



UNITED NATIONS GLOBAL COMPACT 2015 COMMUNICATION ON PROGRESS REPORT

Statement of continued support by the Chief Executive Officer

Date: November 11, 2015

To whom it may concern:

As Chairman of the Board and Chief Executive Officer of Bourns, Inc. ("Bourns"), a family-owned electronics business, I am pleased to confirm Bourns' sixth 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 voluntarily advance 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 as shown in the attached report.

Sincerely,

BOURNS, INC.

A handwritten signature in blue ink that reads "Gordon L. Bourns". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

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

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HUMAN RIGHTS:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
- Principle 2: Make sure they are not complicit in human rights abuses.

Bourns, Inc. (“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 United Nations Global Compact (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”) is available to employees worldwide in eight (8) languages (Chinese, English, French, German, Hungarian, Italian, Spanish and most recently in Japanese). 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 in English at: http://www.bourns.com/data/global/pdfs/bourns_code_of_ethics.pdf.

LABOR STANDARDS:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: The elimination of all forms of forced and compulsory labor;
- Principle 5: The effective abolition of child labor; and
- Principle 6: The elimination of discrimination in respect of employment and occupation.

Policies And Programs:

The Bourns Code continues to prohibit discrimination against one another for reasons of age, disability, ethnic origin, gender, race, religion or sexual orientation. Bourns supports the eradication of slavery and human trafficking and the elimination of forced labor and child labor in violation of international standards; such criteria are stipulated in the Bourns Code. 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.

In addition to Bourns Code, Bourns has a corporate policy that prohibits harassment, discrimination and retaliation. In addition to an Ombudsman program which has been in place for 27 years, Bourns offers an Ethics Hotline (the “Hotline”) which continues to be available in five (5) languages for 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). The Ethics Hotline has been in effect since 2011. Certain Bourns facilities continue to offer (i) opinion boxes, (ii) periodic welfare committee meetings, and (iii) third-party sponsored work atmosphere surveys as means for employees to report concerns to management.

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Headcount Growth:

We are proud to announce that, due in part to various acquisitions and additional product offerings, since joining the UN Global Compact in 2009, Bourns has increased the number of employees worldwide by approximately thirty-nine percent (39%). Additionally, Bourns facilities located in Costa Rica, Europe, Mexico and the United States sponsored internship programs to introduce students to the working world.

Employee Health And Wellness:

Bourns values its employees and promotes good health, and in this spirit, Bourns' corporate headquarter offers employees free use of exercise equipment on-site during breaks and non-working hours. Additionally, Bourns recently completed a "Lawn Innovation Project", which intentionally includes walkways and exercise stations to promote employee health. Also, during 2015 Bourns headquarters sponsored a "Get Fit, Don't Sit" campaign based on the American Diabetes Association recommendations. Finally, one Bourns facility located in Mexico conducted a Kaizen event aimed at improving attendance, and as a result of the Kaizen, attendance at that facility improved by thirty-four percent (34%).

Enhancing The Community:

Bourns encourages its employees to exhibit a strong sense of social responsibility by serving in ways that enhance the communities in which they live and work. This is reiterated in Bourns Code. In this light, 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, 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 the University of California Riverside (also known as "UCR").

Enhancing the community was also exhibited when Bourns hosted the October 2015 Science and Technology Education Partnership (STEP) program for the fourth consecutive year at its headquarters in Riverside. The STEP program is designed to encourage students to pursue math and science interests and careers; this is one way that Bourns and local businesses are able to impact the lives of young people through products, services, and investments in local communities.

Immediately following the STEP program is the "Long Night of Arts & Innovation" which showcases exceptional talent in the community regarding art, science and technology. The event is offered by the city of Riverside, and Bourns, Inc. and Bourns Foundation were hosts and sponsors of the 2015 event. In fact, the Bourns Foundation served as a Presenting Sponsor. In addition to being a host and sponsor, Bourns participated with (i) an exhibit about green screen technology, (ii) a demonstration of certain Bourns® products, and (iii) presentations regarding tips for writing and submitting a patent request.

Other conferences and educational forums supported or hosted by Bourns during the past twelve (12) months include (i) the STEM Conference which provides students with inquiry-based experiences in Science, Technology, Engineering, and Mathematics, and (ii) the Inspire Her Mind program to promote math and science to women in various counties within California.

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Charities And Contributions:

During 2015, many Bourns' facilities encouraged employees to donate to charities such as the United Way, the Penrickton Center for Blind Children, Toys for Tots, and the Detroit Warming Coalition.

The Bourns Foundation is proud to have contributed to a variety of charitable causes which are believed to benefit the community and important social causes, such as the National Multiple Sclerosis Society, the Riverside Arts Council, the Riverside Public Library Foundation, the University of California Riverside Unmanned Aerial Vehicle Project, the California Baptist University, The Boy Scouts of America, the Riverside Arts Museum and Smart Riverside.

