox Holding AG
Zürcherstrasse 68
8800 Thalwil
Switzerland
Phone +41 44 722 74 44
www.u-blox.com

