



UNITED NATIONS GLOBAL COMPACT

BOURNS, INC. 2014 COMMUNICATION ON PROGRESS

Statement of continued support by the Chief Executive Officer

Date: November 12, 2014

To whom it may concern:

As Chairman of the Board and Chief Executive Officer of Bourns, Inc. ("Bourns"), I am pleased to confirm Bourns' fifth year as a member of the United Nations Global Compact (the "UN Global Compact") and its on-going support of the ten principles of the UN Global Compact with respect to human rights, labor, environment and anti-corruption. Bourns continues its commitment to advance voluntarily the ten principles of the UN Global Compact as applicable to Bourns' facilities worldwide. We continue in our commitment to incorporate the UN Global Compact principles in our corporate strategy, business culture and day-to-day operations and activities.

Bourns, including its subsidiaries, supports and respects the protection of internationally proclaimed human rights set forth in the United Nations' Universal Declaration of Human Rights, the International Labor Organization's fundamental conventions and the UN Global Compact. We confirm that Bourns has policies and procedures in place to prevent abuse of human rights within the Bourns facilities.

Bourns' "Code of Ethics and Conduct" (the "Bourns Code") continues to be available in seven (7) languages. All Bourns employees worldwide are required to confirm on an annual basis their understanding of the Bourns Code and the Bourns Corporate Policy on Anti-Bribery and Anti-Corruption. Additionally, Bourns, and its subsidiaries, require that suppliers comply with the Bourns Code which may demand higher standards than required by local law. The Bourns Code is available at: http://www.bourns.com/data/global/pdfs/bourns_code_of_ethics.pdf.

Bourns has a Corporate policy that prohibits harassment, discrimination and retaliation. In addition to an Ombudsman program which has been in place for 26 years, Bourns offers an Ethics Hotline (the "Hotline") which is available in five (5) languages to most Bourns employees worldwide. The Hotline provides employees with an anonymous and confidential means to report suspected violations of (i) law, (ii) Bourns' policies, or (iii) the Bourns Code (subject to any local country restrictions on subject matter reporting). Certain Bourns facilities continue to offer (i) opinion boxes, (ii) quarterly welfare committee meetings, and (iii) third-party sponsored work atmosphere surveys as means for employees to report concerns to management.

Since 2011, Bourns has participated in the US-EU safe harbor program and the US-Switzerland safe harbor program to comply with framework requirements for protection of personal data.

The Bourns Code continues to prohibit the use of forced labor and/or child labor in violation of international standards. Consistent with the UN Global Compact initiatives, no Bourns

employees are child laborers and non-management Bourns employees are prohibited from working in excess of sixty (60) hours per week.

All Bourns facilities worldwide continue to conduct continuous improvement programs, such as Kaizen activities, which have been utilized in part to identify ways to reduce energy consumption and eliminate waste. The results of such Kaizen activities are regularly shared with Bourns employees on Bourns' intra-communication portal.

The State of California, where Bourns' headquarters is located, has been advocating water-wise landscaping and other water conservation initiatives, and many Bourns employees have embraced such programs within their personal lives as well as their professional lives. The Bourns corporate headquarters is currently working with the City of Riverside, California to replace grass with alternative California native and water-wise landscaping. Additionally, the new landscaping will include walkways and exercise stations to promote employee health.

In 2014, Bourns allowed the installation of one-half megawatt solar panels at no charge over some of its parking lot area to support research activities by its tenant, the University of California at Riverside ("UCR"). These solar panels provides shade and creates electrical power which is then utilized by UCR in its research into more efficient storage and use of solar power. Additionally, in the interest of energy savings, in approximately 60,000 feet of the parking area Bourns replaced older electrical fluorescent ballasts and T8 lamps with light-emitting diode ("LED") T8 equivalents. Additionally, the emergency exit lights for the complex are currently being replaced with LED T8 lamps.

During the past twelve (12) months, Bourns implemented an automated invoicing and payment processing system for the corporate headquarters as well as one other Bourns facility which has eliminated the creating of approximately 35,000 paper invoices. The program will be implemented at other Bourns facilities in the near future.

Certain Bourns facilities continued to receive ISO14000 certification or recertification, as the case may be, pertaining to environmental management standards.

One Bourns facility began utilization of a module contact with a new halogen-free compound and obtained customer approval to use the new material starting in January 2015.

Bourns' Hungarian facility conducted a Kaizen event in 2014 pertaining to waste reduction and recycling. The project includes annual training and workshops in the areas of reducing water consumption, decreasing paper usage, recycling waste and reducing the use of very hazardous materials. The Hungarian facility also now recycles plastic gloves and recycles cigarette butts in a TerraCycle program. As a result of this Kaizen event, (i) the facility's ecological footprint was reduced from 4.73 ha/person to 3.8 ha/person, (ii) paper usage was reduced 57%, (iii) hazardous waste was reduced 49%, (iv) non-hazardous waste was reduced 21%, (v) energy consumption was reduced 9% and (vi) recycling of precious metals increased by 16%.

A Bourns facility located in China reduced its water and energy usage by three percent (3%) over the prior year, in part by replacing fluorescent lighting with LED lighting in the factory. It also applied a frequency inverter on exhaust air motors and an air compressor for power saving. Additionally, the waste water generated within the Reverse Osmosis Electrodeionization (RO/EDI) water system is now being re-used in the central air conditioning system and the air

compressor system. The same facility also replaced a 220 horsepower air compressor with a 220 horsepower frequency inverter air compressor resulting in power savings.

Bourns offers its employees technologies and tools which allow Bourns to conduct business activities without the need to travel, such as global conference calling, video conferencing, sharing of desktop displays and participation in webinars. For example, in 2014, Bourns used high definition video conferencing to conduct preliminary interviews of some potential job candidates, thereby eliminating the need for air travel in these instances.

On an annual basis, Bourns employees are required to complete and sign a statement of personal business interests regarding conflicts of interest.

The Bourns Technology Center located at the Bourns Riverside, California campus continues to be the home of several emerging high-tech companies in Riverside. The Bourns Technology Center continues to be dedicated to providing a strong partnership between resident companies and the community.

In addition to the above listed points, Bourns continues to support education in the form of (i) the Bourns Laboratories located at California Baptist University, Riverside, California, and (ii) The Marlan & Rosemary Bourns College of Engineering, located at UCR. In October 2014, Bourns hosted at no charge the Science and Technology Education Partnership (STEP) program for the third consecutive year at its headquarters in Riverside. The STEP program is designed to encourage students to pursue math and science interests and careers.

The Bourns Foundation is proud to have contributed to a variety of charitable causes such as the local Riverside Community College, the American Association for the Advancement of Science, the Foundation for the Global Compact in terms of relief effort for the Philippines in the wake of Typhoon Haiyan, the UCR Foundation for Bourns Space Science & Engineering Day, the National Multiple Sclerosis Society, and the Riverside Police Department, to name a few.

As reflected in this letter, it is clear that Bourns supports the communities in which it has a business presence and looks forward to continuing its support of the UN Global Compact during the next twelve (12) month period.

Sincerely,

BOURNS, INC.



Gordon L. Bourns
Chairman of the Board, President and
Chief Executive Officer