



**samtec**

SMALL  
FOOTPRINT  
**BIG IMPACT**

"The smallest technology can make a big, global impact"

SAMTEC 2013  
SOCIAL RESPONSIBILITY REPORT

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Every day we are working with our customers to develop products that meet their needs; while also striving for solutions that minimize our environmental impact; and improve the quality of life for our associates and communities in which we do business.

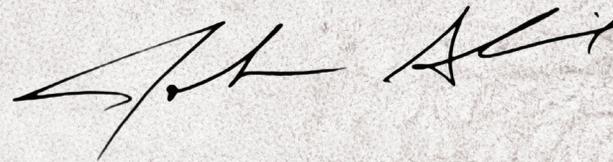
This is our second year as members of the United Nations Global Compact (UNGC). We submit our Samtec Sustainability Report for 2013 with over 8,700 companies and other stakeholders from more than 130 countries in supporting the UNGC's ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption. Our report's theme for the 2013 fiscal year, "Small Footprint - Big Impact", reaffirms the fact that we are a global company whose operations touch the lives of many people and communities all over the world. At the heart of this report, is a conviction that while our product footprint may be small (and getting smaller with advancements in technology), our potential for impact and responsibility within every one of our communities, is significant. It is critical that Samtec, our associates, and our business partners operate in a transparent and responsible manner.

Our sustainability efforts this past year have been predominantly to better engrain our efforts from our first report throughout our company while identifying even more opportunities to make changes that affect each of us as global citizens. In the past year, we took various internal processes even further by offering to our associates an online payroll deduction platform to increase volunteerism

and philanthropic contributions; and have now in place, the ability to launch a disaster response giving portal anytime there is a disaster that affects our associates again. We also quadrupled our hydraulic oil efficiency by introducing a new filtering recovery system in our molding equipment. At Samtec, we believe that acting with integrity in all areas of our business is a fundamental value, which generates long-term success within our company, our people, and within the communities we live and do business.

Looking ahead, we realize that our sustainability priorities will continue to evolve with the ever-changing global economy. Samtec will continue to meet these challenges and understands that though our products may have a small footprint, we as a global company, we have an opportunity for big impact.

Thank you for your interest in the progress Samtec has made in achieving our vision and in helping to make our world more socially and environmentally sustainable both today and for future generations.

A handwritten signature in black ink, appearing to read "John Shine". The signature is stylized with a large initial "J" and "S".

**John Shine, President**

Headquartered in New Albany, Indiana, USA, Samtec is a global company with locations in 18 countries. Samtec is the service leader in the electronic interconnect industry. Founded in 1976, we are a privately held, \$500,000,000 global manufacturer of a broad line of electronic interconnects, including high speed, micro pitch, rugged/power, and flexible board stacking systems, cable assemblies and components, IP68 sealed I/O, and RF components and cables. Our term "Sudden Service" is equated with providing an unparalleled customer service experience throughout the connector/cable assembly industry. Our underlying philosophies (we call our DNA because they determine how we act and think) are Speed, Innovation, Flexibility, and Win/Win.

Samtec is ISO/TS 16949:2002, ISO 9001:2000, and ISO 14001:2004 registered with a 5-A1 Dun and Bradstreet rating, the highest available for a corporation this size. We employ 3,900 people at five primary manufacturing locations: New Albany, IN, Costa Rica, China, Malaysia, and Singapore and sales and support offices spread throughout 18 countries. Global manufacturing and sales locations allow redundant manufacturing, component sourcing, molding, stamping, and assembly in both hemispheres, and this manufacturing location strategy optimizes your cost and delivery.

SALES  
\$500,000,000+

HEADCOUNT  
3,900

PRODUCTS  
600+ SERIES\*

\* which result in 100+ trillion product options



This, our second annual Social Responsibility Report, covers activities that have occurred since our last UNGC submission in December of 2012. Our reports are published on an annual basis. This 2013 Social Responsibility Report has been prepared in accordance with the Global Reporting Initiative (GRI) G3 guidelines for reporting at the core level. The guidelines define specific reporting topics and a process for determining the significant economic, environmental and social metrics on which an organization should report. The GRI G3 aspects relevant to the organization were prioritized by information gleaned from customer audits and various surveys throughout the year. The final selections of material aspects for this report were then validated by a cross-functional team, including representatives from Communications, Human Resources, Quality, and Environmental Health and Safety.

