



BIG ON COMMUNITY EASY ON ENVIRONMENT

SAMTEC 2014 Social Responsibility Report

samtec



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2014 was a record year for Samtec, Inc. We exceeded our goal related to sales, service leadership, and operation metrics. All of these are exciting and important for our business, but we had to make similar strides in reducing our environmental impact, increasing the quality of life of our associates, and our presence in the communities we do business in. I'm happy to report we did just that.

This is our third year as a member of the United Nations Global Compact (UNGC). We submit our Samtec Sustainability Report for 2014 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 2014 fiscal year, "Big on Community, Easy on the Environment", reaffirms our focus on improving technology while simultaneously improving the communities in which we do business. We must develop products and people. It is imperative that our own global workforce knows the implications of everything we do here, and our ability to leave the world a better place.

Our sustainability efforts are a continuation of our first two years with the UNGC. We have made significant efforts to formalize our global outreach and giving by setting goals for each location related to volunteerism and corporate giving. We have improved our male/female ratio and increased the number of hours we spend training our employees. We have reduced our use of packaging materials which not only saves

resources, but also increase the efficiency with which one of our millions of packages makes its way to a customer. Smaller packages, with less plastic, and made out of recycled cardboard become lighter and therefore require less fuel to ship. We believe improvements like these take our company further – we want our sustainable efforts to do the same.

In the future we hope to only continue our mission to do more for the greater good of the world. Even as our business and the climate of the electronics industry changes, we will stay committed to our UNGC efforts.

We're glad that what we do here doesn't go unnoticed. Thank you for your interest in our company and our efforts to make our business socially and environmentally sustainable for years to come.



John Shine, President

Company Profile

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, \$613,000,000 global manufacturer of a broad line of electronic interconnect solution blocks, including IC-to-Board/Ultra Micro, High Speed Board-to-Board, High Speed Cables, Future-Proof/Active Optics, Flexible Stacking, and Micro/Rugged components and cables. Samtec is "Sudden Service®" providing an unparalleled customer service experience. At our core, our underlying philosophies (we call it our DNA because they determine how we act and think) are Speed, Innovation, Flexibility, and Win/Win. Much more than just another connector company, Samtec puts people first with a commitment to exceptional service, quality products, and convenient tools. We believe that people matter, whether they are our external or internal customers. This belief is deeply ingrained throughout our organization and means we're all willing to go the extra step to build remarkable products and services that take the industry further faster.

Samtec is ISO/TS 16949, ISO 9001, ISO 14001, and ITAR registered with a 5-A1 Dun and Bradstreet rating, the highest available for a corporation this size. We employ 4,000 people at eight primary manufacturing locations: New Albany, IN, Colorado Springs, CO, Wilsonville, OR, Costa Rica, China, Johor, Malaysia, Penang, Malaysia, and Singapore with 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. This manufacturing location strategy optimizes cost and delivery.

COMPANY PROFILE

SALES
\$613,000,000

HEADCOUNT
4,000

PRODUCTS
600+ SERIES
Which results in 108+ trillion
part number options



ABOUT THIS REPORT

This, our third annual Social Responsibility Report, covers activities that have occurred since our last UNGC submission in December of 2013. Our reports are published on an annual basis. This 2014 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 have not been assured by an external agency. Please direct any comments or questions about this report to social.responsibility@samtec.com

PEOPLE MATTER

At Samtec, "Service" isn't just for our customers. We seek to service our global associates in every capacity: career growth opportunities, on-the-job training, educational expenses, and countless opportunities to improve their physical and financial well being.

In 2014, we streamlined our online learning platform around the globe. We have improved our in-house capabilities to produce training courses using modern tools. This allows us to keep up with every-changing technologies and certifications. Not only does our improved training programs and abilities mean associates stay happier, safer, and better informed, but it has allowed us to onramp a new employee in record time, something we call TQR or Time to Quality Rate.

We like to provide healthy challenges to our associate around the globe to become better people in all aspects of their career. We have a strict "Open Door" policy that takes every voice seriously. We are implementing a new Town Hall meeting to allow associates to provide feedback and input in an informal, but structured setting. By keeping an open and flat organizational structure, Samtec sees an unmatched global sharing of ideas related to operations processes, work environment improvements, associate recognition methods, and global communication tools. We treat our own like family, and believe deeply that a "rising tide rises all ships." In other words, by helping each other we help our company, our customers, and the communities in which we operate.

