



UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

Statement of continued support by the Chief Executive Officer

Date: November 11, 2017

To whom it may concern:

As Chairman of the Board and Chief Executive Officer of Bourns, Inc., a family-owned electronics manufacturer, I am pleased to confirm Bourns' eighth year as a member of the United Nations Global Compact and Bourns' on-going support of the UN Global Compact's ten principles with respect to human rights, labor, the environment and anti-corruption.

In the attached report, Bourns details its continued voluntary commitment to the UN Global Compact's principles as applied throughout Bourns' facilities worldwide.

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

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

By participating in the Global Compact, Bourns, Inc. including its subsidiaries (“Bourns”) endorses on a worldwide basis the ten basic principles in the areas of human rights, working conditions, the environment and anti-corruption as discussed below:

HUMAN RIGHTS:

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

Bourns 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. We confirm that Bourns has policies and procedures in place to help prevent the abuse of human rights within Bourns facilities and the Bourns supply chain.

Bourns’ Code of Ethics and Conduct (the “Bourns Code”) continues to be available to Bourns employees worldwide in eight languages (Chinese, English, French, German, Hungarian, Italian, Japanese and Spanish). On an annual basis, all Bourns employees worldwide are required to confirm 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. Pursuant to the California Transparency in Supply Chains Act, Bourns, Inc. posts a statement on its website which states 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.

LABOR:

- 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.

The Bourns Code continues to prohibit discrimination 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 Bourns prohibits non-management Bourns employees from working in excess of 60 hours per week.

In addition to the Bourns Code, Bourns has a corporate policy that prohibits harassment, discrimination and retaliation against employees. Bourns has maintained an ombudsman program for 28 years to investigate employee complaints. In 2011 Bourns also implemented an Ethics Hotline, which is available in five languages to most Bourns employees worldwide. The hotline provides employees with an anonymous and confidential means to report suspected violations of law, Bourns’ policies, or the Bourns Code (subject to local country restrictions on subject matter reporting). Certain Bourns facilities continue to offer employee opinion boxes and welfare committee meetings providing employees with a forum to report suspected violations.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

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.

As part of Bourns' Environment, Health & Safety Policy, Bourns regularly reviews its environmental management systems and goals related to waste and energy-use reduction. Bourns considers the potential environmental impact of new products and processes during the design and planning phase. Bourns strives for continual improvement in its efforts to prevent pollution and minimize waste by aggressively reviewing opportunities for recycling and reuse of materials, and taking other sensible measures in these areas.

ANTI-CORRUPTION:

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

Annually Bourns employees are required to complete and sign a statement of personal business interests, to help prevent conflicts of interest. As previously stated, Bourns offers a confidential, anonymous hotline which is available in five languages for most Bourns employees worldwide. In addition, Bourns has a corporate policy which addresses anti-bribery and anti-corruption.

On the following pages are some of the highlights from Bourns facilities around the world showing how Bourns implements the principles of the Global Compact in Bourns' organization and local communities.



UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

BOURNS HEADQUARTERS: RIVERSIDE, CALIFORNIA, U.S.A.

Community Outreach:

The Bourns Technology Center located at Bourns' global headquarters in Riverside accommodates a variety of educational initiatives and activities each year by providing a rent-free space and more.

In March 2017 Bourns hosted the Riverside Youth Council (RYC) Summit in the Technology Center. The RYC is composed of students from Riverside high schools who meet twice each month. The RYC partners with local Riverside organizations to plan events and service projects focused on homelessness, college preparation, business and entrepreneurship, mental health, and community service.

Also in March, Bourns hosted a tour and lunch-time presentation for science, technology, engineering and math (STEM) exchange students enrolled in the "EGGS" (Exploring-Germination-and-Growth program for young Scientists) Program at Tohoku University, Japan.

In October 2017 the Technology Center hosted the Science and Technology Education Partnership (STEP) Conference for the sixth consecutive year. STEP was established to encourage K-12 students to pursue careers in high-technology fields. During the conference, students had the opportunity to see science and technology in action through hands-on demonstrations, displays and interaction with industry professionals. During the conference teachers were given valuable teaching tools to help foster enthusiasm for science and technology throughout the school year.

For two weeks in August, for the second year, the Technology Center and STEP hosted the Riverside Police and Fire Departments and their Science, Technology, Engineering and Mathematics in Law Enforcement and Public Safety Program (STEM LEAPS). At STEM LEAPS, two groups of 50 local high school students attended programs focused on technical careers in law enforcement, firefighting and emergency medical services. The program emphasized studying hard in school and maintaining a high level of ethics and integrity in the students' personal lives. The students also received hands-on training in activities such as finger printing and CPR.

