



2014

Corporate Responsibility Report





MISSION

To be an enduring company by creating superior products for automotive, aviation, marine, outdoor and sports that are an essential part of our customers' lives.

VISION

We will be the global leader in every market we serve, and our products will be sought after for their compelling design, superior quality and best value.

VALUES

The foundation of our culture is honesty, integrity and respect for associates, customers and business partners. Each associate is fully committed to serving customers and fellow associates through outstanding performance and accomplishing what we say we will do.

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STATEMENT FROM CLIFF PEMBLE, PRESIDENT AND CEO

As I reflect on the last two years and what Garmin has done to be a strong global corporate citizen, I am proud of our past and ongoing efforts. At the most basic level, we continue to deliver an exciting line-up of products aimed at active lifestyle consumers – allowing us to be at the forefront of a worldwide focus on health and wellness. We have captured billions of steps taken and miles traveled by bike and on foot and have inspired our customers to live a healthier lifestyle.

Yet, a deeper dive reveals that we are doing so much more as an organization. Charitable giving, both of time and financial resources, is on the rise in our numerous locations around the world. As an organization, we are involved in community-specific areas of need, but also in the global promotion of science, technology, engineering and mathematics (STEM) education. It is exciting to see our associates providing leadership and training to the next generation of engineers and technology entrepreneurs; we hope many of them will be future Garmin associates.

As we continue to grow and evolve as a global technology company, we will embrace opportunities to reduce energy usage within our corporate footprint and within the products that we deliver to customers, we will be mindful of environmental concerns regarding packaging and materials sourcing and we will continue to offer an amazing work environment for our associates.

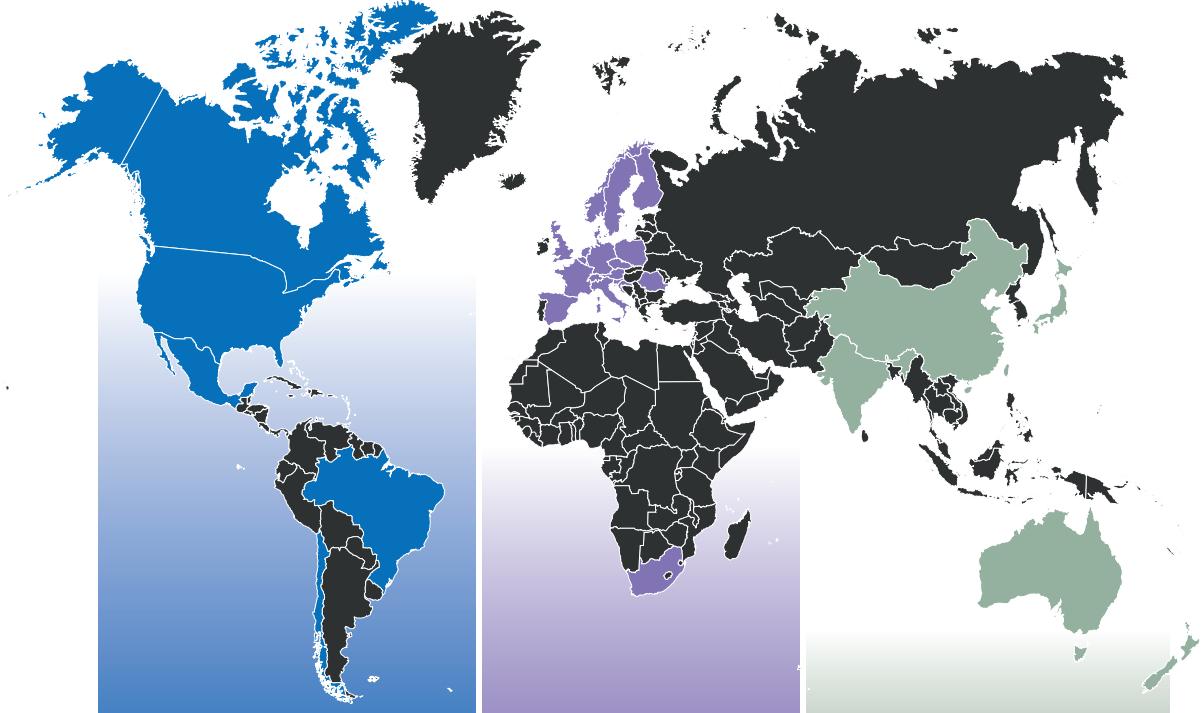
A handwritten signature in black ink, appearing to read "Cliff Pemble".