GRANTS FOR ASSOCIATE IN HOME COMPUTERS

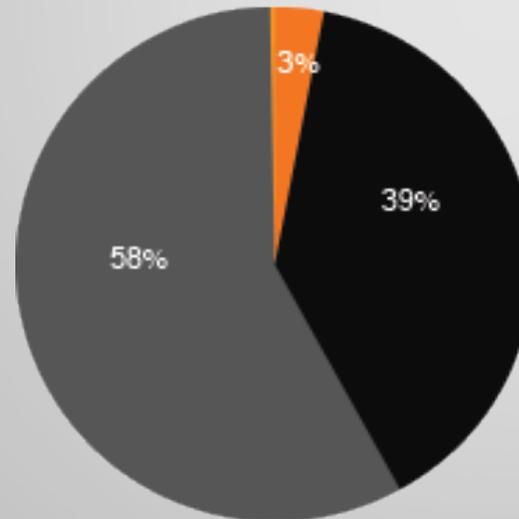
2014 - \$27,150

GLOBAL TRAINING & DEVELOPEMENT

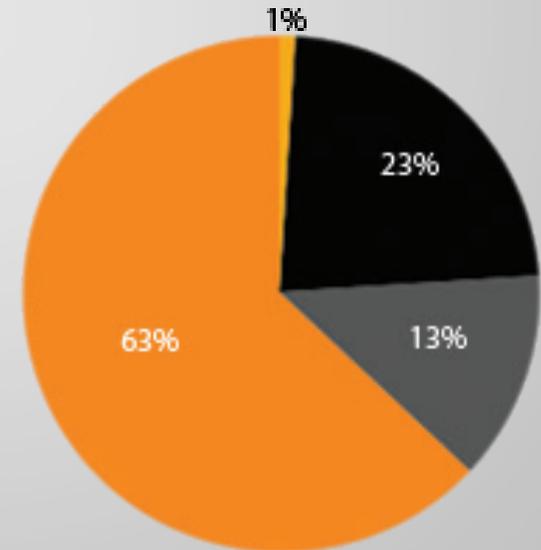
2014 - \$390,000

REGION	TURNOVER	NUMBER OF NEW HIRES
North America	0.57%	81
Central America	1.78%	285
Asia	2.57%	488
Europe	0%	4

Training Hours in 2014
77,845



Educational Expenses
\$843,519



- CENTRAL AMERICA
- NORTH AMERICA
- EUROPE
- ASIA

4,000

TOTAL WORKFORCE

DEMOGRAPHICS



58%

42%

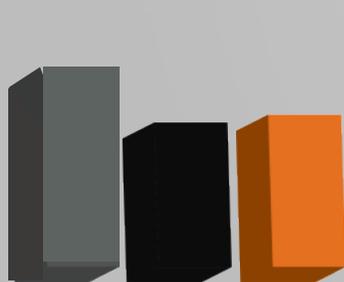
51.4%

DIRECT LABOR
(1829.8)

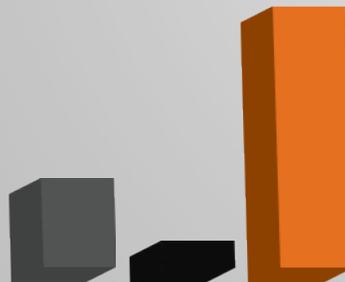
48.6%

INDIRECT LABOR

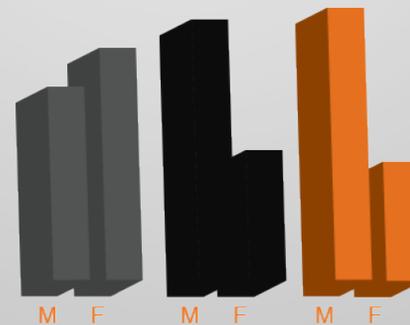
75% —
50% —
25% —
0% —



WORKFORCE BY GEOGRAPHIC REGION



MANAGEMENT BY GEORGRAPHIC REGION



REGION BY GENDER

ASIA CENTRAL AMERICA NORTH AMERICA

COMMUNITY INVOLVEMENT

Around the Globe

Samtec supports global projects and initiatives that enable economic development and stimulate economic growth around the world like water purification systems in third world countries, alternative energy solutions, advanced agricultural technology, low cost housing refurbishment, life skills development training, support of entrepreneurial start-ups, and so much more.