The boundary of the material aspects identified through the materiality assessment process is limited within the organization, with the exception of supply chain impacts, which apply outside the organization. The following is a list of material aspects by category (as defined by the GRI):

#### **ENVIRONMENT:**

Energy, Water, Emissions, Waste & Recycling.

#### **SOCIAL:**

Employment, Supplier Assessment for Labor Practices, Supplier Human Rights Assessment, Anti-Corruption and Corporate Local Impact and Involvement.

This report has been prepared according to the principles for defining report quality with a focus on presenting material in a clear and accurate manner that is conducive to regular annual comparisons. While the material aspects serve as the foundation for the information provided in this report, we also present specific examples to highlight the many ways our facilities and people have demonstrated a commitment to impact over the course of the past year.

The data presented in this report has been generated by our internal management systems and has not been assured by an external agency. Please direct any comments or questions about this report to [\*\*social.responsibility@samtec.com\*\*](mailto:social.responsibility@samtec.com).



We know that people are our most valued assets, and because of this, we are committed to providing our associates with opportunities for global collaboration and accelerated career growth. Associates have opportunities for career development across functions, divisions, locations and roles, depending upon individual skills and goals.

Samtec offers a multitude of programs catering to every associates individual and collective development and to ensure we stay current with the latest computing technology. That is way in 2013, we undertook a nine month process to upgrade our learning and performance management systems to provide a global system that is dynamic for our workforce as well as provides digital metrics that are tied to every associates profile. We also have subsequently gone back through much of our old training to evaluate its effectiveness in knowledge transfer and have instituted better instructional design processes to cut training time and to make the time spent off the line, more productive.

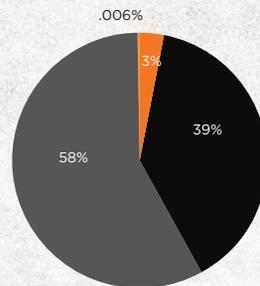
**GRANTS FOR ASSOCIATE IN HOME COMPUTERS**  
2013 - \$27,150

REGION	TURNOVER	NUMBER OF NEW HIRES
North America	0.54%	81
Central America	2.68%	285
Asia	2.74%	488
Europe	0.14%	4

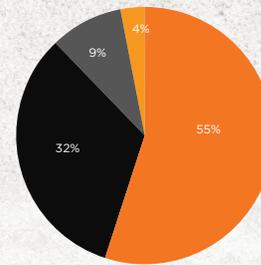
**GLOBAL TRAINING & DEVELOPEMENT**  
2013 - \$390,000

We believe that we have strong relationships with our associates and it is reflect-ed in our committed workforce. People Matter isn't just a passive phrase that is seen on posters throughout our facilities, but a part of the Samtec DNA and a significant contributor to our overall success as a company. As we continue to grow exponentially year-after-year, Associates still feel like they are part of a close-knit Samtec family.