Bourns has a robust Summer Internship Program, and in 2017 hosted five interns in Riverside who worked alongside Bourns engineering teams and collaborated on a variety of real-life quality control and development projects.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

Employee Well Being:

Employee health and welfare is a priority for Bourns. Unfortunately workplace violence is an increasingly relevant safety and health issue in the modern workplace. To help ensure the safety of Bourns employees, in accordance with the California State Assembly Bill No. 2337 which went into effect on January 1, 2017, the Riverside facility posted information to employees pertaining to employees' rights as victims of domestic violence, sexual assault and stalking.

Additionally, Riverside employees took part in an Active Shooter Hostile Event Awareness Training in July 2017 to encourage preparedness in the event of a worst-case scenario. Riverside facility employees trained in first aid response also received extra "Stop the Bleed" training in July to help them become better equipped to handle a bleeding emergency until emergency professionals arrive.

As part of Bourns continuous effort to increase employee health and well-being during the work day, ergonomic tools and practices have been implemented in the Riverside headquarters.

Charitable Contributions:

The Bourns Foundation was created in 1956 as a non-profit corporation to support charitable and educational causes. The Foundation supports local organizations such as the University of California Riverside Foundation, California Baptist University, Riverside Community College Foundation, Riverside Public Library Foundation and the Riverside Arts Council.

In 2017 Bourns and its employees collectively raised and donated approximately \$20,000 to benefit various charities such as the United Way, Robert Half's Annual Suit Drive and Toys for Tots.

Environmental Efforts:

Since the installation of convenient and no-cost electric vehicle charging stations in the Riverside parking lot in 2016, more employees have begun to take advantage of this resource by driving electric vehicles. Additionally, during breaks from work, Riverside employees continue to enjoy the facility's garden which has walking paths and water-wise plants saving almost five million gallons of water per year as compared to the previous landscaped grass.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

BOURNS DE MÉXICO, CHIHUAHUA, MÉXICO

Community Outreach:

Every Sunday of the year, the Chihuahua facility provides a free lunch to a local children's orphanage.

Employee Well Being:

In an effort to increase employee well-being and prevent workplace injury and accidents, the facility implemented a kaizen event to research ergonomic tools and practices. As a result of the event, Bourns modified a number of work stations to alleviate physical strain and high-risk situations for the operators.

In addition to employee health insurance offered through the company, the Chihuahua facility provides free medical consultations to all employees, their spouses and children in general medicine, pediatrics and gynecology.

The facility provides free transportation to and from work, and in 2017, added a second transportation route to the end of the first shift/beginning of the second shift to better accommodate employee transportation needs.

Environmental Efforts:

In 2017 the Chihuahua plant replaced external sodium vapor lamps with LED lamps throughout the facility, and acquired new molding equipment, both resulting in reduced energy use.

BOURNS DE MÉXICO, TIJUANA, MÉXICO

Employee Well Being:

The Bourns facility in Tijuana, together with INMUJER Instituto de la Mujer, organized a conference in May on the "Prevention of Family Violence." The conference, presented by licensed psychologists, discussed how to prevent and break the cycle of violence in the family.

As part of Bourns' continuous effort to increase employee health and well-being during the working day, ergonomic tools and practices have been implemented in the Chihuahua manufacturing facility.

Environment:

In May the Tijuana facility partnered with Jack Engle Mexico, a recycling company, to inaugurate the first plant-wide electronic recycling campaign, enabling employees to bring their electronic waste for recycling and thereby help the environment.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

TRIMPOT ELECTRONICAS, LIMITADA: HEREDIA, COSTA RICA

Community Outreach:

Over 160 employees at the Heredia facility participated in the National Campaign for Blood Donation in 2017.

Employee Well Being:

Three years ago plant employees formed a men's soccer team to train and compete in tournaments with teams sponsored by other local businesses. In 2017 the plant formed a women's soccer team as well. Also, for many years, plant employees have taken advantage of free exercise classes lead by qualified instructors which are offered on-site both before and after working hours, and in 2017 a yoga course was added to the course list.

Early in 2017 the plant implemented a health campaign focusing on preventative medicine, and provided the following examinations and treatments to employees at no cost: visual exams, dental exams and treatments, blood and ultrasound exams, vaccinations, electrocardiograms and physical therapy.

As part of Bourns' continuous effort to increase employee health and well-being during the working day, the manufacturing facility installed anti-fatigue mats throughout the business areas to decrease foot and lower limb disorders for workers who stand in one position for long periods.

As a result of their actions focused on workplace safety, the facility was honored with the award "GLOBAL PREVENTICO," in the category IMPROVEMENT PROGRAM IN OCCUPATIONAL SAFETY AND HEALTH, in the manufacturing sector by the Costa Rica National Insurance Institute.

