



UNITED NATIONS GLOBAL COMPACT 2016 COMMUNICATION ON PROGRESS REPORT

Statement of continued support by the Chief Executive Officer

Date: November 11, 2016

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' seventh 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".

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 Bourns facilities and we believe within the Bourns supply chain, as well.

Bourns’ “Code of Ethics and Conduct” (the “Bourns Code”) continues to be available to Bourns employees worldwide in eight (8) languages (Chinese, English, French, German, Hungarian, Italian, Japanese and Spanish). 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. In accordance with the 2010 State of California requirement, Bourns, Inc. posts on its website a statement pursuant to the California Transparency in Supply Chains Act which substantiates that direct suppliers are expected to comply with the Bourns Code. The Bourns Code is available in English at: http://www.bourns.com/docs/about-us/bourns_code_of_ethics.pdf.

In addition, during 2016, as Bourns continues to strive to increase the quality of life for Bourns employees and their families, the amount of maternity and paternity leave at some of its facilities was increased.

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 and child labor in violation of international standards, and such criteria are stipulated in the Bourns Code. Consistent with the UN Global Compact initiatives, Bourns employees are not 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 28 years, in 2011, Bourns began offering an Ethics Hotline (the “Hotline”) which is 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). Certain Bourns facilities continue to offer employees opinion boxes and welfare committee meetings providing employees a forum to report such suspected violations.

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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-eight percent (38%). Additionally, the Bourns facilities located in Costa Rica, Europe, Mexico and the United States sponsored internship programs to introduce students to the business world.

Employee Health And Wellness:

Bourns values its employees and promotes good health, and in this spirit, Bourns' corporate headquarter continues to offer employees free use of exercise equipment on-site during breaks and non-working hours. Additionally, during the "Lawn Innovation Project" mentioned in Bourns' 2015 Communication on Progress, exercise equipment and walking paths were installed round the Bourns corporate headquarters property which the employees are encourage to use.

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 as well as on Bourns website: <http://www.bourns.com/support/about-us/community-outreach>.

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 Riverside facility is 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 ("UCR").

Enhancing the community was exhibited again when Bourns hosted at its headquarters in Riverside the October 2016 Science and Technology Education Partnership ("STEP") program for the fifth consecutive year. The STEP program is designed to encourage students to pursue math and science interests and careers; this is one way that Bourns and participating local businesses continue to impact the lives of young people through products, services, and investments in local communities.

Other conferences and educational forums supported or hosted by Bourns during the past twelve (12) months include (i) the Science, Technology, Engineering and Mathematics ("STEM") Conference which provides students with inquiry-based experiences in science, technology, engineering, and math, and (ii) the Law Enforcement and Public Safety ("LEAPS") program, which was launched in 2016 by members of the STEP program. LEAPS is the first of its kind in the Riverside local community, designed to show students the technology used by local public safety agencies and to foster the students interest in pursuing public safety or law enforcement careers. Bourns assisted in the development of the LEAPS program and was pleased to host it in the Bourns Technology Center located at Bourns, Inc. headquarters in Riverside, California.

In April 2016, Bourns, Inc. supported and participated in the "Bourns Engineering Day 2016," hosted by the Society of Women Engineers at UCR. This event featured hands-on activities and was open to all invited guests and the Girl Scouts of America. The event was focused on aerospace and robotics.

In addition, the Bourns Riverside facility hosted the 2016 SunPower Solar Science Academy, a week long, intensive learning experience that included lectures from solar professionals, hands-on activities, and field visits. Students gained knowledge of advanced energy career opportunities. This program was directed at local students and teachers and focused on solar technology through hands-on activities.

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Bourns' community outreach hasn't been just limited to the community where the corporate headquarters' facility is located. Bourns reaches out to virtually all of its facilities located throughout the world. Since 2003, Bourns' facility located in Mexico has been supporting local orphanages in providing food for an average of one-hundred-fifty (150) children. Several Bourns facilities have provided scholarship, apprenticeship, internship and training programs for students in China, Costa Rica, Germany, Hungary, the United Kingdom and the United States. Bourns strives to continue to be a positive impact on each such local community.

Charities and Contributions:

During 2016, many Bourns facilities encouraged employees to donate to charities such as the United Way, Robert Half's Annual Suit Drive, Toys for Tots, the Red Cross of Germany and the Red Cross of Mexico. Many Bourns employees around the world have worked with a number of charitable organizations to raise awareness for health and well-being and, in doing so, raised and donated over \$10,000 for various non-profit health-related organizations during the year.