**TRAINING HOURS IN 2013 - 84,943**



**EDUCATIONAL EXPENSES \$604,000**



ASIA    EUROPE    CENTRAL AMERICA    NORTH AMERICA

# DEMOGRAPHICS

# 3,900

**TOTAL WORKFORCE**

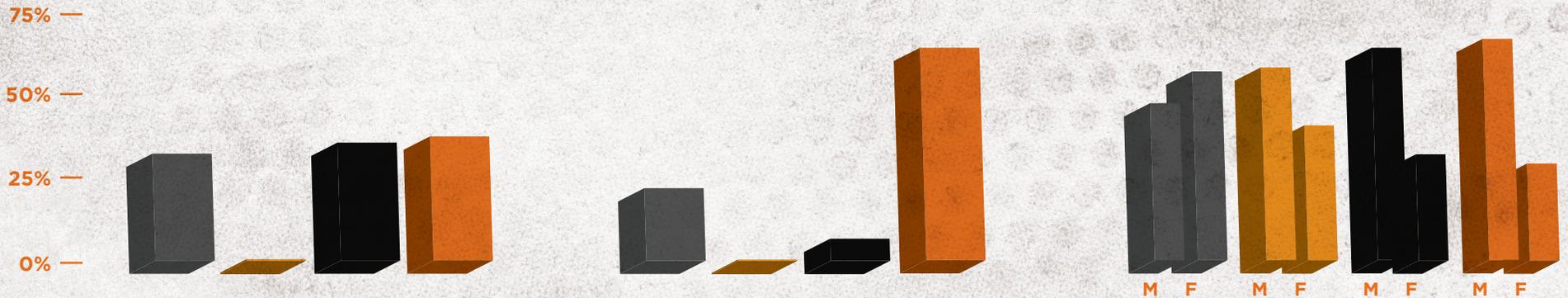
**58%**



**42%**

**55%**  
DIRECT LABOR

**45%**  
INDIRECT LABOR



WORKFORCE BY GEOGRAPHIC REGION

MANAGEMENT BY GEOGRAPHIC REGION

REGION BY GENDER

ASIA    EUROPE    CENTRAL AMERICA    NORTH AMERICA

Samtec encourages involvement at each of its locations and routinely hosts donation drives and invites non profits into our various facilities to encourage participation. In our annual survey of associate community involvement some of the highlights are:

- **Environmental protection through new park establishment**
- **Youth mentorship**
- **Raising money through various races and awareness walks from diabetes to special needs to wounded warriors**
- **Working with rescued animals and animal protection**
- **Donating blood through Samtec sponsored drives**
- **Various church, homeless shelter, and school volunteer efforts**

Samtec is also launching its first ever “GIVE NOW” Campaign and payroll deduction opportunity for associates in North America (\*not yet possible/available outside US through various payroll services) to make contributions to their charities of choice directly from their paycheck. This service will be launched across the United States in January 2014.

### **Associates in Action - Costa Rica**

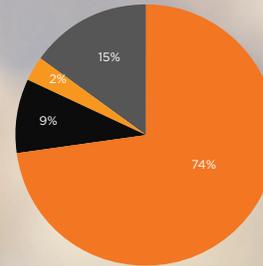
Our associates in Costa Rica model our desire for big impact within our local communities by partnering with the Costa Rica Children’s Hospital & the Palliative Care Foundation. The Palliative Foundation exists to coordinate the necessary resources and materials so that children and adolescents that suffer conditions of limited living capacities and/or are in the terminal phase of a condition, receive effective, efficient, and timely treatment. Since 2010, Samtec associates have worked closely with this foundation to donate a percentage of their salary annually to support this amazing work and this year 289 associates collaborated to donate over \$7,000! Our Costa Rica Associates also worked with another group to provide over 350 children in marginal regions of the country with new toys and clothes.



# ETHICS & SUPPLY CHAIN

Our high standards extend beyond Samtec to include the suppliers we depend on and engage with everyday. We rely on a global supply chain to support the manufacturing of our products in each of our locations, with 74 percent of our supply chain located in North America and the remaining spread across the various manufacturing regions we service.

We evaluate risks based on factors such as location of operation, types of products and services provided, child labor avoidance practices, working hour management, pay and compensation practices, & ethics management policies and engagement. Finally, we have continued



## SUPPLY CHAIN



to expand awareness and understanding across our supply chain. We have spent the better part of 2013 implementing a brand new Learning Management System and improving our materials to better deploy the proper training to the associates within our organization that need it most - from key internal procurement resources to the new Global Harmonization Standards to anti-corruption. It is also because of the United Nations Global Compact and our desire to continually improve our accountability of our business practices, that we added (for the first time) specific information pertaining to our policy on anti-corruption and trained all necessary associates to this standard and have incorporated it into all New Hire Orientation moving forward. Because of our commitment to people and communities, Samtec has a policy to not hire any associates under the age of 18 (despite the fact some countries still do not have laws prohibiting child labor).