Associates in Action - Costa Rica

"Libros para Todos" (Books for Everybody) is an initiative from Samtec's CR Corporate Social Responsibility Committee along with Grupo Nacion (biggest Costa Rican newspaper), and it stands for the education of the children by providing them the text books for their scholar year. This 2014, we participated for the first time and help the community elementary school and kindergarten covering all 573 students (2382 books). Samtec CR Associates went to the school and delivered the books personally to the students. There was a storyteller provided by La Nacion, and Samtec donated snacks to the children and their teachers.

Samtec CR used money from two sources to fund this program: money earned from their recycling program and Samtec Associate donations through a specific fundraising campaign.

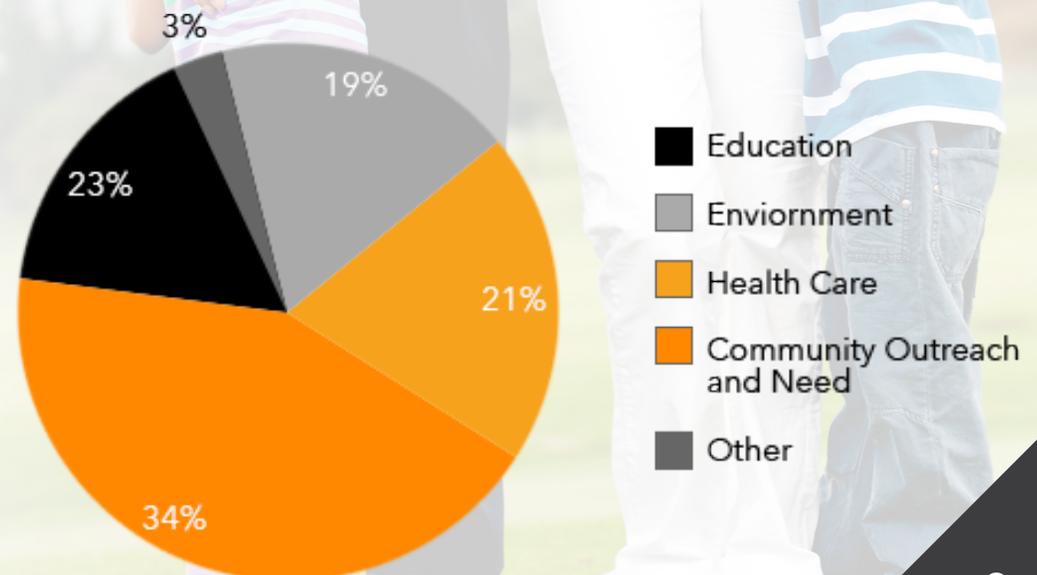
Samtec Associates globally care about each other, the communities that we live in, and our environment. We resolve to "do the right thing".

Community Involvement

Samtec encourages involvement at each of its locations around the world and routinely hosts donation drives and invites non-profits into our various facilities to encourage participation. Donations are made to fundraisers created by our Social Solutions Association (SSA) as needed. The money raised in these fundraisers help fund donations to various charities and individuals in need with the communities that we live. Being a good corporate citizen of a community carries with it responsibility. Since the majority of Samtec Associates come from surrounding towns and cities, Samtec plays a big impact. Throughout the year, Samtec strives to make our communities better places to live, work, play and go to school by finding ways to lend a hand – both in time and money.



Community Outreach Contribution



ETHICS AND SUPPLY CHAIN

Samtec is constantly evaluating factors such as location of operation, types of products and services provided, child labor avoidance practices, working hour management, pay and compensation practices, as well as ethics management policies and engagement. We continue to expand awareness and understanding across all our global facilities as well as our supply chain.