COMPANY PROFILE

For more than 25 years, Garmin Ltd. and its subsidiaries have pioneered new global positioning system (GPS) navigation and wireless devices and applications that are designed for people who live an active lifestyle. Garmin serves five primary business units, including automotive, aviation, marine, outdoor recreation and sports. Garmin designs, develops, manufactures, markets and distributes a diverse family of handheld, wearable, portable and fixed-mount GPS-enabled products and other navigation, communications, sensor-based and information products. A member of the S&P 500 Index, Garmin Ltd. is incorporated in Schaffhausen, Switzerland, and its principal subsidiaries are located in the United States, Taiwan and the United Kingdom. Garmin has more than 11,000 associates spread across 33 different countries around the globe. More details about our [structure](#), [governance](#), [leadership](#) and [financial performance](#), as well as our [Code of Conduct](#) are available on [garmin.com](#).

73 locations worldwide



53%

37%

10%

revenue by geographic region

FAST FACTS ABOUT 2014

- Recorded consolidated revenue of nearly \$2.9 billion across our diverse segments and geographies.
- Generated \$528 million of free cash flow.
- Invested \$395 million in research and development to support next generation products and services.
- Returned \$602 million of cash to shareholders with quarterly dividends totaling \$360 million and share repurchases of \$242 million.
- Introduced 100 exciting new products across our business to serve drivers, hunters, golfers, runners, triathletes, pilots, mariners, walkers and many others.
- Delivered more than 15 million products to our customers.



AUTOMOTIVE 43%



FITNESS 20%



OUTDOOR 15%



AVIATION 13%



MARINE 9%

2014 revenue by segment

responsible products

A photograph of a man trail running on a rocky mountain ridge. He is wearing a blue long-sleeved shirt, black shorts, and a backpack. He is in mid-stride, looking towards the camera. In the background, there is a large, snow-capped mountain peak under a clear sky.

RESPONSIBLE PRODUCTS

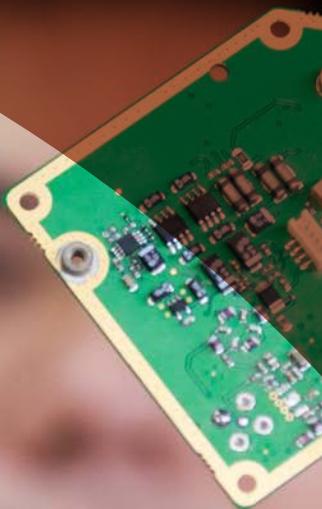
Garmin invests more than \$350 million annually in research and development. This investment focuses on creation of superior products that are an essential part of our customers' lives. While doing this, we also focus on environmental responsibility and compliance related to product design, raw materials and energy use, as highlighted below. These efforts also extend to packaging and shipping.

responsible products

PRODUCT DESIGN

Throughout the product design process, Garmin has various procedures in place to help reduce the use of hazardous materials in our products and to comply with the appropriate environmental standards:

- Adoption of a precautionary approach, driving elimination of hazardous materials and substances from its products.
- Improving the energy efficiency of our products through a combination of software changes and hardware redesigns to conform to the most stringent energy-efficiency requirements and apply those standards globally.
- Implementation of a continual improvement approach whereby the product engineering and environmental compliance teams at Garmin routinely meet to review our product compliance programs and processes.
- Striving to continually improve product design, making our devices thinner, lighter and more durable, which reduces the amount of materials without sacrificing the features that benefit our customers.
- Using recycled materials in packaging.



responsible products

PACKAGING

With more than 15 million products being shipped to customers in just one year, how we package our products is important to us and the environment. Plans for packaging begin at the start of a product's lifecycle. As soon as the product is designed, our product coordination team answers some important questions:

- How will this product be shipped and displayed?
- How efficient can we make the packaging? and
- Can we use all cardboard, or will there be a plastic viewing window? The answers to these questions determine the carbon footprint of our packaging.

We strive to make our packaging as environmentally friendly as possible by using at least 70% cardboard, made up of 80% to 90% recycled content. California's Rigid Plastic Packaging Container (RPPC) program requires clamshell packages to be made up of 25% recycled content. Going above and beyond this standard, we worked with our Taiwan manufacturing team to produce a clamshell solution that is made up of 30% recycled content, which we use for all clamshell packaging in the United States.



SUSTAINABLE SHIPPING

Each year Garmin ships hundreds of full-cockpit avionics sets to numerous customers throughout the Americas. In an effort to reduce waste, labor and inventory costs, Garmin worked with major OEM customers to design reusable shipping containers. These standardized reusable containers are fitted inside with foam cutouts for placement of the various units associated with each cockpit.

These containers reduce labor for both Garmin and our OEM customers by significantly simplifying the packing and unpacking process.