This year with the introduction of Samtec's new Firefly, we moved into the realm of optical connections. This brought with it new responsibilities as the parts utilize a laser to transmit information. Certified by UL they carry a label to communicate exposure risk to anyone who may handle the product.

## Environmental Management

We take great pride in our operations. We continually strive to reduce our environmental impact by integrating environmentally-conscious practices into our product design and manufacturing processes as well as the actions of our associates.

Our Environmental Management System (EMS) is an important aspect of manufacturing at Samtec — from the selection of the materials in our products, to the efficient use of natural resources and the careful control of facility wastes.

## Hydraulic Oil Efficiency

In April 2013, we implemented a hydraulic oil filtering recovery process in our molding equipment that has the potential to make a dramatic impact on extending the useful life of oil used during manufacturing.

At the most basic level, machine oil that could once only be filtered while machines were off, can now be filtered while machines are still in production. This extends the life of the oil in use significantly by allowing it to be filtered much more frequently. This improvement not only allows for more efficient use of the oil which reduces environmental waste, but also improves efficiency in the manufacturing process by reducing production downtime.

This improvement alone is projected to quadruple oil conservation efforts in the areas in which it has been implemented, and can still be tweaked to make an even larger impact as the filtration process improves even further.

## Wastewater Discharge

As the need for more electronic components has increased, the need for water and the chemicals used to produce these components continues to increase. This year, North America (alone) is on track for a 10% reduction in wastewater.

**2012 - 13,623,138 Gallons**  
**2013 - 11,974,787 Gallons**

This was accomplished by shifting plated parts to Costa Rica & China which have more effective systems allowing a reuse of 60%+ of their water and all of this was done while growing sales by 10+%.

## Single Stream Recycling

All amounts in pounds

	2012	2013
Office Paper	3,221	3,203
Cardboard	12,147	12,293
Tubes (PVC Plastic)	868	495
Polystyrene (Pocket Tape/Trays)	1,903	1,731
Plastic Bottle & Aluminium Recycling	1,355,325	3,247,886
<b>Waste Ratio</b>	<b>0.37</b>	<b>0.31</b>

*“Samtec continues to see greater efficiencies in manufacturing result in more product and less waste overall. The waste ratio reflects sales to waste and since 2005, has drastically reduced from a ratio of 1.5+ to a steady (and slightly declining) 0.31 average this year.”*

## GENERAL STANDARD DISCLOSURES

G3.1 Indicator	Description	Location
<b>Strategy and Analysis</b>		
1.1	Statement	3
<b>Organizational Profile</b>		
2.1	Name of the organization	4
2.2	Primary brands, products and/or services	4
2.4	Location of organization's headquarters	4
2.5	Number of countries where the organization operates	4
2.6	Nature of ownership and legal form	4
2.7	Markets served by the organization	4
2.8	Scale of the reporting organization	4
2.9	Significant changes during the reporting period	Nov 2013 announced closing of Panama facility
2.10	Awards received in the reporting period	Bishop & Associates Customer Service Award as #1 Overall in Connector Industry (14th time); The Greenways Foundation of Indiana for Outstanding Corporation (February 2013); Arrow's Gold Level Supplier for on-time delivery and quality (December 2012); Celestica TCOO Supplier Award (2012 & 2013)
<b>Report Parameters</b>		
3.1	Reporting period	4
3.2	Date of most recent previous report	4
3.3	Reporting cycle	4
3.4	Contact point for questions	4
3.5	Process for defining report content	4
3.6	Boundary of the report	none
3.7	Any specific limitations on the scope or boundary of the report	none
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities	none
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	none
3.11	Significant changes from previous reporting periods	none

## SPECIFIC STANDARD DISCLOSURES

G3.1 Indicator	Description	Location
EN10	Percentage and total volume of water recycled and used	10
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	none
EC6	Policy, practices, and proportion spending on locally-based suppliers at significant locations of operations	6
HR2	Percentage of suppliers, contractors, and other business partners that have undergone human rights screenings	9
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor and measures taken to contribute to the effective abolition of child labor	9
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	8
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	9
PR3	Type of product and service information required by procedures, and % of significant products and services subject to such information requirements	9
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	7
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region	7

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