Environmental Efforts:

The Heredia facility reduced its water consumption by 47%, resulting in savings of over 15,000 liters of water per year, by implementing a waste-water reutilization program which now irrigates the employee soccer field.

Also, employees developed a recycling program to re-use old pallets by building planters which now decorate the common areas of the facility for all employees to enjoy.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

BOURNS ELECTRONICAS (TAIWAN) LIMITED – TAIPEI, TAIWAN

Charitable Contributions:

Three years ago plant employees formed a men's soccer team to train and compete in tournaments with teams sponsored by other local businesses. In 2017 the plant formed a women's soccer team as well. Also, for many years, plant employees have taken advantage of free exercise classes lead by qualified instructors which are offered on-site both before and after working hours, and in 2017 a yoga course was added to the course list.

Early in 2017 the plant implemented a health campaign focusing on preventative medicine, and provided the following examinations and treatments to employees at no cost: visual exams, dental exams and treatments, blood and ultrasound exams, vaccinations, electrocardiograms and physical therapy.

As part of Bourns' continuous effort to increase employee health and well-being during the working day, the manufacturing facility installed anti-fatigue mats throughout the business areas to decrease foot and lower limb disorders for workers who stand in one position for long periods.

As a result of their actions focused on workplace safety, the facility was honored with the award "GLOBAL PREVENTICO," in the category IMPROVEMENT PROGRAM IN OCCUPATIONAL SAFETY AND HEALTH, in the manufacturing sector by the Costa Rica National Insurance Institute.

Environmental Efforts:

The facility performed a complete overhaul of its lighting and compressor air system which resulted in a savings of 520,000 kilowatts of electricity per year and a reduction of 275.6 tons of carbon dioxide emitted per year.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

BOURNS (XIAMEN) LIMITED: XIAMEN, PEOPLES REPUBLIC OF CHINA

Employee Well Being:

In February 2017 the Xiamen facility updated its paternity and maternity leave policies, and increased the paternity leave from two working days to 15 calendar days and the maternity leave from 98 calendar days to 158 calendar days.

Also in February 2017 the facility created a health consultation room and hired a health specialist to provide employees with direct access to medical consultations during working hours.

Environmental Efforts:

Through various energy saving activities and projects first established in July 2016, by June 2017 the manufacturing facility reached a total savings of 657,402 KWH in electricity consumption, over one-million gallons of water, 30,586 sheets in paper reduction and 475 gallons in chemical waste. Additionally, the facility has replaced fluorescent factory lighting with LED lighting which not only saves electricity, but also reduces the amount of hazardous waste caused by mercury emissions when fluorescent lamps are disposed of.

BOURNS (DONGGUAN) LIMITED, PEOPLE'S REPUBLIC OF CHINA

Employee Well Being:

In May 2017 the facility renovated the employee dormitories, and in August 2017 the facility renovated the communal kitchen area, and installed new kitchen equipment.

In September 2017 the facility provided employees with physical examinations aimed at disease prevention and reduction, and in October 2017 the facility provided health screening services for all Dongguan employees.

Environmental Efforts:

The Dongguan facility has evaluated organic gases produced during the manufacturing process, and has implemented a plan to reduce these emissions in the future.

The facility also renovated a chemical storage warehouse to help prevent chemical-related accidents and provide more effective operation and storage of chemicals.

UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS REPORT

BOURNS KFT: AJKA, HUNGARY

Employee Well Being:

In September 2017 155 employees attended a complementary comprehensive health screening during which they received lifestyle counseling and disease prevention advice.

Community Outreach:

In 2017 the facility organized three Red Cross blood drives in which over 100 employees donated over 65 liters of blood.

The facility also organized donations of winter clothes for a local charity, "Family Support Foundation." The facility also provides generous financial support for two local theaters, Pannon Várszínház Theater and Maszka Theater, and the local soccer club, FC Ajka.

Additionally the facility provided funds for a local pre-school allowing the school to obtain new fencing for the outside play yard and to renovate the inside gym area.

Environment:

11 employees took part in the annual TeSzedd! ("You Pick It") campaign which was inaugurated in 2011 across the entire country. By volunteering in the TeSzedd! events, Bourns employees helped to clear litter from their local environment.

As part of the facility's continuous improvement related to the efficient use of resource waste reduction, the facility was able to reduce its use of paper by 2,290 kg.

BOURNS LIMITED: BEDFORD, ENGLAND

Employee Well Being:

In 2017 the facility invited its employees to take part in a cholesterol testing event held on site. Approximately 50 % of employees attended. By receiving this free testing, employees could then estimate their risk of developing heart disease and then take preventative measures.

Community Outreach:

In April, two Bedford trainee engineers spoke and provided advice during an event in partnership with the Bedford Borough Council and Bourns Bedford College to encourage students to consider a career in engineering and to promote the benefits of being an apprentice within Bourns.