The reusable containers reduce waste by eliminating the need for packaging materials that require energy and water for their respective recycling processes.

Finally, the reusable container process has reduced inventory levels at both Garmin and the OEM customer site. An empty container signifies the need to ship an additional set of cockpit avionics — allowing for a more controlled inventory process.

responsible products

MATERIALS

Garmin periodically reviews new product materials and evaluates their composition in order to reduce negative effects on health, safety and the environment. Garmin has developed a banned and restricted substances standard that is updated at least twice annually. Our standard currently prohibits or requires suppliers to disclose the use of more than 300 different substances and substance families.

ENERGY

Garmin designs its products to meet or exceed all applicable global energy-efficiency standards. We work to enhance the energy efficiency of existing products through hardware redesigns and software improvements that optimize battery usage and reduce the overall environmental impact. For example, our vívofit boasts a battery life of more than one year.

COMPLIANCE

Garmin has established product environmental compliance processes, substance tracking databases and component inspection programs to maintain compliance with the numerous applicable product laws, regulations and standards, as well as our customers' environmental and sustainability requirements. Garmin has instituted management and compliance programs for European Union directives such as Restriction of Hazardous Substances 2 (RoHS 2), Waste Electrical and Electronic Equipment (WEEE 2) and Registration, Evaluation, Authorization and Restriction of Chemical Substances (REACH).

The fēnix® 2 saved my life. When I went to Ashford, Wash., to hike Mount Rainier, I really put it to the test. I was twisted around on a trail and off the beaten path when a storm rolled in. A bit of a panic came over me, but I remembered I had been tracking and point dropping, so like a bread crumb trail and through the darkest hike in the wilderness I have ever taken, the fēnix 2 got me back home safely. It has the best GPS tracking and accuracy I have received from any watch on the market. Garmin, thank you for saving me!

Wendy R.

"I'm a runner. I run about 40 to 70 miles a week," Peter answered when asked about his training regime. "I count on my Forerunner 920 to document all my miles and help me with navigation. The navigation on the 920 is unreal."

Peter Ripmaster, Iditarod Trail Invitational participant and Garmin 920XT owner.

corporate responsibility

HUMAN RIGHTS

Garmin believes that protecting human rights is the ethical and responsible way to do business.

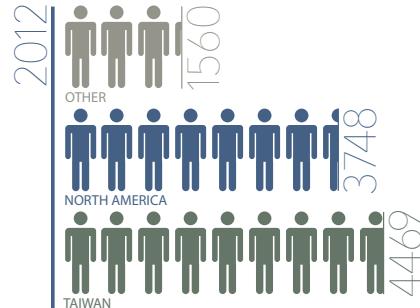
We work to afford our associates the dignity, freedom, respect and acceptance that they deserve.

This is outlined in our [Code of Conduct](#), which is provided to each associate at date of hire and updated annually.

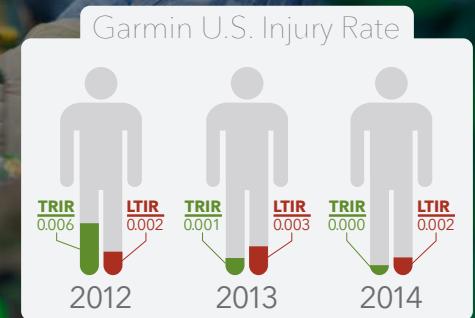
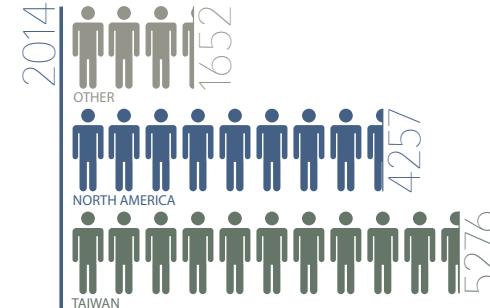
LABOR PRACTICES

Garmin has grown significantly in the past decade and now counts a global workforce of more than 11,000 associates. We aim to provide globally competitive benefits, as well as numerous programs focused on health and wellness and career development. We believe that healthy, happy associates are safer and more productive. In an effort to reduce work-related injuries, provide the safest operations and meet market expectations, we have certified our global production facilities under these recognized standards:

- [International Standardization Organization](#) (ISO) (14001 for environmental management systems)



- [Occupational Health and Safety Assessment Series](#) (OHSAS) (18001 for health and safety)