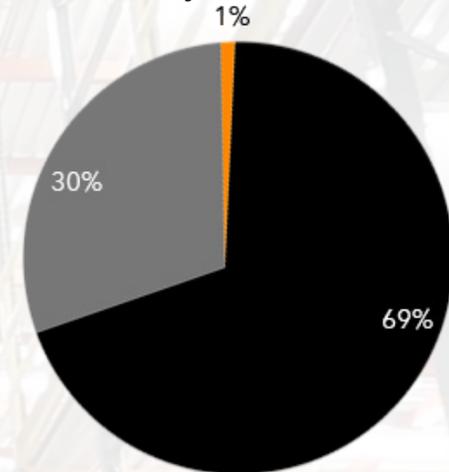
Since Samtec's culture reflects, for the most part, a "learning organization", we have tried to remove many of the barriers of organizational learning. In 2014, we reviewed, revised, improved and issued a New Hire Training program to better communicate our values to new Associates. Because of the United Nations Global Compact and our desire to continually improve our accountability of our business practices, we review and update our policies as needed. Because of our commitment to our Associates and the people within our communities, Samtec has a policy not to hire any Associates under the age of 18 (despite the fact some countries still do not have laws prohibiting child labor).

Each year, Samtec Associates are asked to review our Sexual Harassment, Workplace Violence, C-TPAP, Diversity and Company Policy e-learning modules for yearly compliance. Associates are also given the opportunity to choose their own training courses for the year. We are also beginning the process of reviewing our Associate Handbook to complement our updated training program.

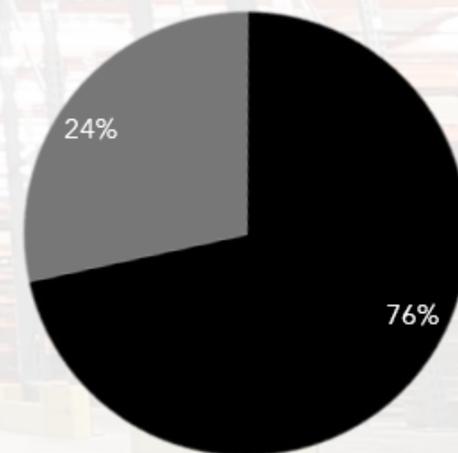
Our high standards extend beyond Samtec to include the suppliers we depend on and engage with every day. We rely on a global supply chain to support the manufacturing of our products in each of our locations. We survey all our vendors yearly in regards to quality, environmental consciousness, and social responsibility. Over 95% of our vendors are in compliance of Samtec's standards.



Percentage of Suppliers by Location



Percentage of Pieces shipped by Location



Environmental Management

Samtec continually strives 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.

Reverse Osmosis Water System (RO)

As the need for more electronic components has increased, the need for water and the chemicals used to produce these components normally would increase. In November 2014, Samtec purchased a Reverse Osmosis Water System (RO). This purification system replaces our existing Deionized Water System (DI) and will be used to supply water to our entire electro-plating facility. The primary benefits of moving to a RO system are that it uses almost no chemicals in the process and reduces our overall water consumption.

Previously, Samtec had two DI water systems in place that maxed out at 20 gallons each for a total of 40 GPM. Under normal circumstances, they ran at about 34-36 GPM. With the new RO water system, we have the ability to run 100 GPM if needed, and we are currently running comfortably at 70 GPM.

The RO water system uses chemical at a bare minimum as the machine operates on high pressure through membranes for quality of water. The chemicals are merely safeties in case hardness or chlorine passes through the softener which could damage the membranes. Currently the RO water system is only rejecting 3.9 GPM which makes it a very efficient unit.

Wastewater Discharge

Also in 2014, Samtec discovered a new source for recycling the spent (used) Nickel plating baths in our New Albany, IN facility. These baths were previously going to a disposal facility. However now almost 2,000 gallons of spent Nickel bath is being recycle to recover over 2,200 pounds of Nickel.

Single Stream Recycling	2013	2014
Office Paper	62,245	125,841
Cardboard	232,809	200,742
Miscellaneous Plastic	4,080	7,690
Polystyrene	33,418	24,322
Plastic Bottle & Aluminum Cans	30,881	34,545

General Standard Disclosures

GRI CONTENT INDEX

G3.1 Indicator	Description	Location
Strategy and Analysis		
1.1	Statement	3
Organizational Profile		
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)
Report Parameters		
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 reason for such re-statement	none
3.11	Significant changes from previous reporting periods	none

Specific Standard Disclosures

G3.1 Indicator Description

EN10	Percentage and total volume of water recycled and used
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations
EC6	Policy, practices and proportion spending on locally-based suppliers at significant locations of operations
HR2	Percentage of suppliers, contractors, and other business partners that have undergone human rights screenings
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
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures
PR3	Type of product and service information required by procedures, and % of significant products and services subject to such information requirements
LA1	Total workforce by employment type, employment contract, and region, broken down by gender
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region

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