The Bourns Foundation, a non-profit corporation that supports charitable and educational causes, is proud to have contributed to a variety of charitable organizations to benefit the community and important social causes. The organizations that the Bourns Foundation donated to during the year include the National Multiple Sclerosis Society, the Riverside Arts Council, the Riverside Community College Foundation, the Riverside Public Library Foundation, 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 at Bourns facilities are conducted in the form of Kaizen events. All Bourns facilities worldwide continue to hold Kaizen activities, which are utilized to identify ways to increase efficiency, streamline processes, reduce energy consumption and eliminate waste. The results of such Kaizen activities are regularly shared with Bourns employees on Bourns' intra-net communication portal.

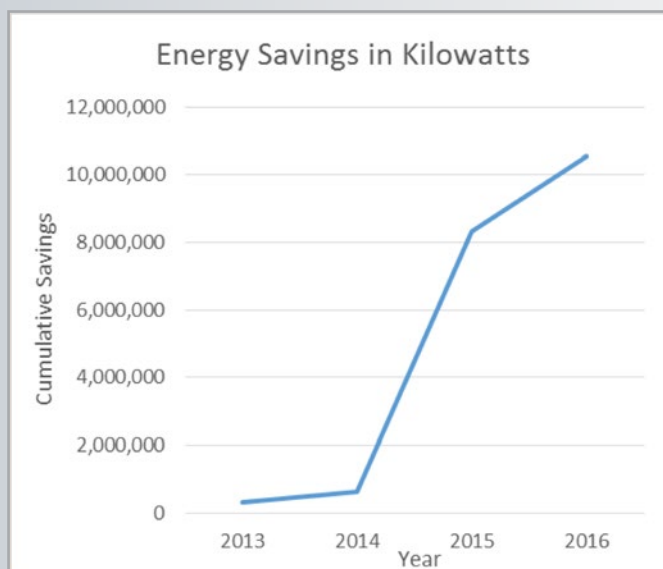
Water-Saving Initiatives:

Bourns and its subsidiaries reduced their water usage worldwide by almost 3 million gallons during the past twelve (12) months. The savings are the result of the 2015 "Lawn Innovation Project" sponsored by Bourns' corporate headquarters, and various operational efficiencies at several manufacturing facilities.

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Energy-Saving Initiatives:

Bourns locations worldwide have saved more than 2.2 million kilowatts per hour during the past twelve (12) months by replacing older molding machines with new energy efficient machines, and replacing certain lighting with more energy-efficient lighting. As the chart below depicts, Bourns energy savings since 2013 is cumulatively more than 10 million kilowatts.



Paper Reduction Initiatives:

Bourns and its subsidiaries have reduced paper usage by almost 3 million sheets of paper during this year. This result was accomplished, in part, by one of the facilities reprogramming its copier/printer so the default setting ensures that documents always print on both sides of each sheet of paper, thereby optimizing paper usage. Bourns also promoted internally the increased usage of SharePoint, a web based application that integrates with Microsoft Office, to reduce the amount of paper generated.

Air Pollution Reduction And Recycling Initiatives:

Bourns, Inc. including its subsidiaries, reduced liquid chemical waste during the year by approximately 2,500 gallons.

In 2016 Bourns, Inc., a small quantity generator of hazardous waste, was awarded the Outstanding Waste Management Award as a city-wide leader in recycling efforts. All Bourns facilities are diligent in recycling consumables, such as paper, magazines, aluminum cans and plastic bottles. Bourns, Inc. also separates scrap metal and cardboard items from its regular trash and disposes it through a scrap dealer for disassembly and recovery of worthwhile metals. Any money received from this recycling effort is used to purchase toys for the Toys for Tots campaign.

Bourns, Inc.'s facility in Riverside, California, recently installed several electric vehicle charging stations for use by Bourns employees which, in part, encourages employees to purchase and drive electric vehicles. The Bourns facility located in Hungary has improved its environmental responsibility program by implementing a sustainability plan. The plan includes encouraging employees to use environmentally-friendly transportation, purchasing energy-efficient office supplies/tools and utilizing energy-efficient lighting.

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Environmental Management Certifications:

Certain Bourns facilities received or maintained ISO14000 certification or recertification, as the case may be, pertaining to environmental management standards. Several Bourns facilities, including most recently one of the facilities located in China, has implemented OHSAS 18001 which is an occupational health and safety management system.

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, as previously stated, Bourns offers a confidential, anonymous Hotline which is available in five (5) languages for most Bourns employees worldwide.

In summary, Bourns is pleased to continue its efforts to embrace the ten principles of the UN Global Compact during 2017.