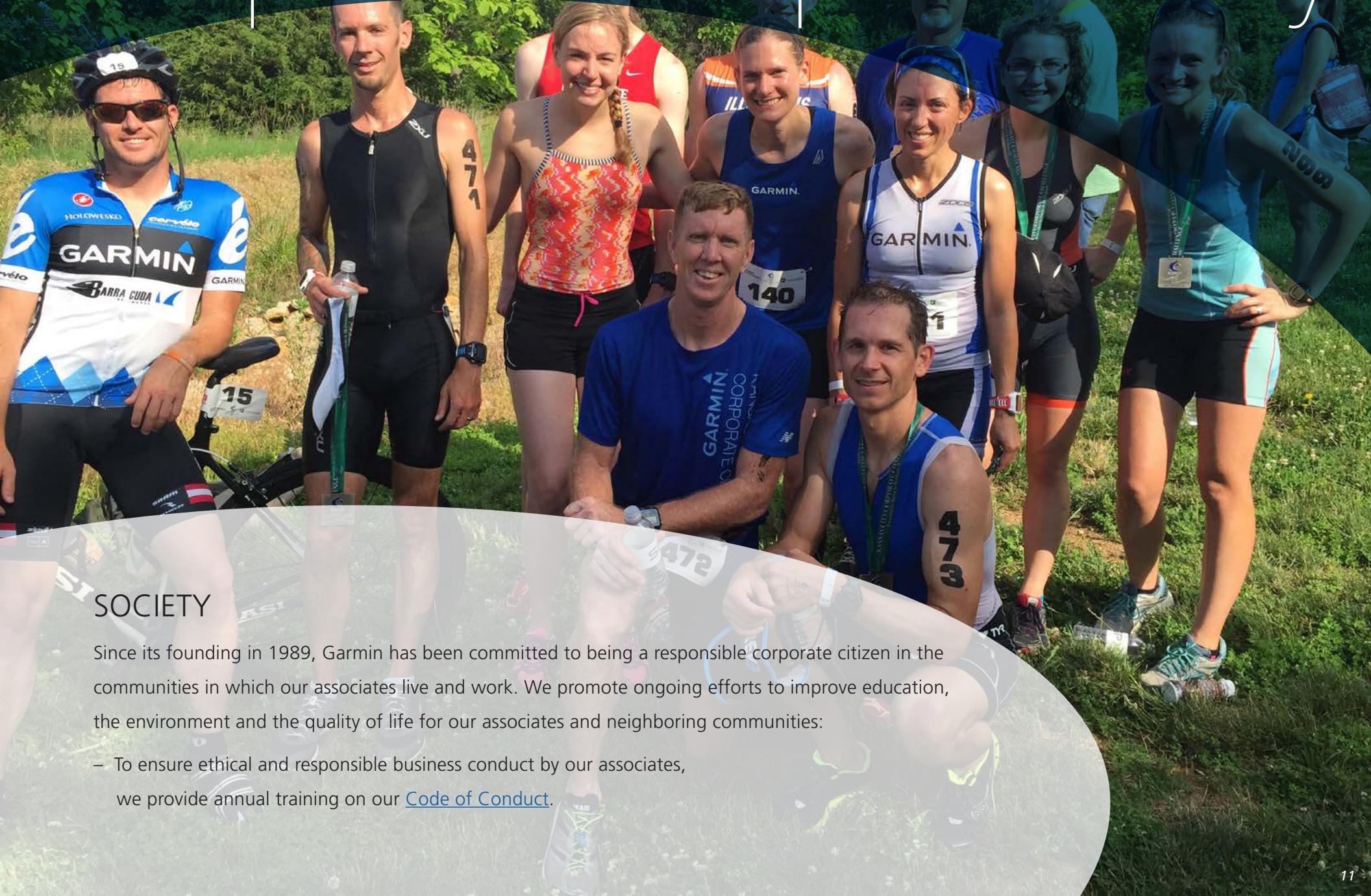


Garmin has sustained very low injury rates around the world and continues to focus on improving workplace safety for all associates.

TRIR=Total Recordable Injury Rate representing # of injuries per 100 workers as defined by OSHA.

LTIR=Lost Time Injury Rate representing # of injuries per 100 workers with one day or more away from work as defined by OSHA.

