

Sustainability

Corporate responsibility is at the heart of all we do. It shapes our policies, our mission and our actions and is essential to the success of our business.

Our commitment to strict ethical principles and compliance

Our commitment to ethical principles is integral to the way we do business, and we communicate it openly to employees and external stakeholders. u-blox is a signatory to the UN Global Compact and fully embraces the organization's policies and principles. The UN Global Compact is a public/private strategic policy initiative for businesses committed to aligning operations and strategies with ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. We report yearly on progress made in implementing the ten principles. The Communication on Progress (COP) can be viewed at www.unglobalcompact.com.

Group-wide Code of Conduct

u-blox' employees and business associates are from widely differing cultural backgrounds. It is, therefore, vital for us to have a set of common values. We drew up our Code of Conduct to ensure that all employees and other persons acting for or on behalf of u-blox clearly understand what we mean by correct behavior. u-blox' Code of Conduct is a guideline for compliance with the principles of the UN Global Compact. Our work in this area is ongoing and has a dual objective: to ensure business ethics of the highest possible standard and to encourage our people to abide by the Code of Conduct. The Code and related information can be found on the corporate intranet in six languages.

Anti-corruption

u-blox takes a zero-tolerance attitude towards bribery and corruption. The Group operates in some countries where corruption is widespread, so the subject is of considerable relevance and importance. We have an anti-bribery policy that provides guidelines for compliance with rules and laws related to bribery and corruption. In 2014, u-blox was not involved in any investigations, legal disputes or incidents regarding corruption or human rights violations.

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.

Funding of political organizations

u-blox does not fund or subsidize political parties.

Confidentiality and data protection

u-blox ensures that the personal data of its employees is treated confidentially. u-blox complies with all applicable data protection laws.

1 Sustainability: Employees

Being at the cutting edge of creativity and innovation calls for talented people: attracting and retaining them is key to our ongoing success.

At the end of 2014, u-blox had a total of 625 employees, 25.8% of them at our headquarters in Switzerland. The remaining 74.2% worked in 13 R&D centers and 11 sales and marketing offices around the globe. In the course 2014, we added 167 FTEs to our workforce. This growth was the result of organic growth in all regions and two acquisitions. As our market activities increased, the number of FTEs in Sales, Marketing and Support rose from 101 to 117. The number of employees in Research and Development grew from 289 to 428, while those in Logistics and Administration grew from 57 to 69 FTEs.

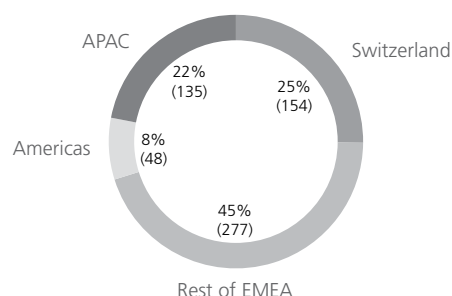
Our employees

u-blox fosters a culture that encourages employees to develop their professional and leadership skills and improve their career prospects. Management staff receive special leadership training. As we acquire more companies abroad, virtual global teams take charge of an increasing number of projects. In annual appraisals, we discuss and agree upon career objectives with the employee and define individual objectives. Whenever possible, u-blox fills vacant management posts and key positions with in-house specialists.

An attractive employer

u-blox aims to attract and retain talented personnel and offers its employees attractive conditions. In 2014, we spent CHF 48.0 million on salaries and social benefits (compared with CHF 37.7 million the previous year). Details of employee compensation and benefits, including information on salaries, social welfare and stock option plans, can be found on page 53 of financial report.

Employees per region (end of 2014, FTE based)



u-blox is a fair and non-discriminatory employer and ensures that employees enjoy equal opportunities and equal treatment. Women accounted for 14.6% of the workforce at the end of 2014 (previous year 15.2%). There are no women in the management team, and the Board of Directors comprises one woman and six men. The relatively low proportion of women in the workforce is due to the large number of engineering positions within the company, for which recruitment potential among women is very limited.

Employee satisfaction is assessed in the course of annual performance review meetings. Performance and compensation are linked to both Group and individual goals. Every other year we conduct a detailed employee satisfaction survey. The 2014 survey gave our people the opportunity to voice an anonymous opinion about the working environment, and 76% of them participated. Employee commitment is very high level: 86% expressed the attitude “to give my best.”

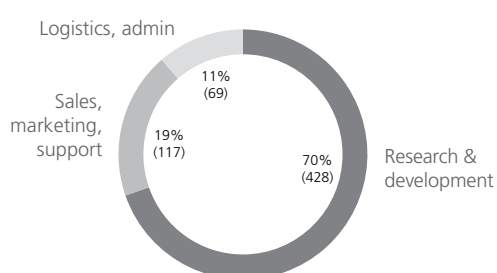
Compensation and promotion are based on clearly defined individual and corporate goals. Regular assessment of individual performance is well established throughout the company. Staff turnover in 2014 was just 8.9% (previous year 8.6%), reflecting a stable workforce. u-blox has a solid reputation as an attractive company to work for, and in 2014 it was voted one of Switzerland's top 100 employers.

