Anchored by a strong commitment towards our customers, we are continuously engaged in minimizing the use of hazardous materials and team-up with our production and supplier partners to monitor and properly manage potentially harmful substances and materials used in all stages of the product manufacturing cycle.

u-blox is committed to addressing the use of conflict minerals from the Democratic Republic of the Congo (DRC) through all means and influencing mechanisms available to us. We have implemented the Dodd-Frank Wall Street Reform and Consumer Protection Act and we work together with our key manufacturer partners to determine the origin of the metals in our products. All smelters in our supply chain have been identified. Suppliers must have a policy to assure that cassiterite, columbite-tantalite, gold and wolframite in the products they manufacture are conflict free.

In 2013 we strengthened the co-operation with key manufacturing partners throughout the whole year to relentlessly achieve full adherence to legal, industry and customer specific environmental requirements. Such tight collaborations require a structured database and management solution for our environmental data collection, storing, reporting and compliancy checks. In 2014, u-blox is planning to further tighten its collaboration with key contract manufacturer and suppliers to enable a more effective and efficient control over our environmental and sustainability objectives.

### 2. Green innovative projects

**Solar powered stoves reduce deforestation in Madagascar**

During 2013 we continued our collaboration with ADES, a Swiss NGO who produces solar cookers and energy-saving stoves for Madagascar. The objective of the project is to preserve an environmentally sensitive area by providing solar cookers as well as efficient wood stoves for cooking. The stoves are provided in combination with education to encourage women to give up their traditional fire for cooking. With regular demonstrations on how to use solar cookers in outlying villages and in urban areas, ADES actively promotes the benefits of cooking with solar energy.
u-blox is fabless and does not own any factories. Six tier-1 suppliers manufacture our products and some of them are located in countries where human rights violations are at risk. Using our influence to promote sound practices among our suppliers is one of the best ways to make sure that we help to make a positive difference.

Responsible supply chain
In 2013 we laid the foundations for further engagement in our supply chain with the introduction of our Sustainable Supplier Program. The program commits us to work with suppliers to ensure they operate in a socially and environmentally responsible manner and enables us to systematically identify potential risks in our supply chain. The program consists of five phases: pre-assessment, introduction, assessment, validation and improvement.

Phase 1 to 3 are designed to ensure that all suppliers comply with our defined sustainability standards. Through phase 4 and 5, we aim to work with our suppliers to improve sustainability standards in our supply chain – for example, through knowledge transfer and discussions about process optimization, resource efficiency, and environmental and social standards.

Phase 1: Pre-assessment
In 2013, a risk profile of all tier-1 suppliers was created, identifying low, medium and high-risk suppliers. The assessment is based on the supplier's sustainability risk profile related to spend, country of production, criteria of human rights and corruption and type of supplier relationship.

Phase 2: Introduction
u-blox' Supplier Code of Conduct is based on the principles of the EICC Code of Conduct. EICC (Electronic Industry Citizenship Coalition) is a coalition of the world’s leading electronics companies working together to improve efficiency and social, ethical, and environmental responsibility in the global supply chain. The topics covered in the Code of Conduct include labor and human rights, worker health and safety, environmental impact, ethics, and management systems. All existing and new suppliers are required to comply with the principles. As of today, 83% of u-blox’ suppliers have committed to apply these principles to their production.

Phase 3: Assessment
Supplier compliance to the Code of Conduct will be monitored through a system of a self-assessment questionnaires and if necessary, regular audits. The questionnaire provides a self-evaluation of suppliers’ sustainability management and activities. We are aware that it will take time for suppliers who do not already have a system in place to embrace and institutionalize the code of conduct and complete the assessment. In 2013, 83% of our tier-1 suppliers has completed the self-assessment questionnaire. Our goal for 2014 is to have the remaining assessments completed and all participants analyzed.

Phase 4: Validation
If the self-assessment questionnaire identifies mid-level or low sustainability performance at the supplier’s facility, we plan to carry out on-site audits at suppliers’ facilities. Audits will be conducted by a u-blox specialist and/or third party consultants.

Phase 5: Improvement and support
When the audit reveals areas of non-compliance, u-blox’ logistic team and suppliers develop a joint action plan for improvement. We prefer to work together with our suppliers to ensure that sustainability in supply chains will be achieved.