corporate responsibility



SOCIETY

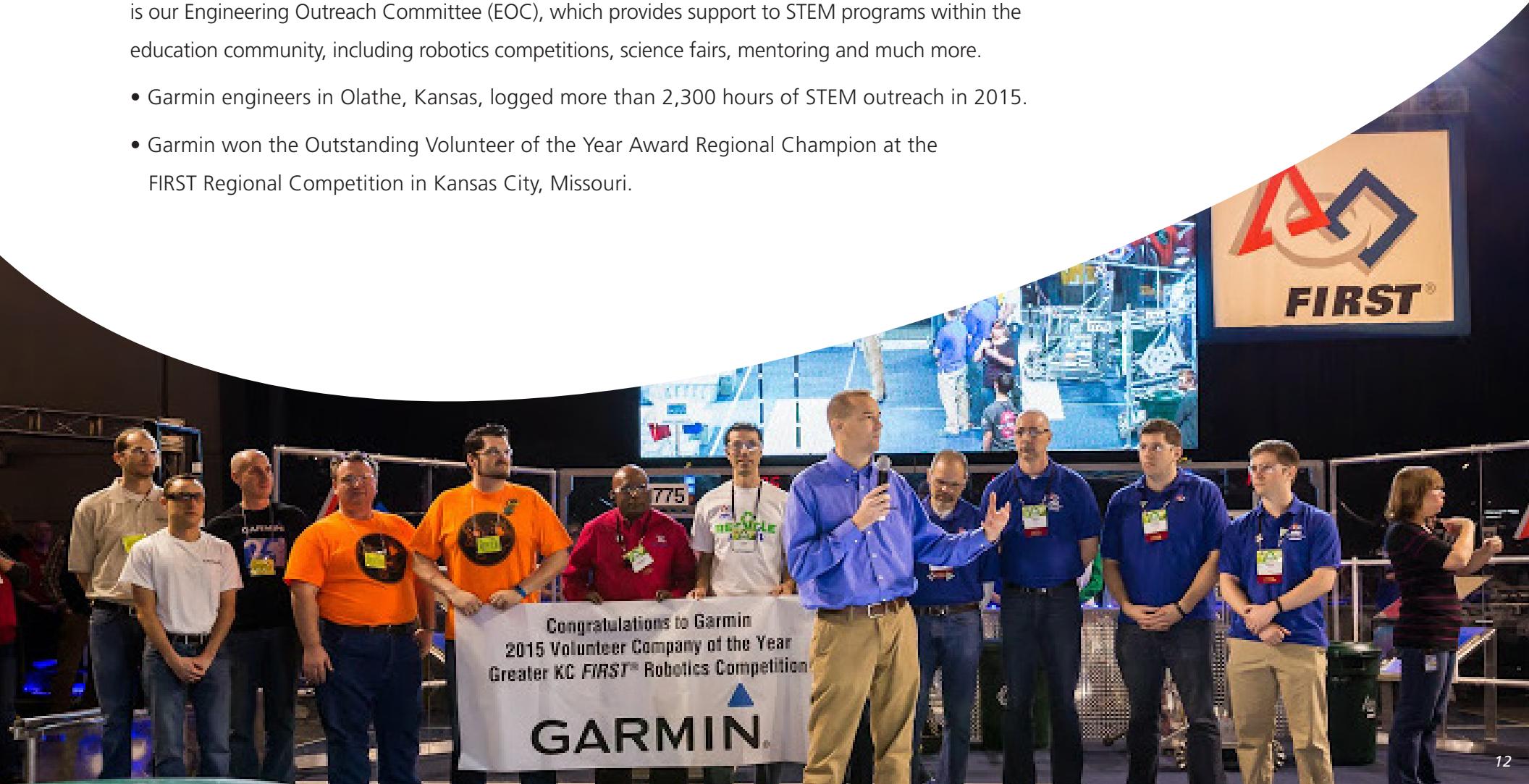
Since its founding in 1989, Garmin has been committed to being a responsible corporate citizen in the communities in which our associates live and work. We promote ongoing efforts to improve education, the environment and the quality of life for our associates and neighboring communities:

- To ensure ethical and responsible business conduct by our associates, we provide annual training on our [Code of Conduct](#).

corporate responsibility

SOCIETY (continued)

- Our associates give their time and resources to their local communities. One of the most visible programs is our Engineering Outreach Committee (EOC), which provides support to STEM programs within the education community, including robotics competitions, science fairs, mentoring and much more.
 - Garmin engineers in Olathe, Kansas, logged more than 2,300 hours of STEM outreach in 2015.
 - Garmin won the Outstanding Volunteer of the Year Award Regional Champion at the FIRST Regional Competition in Kansas City, Missouri.



corporate responsibility

SOCIETY (continued)

- We hosted more than 250 kids at the Olathe, Kansas, headquarters for Bring Your Child To Work Day, where they participated in engineering activities, such as creating an electromagnetic fishing pole.
- We are committed to reducing our environmental impact by minimizing waste, increasing efficiencies and encouraging recycling and reuse. This extends to community programs that allow for free on-site recycling of glass throughout the year and the occasional safe collection of electronics.