Work/life balance and employees' well-being

u-blox believes that striking a balance between employees' life and work is key to their long-term well-being and motivation. We strive to offer our employees a working environment that helps them to be more productive. We actively encourage balance by offering flexible working hours and work/pay/vacation programs together with a sabbatical after five years' tenure with the company. We offer interactive, real-time internal communications that are accessible to employees worldwide. We regularly update our global workforce on the state of the company.

Performance indicators	2013	2014
Total headcount (end of the year)	454	625
Jobs created	78	80
Women in overall workforce	15.2%	14.6%
Part-time employees	7.3%	7.2%
Fluctuation	8.6%	8.9%

Employees per function (end of 2014, FTE based)



Sustainability: Social commitment

An essential component of our corporate social responsibility is to provide active support to communities in which we are both directly and indirectly involved. Our involvement mobilizes our financial, human and technological resources to push ahead with change and make communities stronger. Education and health are two of the main areas in which we are actively involved, and in 2014 we took a leading role in two new projects.

Bringing electricity to a hospital in DR Congo

Lack of electricity is one of the major problems facing hospitals and health centers, both urban and rural, throughout the Democratic Republic of the Congo. Lukula is a poor township some 90 kilometers from the sea. GRAFA, a Swiss NGO, has set up a hospital to offer affordable medical services to all, including the poorest people in the community. The hospital accepts any patient, regardless of financial situation, religion or tribe.

Conditions in the hospital are dire. Without a reliable power source, it is unable to store blood or medicines under suitable conditions, sterilize equipment or even guarantee continuous light during surgical operations. The most obvious and practical answer to the central problem is for the hospital to have its own transformer. u-blox pledged its support to the electricity project two years ago and works closely with Energy Assistance, a Belgian organization that actively promotes humanitarian energy projects worldwide.

Despite the problems facing the Lukula project – such as shipment delay of the transformer – we remain fully committed to the goal. Equipping the hospital with a reliable power source will permit improved handling of blood and medical supplies, sterilized equipment and more effective treatment and operations. These improvements should, in turn, have a direct and noticeable effect on the community, such as increased life expectancy.



Hospital in Congo

The Internet of Things facilitates home treatment for critically ill patients

As populations live longer, their susceptibility to life-threatening and terminal diseases increases and puts an ever-greater strain on finite healthcare and hospital services. One way of easing the pressure is to use technology and remote monitoring to allow severely ill patients to remain at home. itACiH (IT support for advanced cancer care in the home) is a Swedish research program examining the feasibility of such an approach. u-blox technologies are ideal for this purpose. We therefore welcome the opportunity to participate in a professional project that makes use of our products – between a patient monitor and a home hub, for example – in the Internet of Things.

Disaster relief donation

In September 2014, torrential rainfall in Pakistan caused severe flooding that killed hundreds of people. u-blox made a financial contribution to help flood victims. The money collected was invested in tents, shelter and other urgently needed equipment.

Sustainability: Market

Supply chain safety

u-blox founded its Sustainable Supplier Program in 2012. Its aim is to ensure that working conditions in the supply chain are safe, that workers are treated with respect and that manufacturing processes have as little impact on the environment as possible. The Program is based on the EICC (Electronic Industry Citizenship Coalition) Code of Conduct, which covers labor and human rights, workers’ health and safety, environmental impact, ethics and management systems. In 2014, u-blox completed an assessment of its supplier base. We will audit suppliers who do not fulfill all social requirements in 2015 and, if necessary, draw up plans for improvement.