ENVIRONMENT:

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

For many years, Bourns business culture has embraced continuous improvement in all areas of its workforce and business environment. In fact, Bourns Mission statement states, in part, "We commit ourselves to excellence, to the continuous improvement of our people, technologies, systems, products and services, to industry leadership and to the highest level of integrity." Most continuous improvement activities are conducted in the form of Kaizen events. All Bourns facilities worldwide conduct Kaizen activities, which have been utilized to identify ways to streamline processes, reduce energy consumption and eliminate waste. The results of such Kaizen activities are regularly shared with Bourns employees on Bourns' intra-communication portal.

Water-Saving Initiatives:

Bourns and its subsidiaries reduced its water usage worldwide by almost 9,400,000 gallons during the past twelve (12) months. These same savings are expected to continue for future years. The savings are the result of (i) a "Lawn Innovation Project" sponsored by Bourns' corporate headquarters, (ii) operational efficiencies at one Bourns manufacturing facility, (iii) an irrigation project at another Bourns manufacturing facility, and (iv) a reduction in the cooling tower splash as well as a waste water storage initiative at another plant.

Energy-Saving Initiatives:

Bourns locations worldwide have cumulatively saved almost 7,700,000 kWhs during the past twelve (12) months by (i) replacing an out dated laser scribe machine and a wire EDM (Electrical Discharge Machine) with new machines that have superior energy efficiency, (ii) replacing fluorescent tubes with energy efficient lighting, (iii) instituting 'lights-off' programs when lights are not in use, (iv) making changes to valve compressions, (v) reducing compressor usage during the nights and weekends, (vi) replacing 220HP air compressors with 220HP frequency inverter air compressors, and (vii) replacing outdated air conditioning units with new frequency inverter central air conditioning systems.

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Paper Reduction Initiatives:

Bourns and its subsidiaries have reduced paper usage by at least 40,000 sheets of paper per year. This was accomplished by the following actions:

Bourns' headquarters implemented an automated invoicing and payment processing system for the corporate headquarters and during 2015 that program was rolled out to three (3) other Bourns facilities. The program eliminates printing hard copy invoices and routing paper invoices for approvals thereby saving paper, ink and postage; 35K sheets of paper are estimated to be saved in this effort. Additionally, in terms of being environmentally friendly, the Riverside facility began using electronic forms of communication and eliminated hard copy notices of job openings as well as time cards for hourly employees.

Bourns Automotive Division instituted a paperless system for the "Concept to Customer" program which tracks milestones or 'gates' at various stages of a program. It is estimated that up to 5,000 pieces of paper are being eliminated annually under the new paperless system.

Air Pollution Reduction And Recycling Initiatives:

One Bourns facility eliminated the use of wave soldering machines to eliminate air pollution and leaded solder. The same facility also minimized chemical and environmental risk by replacing n-Hexane with Isopropanol and test ink blue to a less hazardous pink test ink. Additional recycling was introduced for printer cartridges and light bulbs. At the same facility, storage rooms for hazardous waste and hazardous substances were replaced with newer and safer storage rooms. The facility also conducted training of its employees to encourage the use of environmentally friendly transportation and purchasing energy efficient office supplies.

Bourns facility located in Costa Rica reduced chemical waste generated in manufacturing shafts by forty-percent (40%) during the year.

One Bourns facility located in Mexico is in the process of converting its air conditioning equipment from using Refrigerant 22 (R-22) gas to using a more ecological Refrigerant such as 404 or 410.

One Bourns facility located in Mexico had a fifty percent (50%) reduction in the amount of hazardous waste when compared to 2014. This reduction was based on multiple factors such as changes to the types and amounts of oils, types of solids that contain oils, and sludge treatment.

Environmental Management Certifications:

Certain Bourns facilities continued to receive ISO14000 Environmental Management certification or recertification, as the case may be, pertaining to environmental management standards. Other Bourns facilities implemented OHSAS 18001 which is an international occupational health and safety management system.

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ANTI-CORRUPTION:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

On an annual basis, Bourns employees are required to complete and sign a statement of personal business interests regarding conflicts of interest. Additionally, Bourns corporate procedure titled “Anti-bribery and Anti-corruption” was recently translated to Mandarin for use at certain Bourns entities located in Asia. During the past twelve (12) months, Bourns prepared a training module titled “Finance for Non-finance Managers” which is available to all Bourns employees worldwide. The module includes a section reiterating Bourns position relative to the Foreign Corrupt Practices Act (FCPA) and the UK Anti-Bribery Act.

Bourns plans to continue its efforts to embrace the ten principles of the UN Global Compact during 2016.