Garmin recognizes the effect public policy has on our shareholders, associates and customers. As needed, we advocate for reasonable and responsible government policy that helps us achieve our business goals. We promote policies that facilitate growth and protect the interests of our various constituents.



INTERNSHIP PROGRAM

Garmin was recognized in 2013 by Vault for providing one of the 10 best internship experiences in the country.

- Real-world experience in industry
- Assigned mentorship
- Paid internship program
- Test products
- Associate discounts
- Paid race entries
- Paid housing
- Paid time off and paid holidays

"My mentor understood what I was capable of and how to challenge me. They let me take the lead on projects, and the features I designed had an immediate impact." - Caleb P., Intern

The internships are offered in diverse functional areas including: engineering, information technology, operations and marketing.

Garmin loves its interns, too. The program grew from 60 interns in 2011 to 217 in 2015.

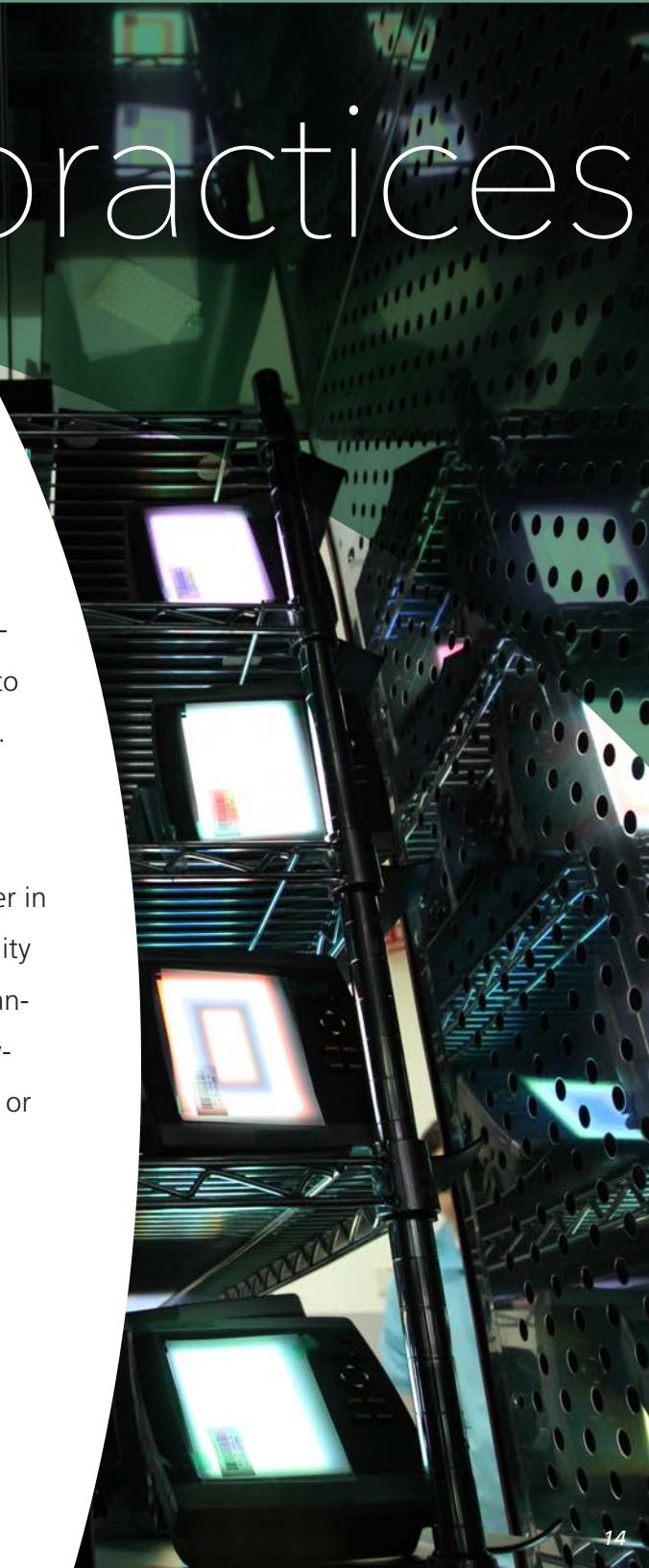
In addition, Garmin was voted Top 10 Best Places to Work for New Grads by Experience in 2013.

environmental practices

ENVIRONMENTAL PRACTICES

Garmin is committed to doing our part to protect the environment throughout all our business operations by offering products that meet or exceed applicable laws, regulations and standards. We strive to continually improve our performance and recognize the effect our activities have on the environment. Continual improvement includes the prevention of pollution, reduction in energy use and waste, improved recycling metrics and assurance of a safe and healthy workplace for our associates.