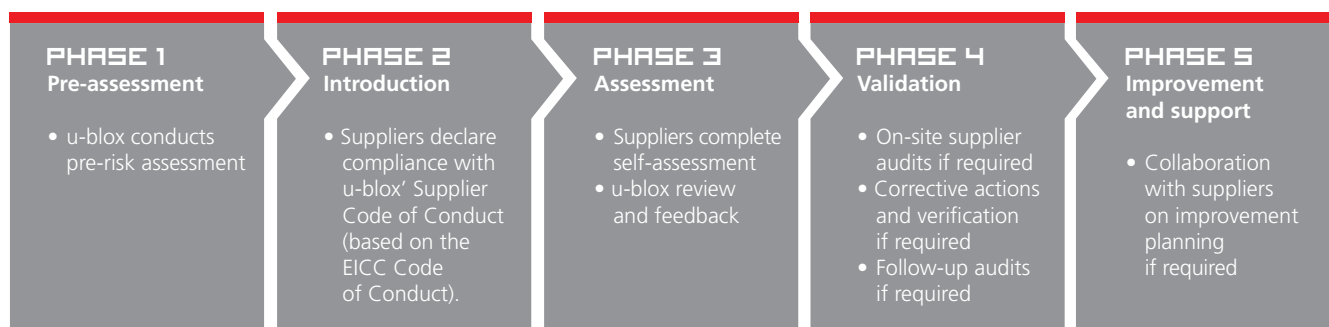
Sustainability: Environment

Product responsibility

u-blox has a long record of compliance with demanding environmental standards. As a fabless semiconductor company, we require the same exacting sustainability standards from our suppliers. We liaise closely with them to monitor and manage the potentially harmful substances and materials used at all stages of the manufacturing cycle. We do everything in our power to avoid conflict minerals from any source and work with key production partners to identify the origin of the metals in our products. All smelters in our supply chain are clearly identified. Our suppliers have an obligation to ensure that the cassiterite, columbite-tantalite, gold and wolframite in their products are conflict-free. We took steps to ensure that our key manufacturing partners comply fully with legal, industrial and customer-specific environmental requirements. Such close collaboration requires a suitable database and management solution for environment data collection, storage, reporting and compliance checks. u-blox works with key contract manufacturers and suppliers to put new measures in place that will enable more effective and efficient control over our environmental and sustainability objectives.

CO₂

u-blox’ products are indirectly contributing to the reduction of CO₂ emissions worldwide. Our products can lead to a reduction in travel- and transportation-related CO₂ emissions, for example u-blox solutions help to optimize the routing of trucks and enhance driver behavior for low emissions; in vending they can avoid unnecessary travel to refill machines; in utility meters they avoid visits to read the meter; in navigation they help find the shortest route to the destination, etc. u-blox’ direct impact on CO₂ emissions is low since u-blox outsources the manufacturing of its products to third parties. Our manufacturing partners all run individual programs for the reduction of CO₂ emissions. Furthermore u-blox has implemented measures to help reduce travel-related CO₂ emissions of its employees: at our headquarters, u-blox covers the cost of public transportation from home to office, encouraging employees to not use a car. Furthermore, a video-conferencing system is undergoing trials for major u-blox offices worldwide to reduce travel and so reduce the CO₂-footprint of employees.



Supply chain safety: Our commitment to addressing the challenges in our supply chain is founded on five pillars.

Catching up with Thomas Christen, Senior Director Program Management with u-blox in Thalwil, Switzerland



Thomas Christen is a “man of the first hour.” An electronics graduate who moved into software development, he joined u-blox at the Thalwil headquarters in 2002 when the company was five years old and had just over 30 employees. Over the past 13 years, he’s seen a lot of change and witnessed the company’s growth from a small operation driven by the dynamism of an imaginative group of founders to a global company that specialized in GPS products, followed by cellular and, most recently, short range products.

Thomas, tell us how you came to u-blox

I’d been working in Singapore for two years leading a multi-ethnic software development team for a semiconductor company that sold its products all over Asia. My hands-on experience of training staff in the Asia-Pacific region was certainly an advantage when I applied for the job with u-blox, but I think I was pretty well qualified for the job, too (smiles modestly). I joined the company as a second-level support engineer, which meant I was coaching field application engineers and sales people in Asia.

How did you move from that job to your present position?

By 2008, we’d reached a pretty critical situation. We were growing fast but project handling was an haphazard affair and we made no distinction between hardware and software, and that led to coordination problems. The Executive Committee decided we needed professional project management and asked me to take on the responsibility for setting it up. So I soon found myself in charge of R&D projects in Thalwil and later in Reigate, GB and Espoo, FIN.

What exactly does your job entail?

I’m responsible for around 50 to 60 projects at any one time. I have to decide which work package is realized when and ensure that everything’s on track and in accordance with short- and long-term objectives. We carry out a twice-yearly assessment of our projects to make sure they’re in line with market developments and look into new products, new features and new technologies.

What was the biggest challenge you’ve faced? And is there any achievement you’re particularly proud of?

Taking on the job of program management was the toughest thing I’ve done. I’m proud of the fact that I made it clear some of management’s aims would call for a different type of approach. Over the past six years we’ve seen a major transformation, and without some of the decisions taken back then, the company wouldn’t be in the position it is today.

What do you like about working for u-blox?

Being part of a company that changes from one year to the next means we can never stand still or get bored. And it calls for constant adaptation all the way from the top down. Essentially, u-blox is a democratic, socially aware company. If you have a concern or a suggestion, you can always be sure someone will have an open door and an open mind. Working here is a dynamic and exciting experience all round.

And what’s the most inspiring project you’re involved in at the moment?

Our innovative ideas and new customer requirements. To achieve this, we’re working on a brand-new generation of positioning chips, which poses an enormous technological challenge. And it’s also hard to predict how the processes will work for new and emerging markets or what sort of expectations those markets have.

And what can you tell us about life outside u-blox?

I’m a happily married family man with four children aged five to nine, and I spend as much of my leisure time as possible with them. I live about an hour from headquarters in a small village. I love its simplicity and the peace and silence: it’s the perfect balance to my life at work. And I recharge my batteries by either cycling, inline skating or skiing.