Our manufacturing facilities in Olathe, Kansas, and Taiwan, as well as our European distribution center in the United Kingdom, maintain current ISO 14001:2004 certifications. Our Taiwan manufacturing facility and European distribution center also maintain OHSAS 18001:2007 certifications. In addition, our manufacturing and distribution facilities have undergone several routine compliance audits by various governmental and third-party agencies. Garmin did not receive any environmental notifications, citations or fines at any location from 2012 to 2014.



environmental practices

AIR

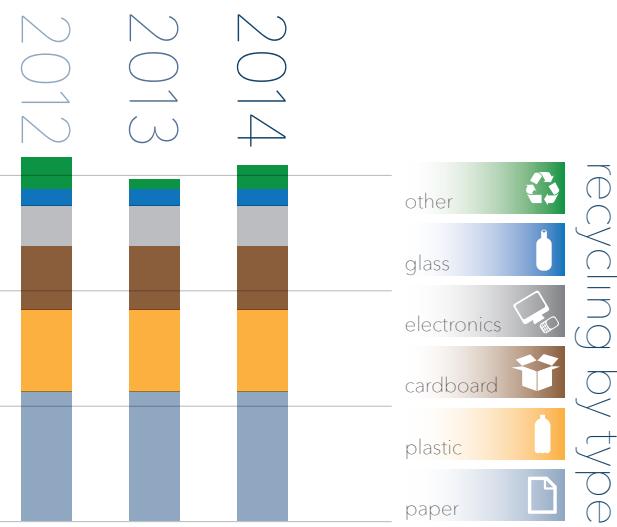
Our manufacturing processes are not a significant source of air emissions. We do not use Class I or Class II ozone-depleting substances in the manufacture of our products. In addition, we require our suppliers to provide declarations stating they do not use ozone-depleting substances in their products or manufacturing processes.

WASTE

Garmin has significantly reduced annual waste output and currently recycles approximately 70% of its waste.

Garmin provides an annual electronics recycling event at Garmin headquarters to celebrate Earth Day. The recycling results of the most recent event include:

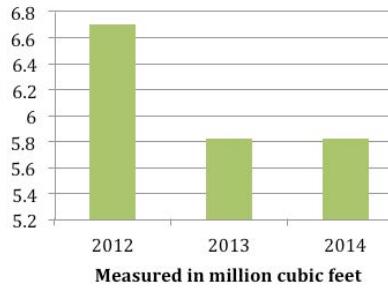
- Approximately 25,000 pounds of electronic scrap.
- Around 7,000 pounds of paper.



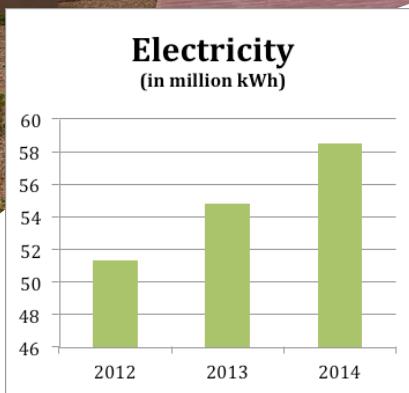
We encourage our associates at our Olathe, Kansas, headquarters to turn off their lights when they leave the office. It is estimated that if left on for an evening, the lights in the building would consume about 5kWh of energy. If left on over the weekend, the lights would consume enough electricity to cost Garmin an estimated \$285,000 a year. This is just one example of involving our associates in the effort to conserve energy.

environmental practices

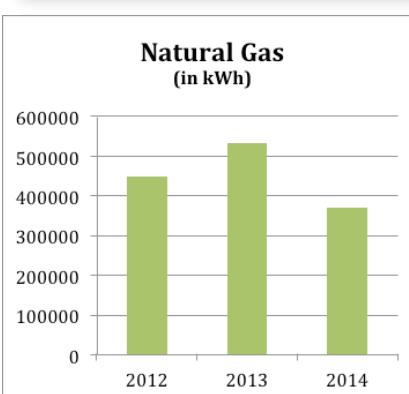
Water Use



Electricity (in million kWh)



Natural Gas (in kWh)



ENERGY

Garmin continues to work toward reduced energy consumption. Energy efficiency is being implemented in the expansion of our facilities:

In August 2014 Garmin completed a new facility in Chandler, Arizona. This facility contains both office and lab space and was certified Gold in December 2014 under the U.S. Green Buildings Council's Leadership in Energy and Environmental Design (LEED) program. There are many aspects of the building that led to this certification:

- Solar panels provide an average of 70% of the energy needs for the facility,
- Construction techniques produced a building that is 40% more energy efficient than its peers,
- Building uses 30% less water,
- Diverted 75% of construction waste from landfills,
- Twenty percent of building materials were recycled materials,
- Low emission materials used in construction, such as:
 - adhesives
 - paints
 - flooring
 - wood, and
- Building is maintained with environmentally friendly cleaning supplies and a LEED-compliant janitorial service.

philanthropy

PHILANTHROPY

Garmin actively contributes to not-for-profit organizations around the globe through charitable and in-kind contributions, as well as enabling associates to volunteer.

In 2014 pledges to our largest annual campaign supporting the United Way totaled more than \$675,000. These funds support multiple agencies funded by United Way.



world-wide giving



supply chain practices

SUPPLIER CODE OF CONDUCT

Garmin is committed to ensuring high standards of business, social and environmental responsibility throughout our supply chain. Our Supplier Code of Conduct is consistent with the code established by the Electronic Industry Code of Conduct (EICC) and covers the following criteria:

- | | |
|---------------------------------|---|
| Health and safety | Forced labor and human trafficking |
| Child labor | Environmental compliance |
| Prevention of abuse | Associate training |
| Anti-discrimination | Resource conservation environmental management system |
| Working hours | Ozone depleting chemicals prohibition |
| Environmental impact | Conflict minerals |
| Legal and regulatory compliance | |
| Wages and benefits | |
| Freedom of association | |



supply chain practices

CONFLICT MINERALS

Garmin has established a Conflict Minerals Team and Steering Committee that includes representatives from legal, purchasing, engineering, environmental compliance and purchasing, as well as high-level executives. Garmin:

- Supports an industrywide approach to addressing social responsibility throughout the supply chain
- Is a paying and active member of the Electronic Industry Citizenship Coalition (EICC) and the Conflict Free Sourcing Initiative (CFSI)
- Require our suppliers to provide a Conflict Minerals Reporting Template (CMRT) to us regarding smelters and refineries in their supply chains
- Expects our suppliers to adopt a policy on the responsible sourcing of minerals

[Garmin's Conflict Minerals Policy](#) is incorporated into [Garmin's Supplier Code of Conduct](#), which articulates our commitment to ethical business principles and promotes human rights and environmental protection.

Garmin is committed to the principles of the Universal Declaration of Human Rights and United Nations' Global Compact, and we expect our suppliers and business partners to share these values. In line with this principle, Garmin expects suppliers to source materials only from socially and environmentally responsible sources. Garmin complies with applicable laws and participates in industry initiatives to support human rights and to mitigate the risk that tin, tantalum, tungsten, and gold (also known as 3TG) used in our products contribute to conflict in the DRC or adjoining countries.

Garmin senior management reviews material impacts of our suppliers. If Garmin becomes aware of a supplier that is not in compliance with the supplier expectations set forth in this policy, then we will follow our escalation process and take the appropriate actions to remedy the situation, including possible discontinuance of the supplier relationship.

In 2014, 1,315 companies filed reports with the SEC. The Responsible Sourcing Network (RSN) and Sustainalytics, an environmental, social and governance research firm, partnered to create a report evaluating CM disclosures. They used 18 performance indicators to evaluate the reports of a pilot group of 51 filers (including Garmin). Garmin was ranked in the "Strong" category final report.

Suppliers and other external parties are encouraged to contact their regular sourcing channel or Garmin representative if they wish to seek guidance on the application of this approach, or if they wish to report suspected abuse. Suppliers, other external stakeholders and associates may also report problems or concerns to the Garmin Conflict Minerals team and chief compliance officer by email at conflictmineralscompliance@garmin.com or by mail to Chief Compliance Officer, Garmin Ltd., Mühlenstrasse 2, CH-8200, Switzerland.

supply chain practices

Human Trafficking

Garmin's policy on Human Trafficking is posted on our website at
<http://www.garmin.com/en-US/company/human-rights>.

Supply Chain Audit Program

Supplier audits are managed within the responsible global manufacturing sites. Our supplier audit process includes providing corrective actions to the suppliers upon completion of the audit and provisions for re-auditing of suppliers to confirm corrections and improvements have been implemented.



REPORT SCOPE

The Garmin Corporate Responsibility Report was prepared using the Global Reporting Initiative's (GRI) sustainability reporting guidelines. This report for fiscal 2014 provides an overview of the company's social and environmental performance, as well as a forward-looking review of our conflict minerals initiatives.

The information presented is limited to our five largest sites (unless otherwise noted): Olathe, Kansas United States; Southampton, United Kingdom; Sijhih, Taiwan; Jhongli, Taiwan; and LinKou, Taiwan.

CONTACT INFORMATION

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