

Communication on Progress



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Bourns, Inc.
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An overview of Bourns, Inc.'s (Bourns) support for the Global Compact's ten principles pertaining to:

**Human Rights
Labor
Environment, and
Anti-Corruption.**



In 2009 Bourns was pleased to become a member of the United Nations Global Compact, a voluntary corporate responsibility initiative. Bourns' own Code of Ethics and Conduct reflects the Global Compact's ten principles and Bourns remains committed to promulgating such principles throughout its organization as explained in this communication.



Statement of Support

As Chairman of the Board and Chief Executive Officer of Bourns, Inc., a family-owned electronics manufacturer, I am pleased to confirm Bourns' abiding support of and commitment to the UN Global Compact.

Bourns, Inc. continues to apply the UN Global Compact ten principles with respect to human rights, labor, the environment and anti-corruption throughout its worldwide organization and is proud to be entering our tenth year as a member of the UN Global Compact.

Sincerely,

Gordon L. Bourns

Gordon L. Bourns



About Bourns

Bourns, Inc. was founded in 1947 by Marlan and Rosemary Bourns in their garage in Altadena, California. Bourns serves a wide variety of customers in various markets such as automotive, telecommunications, industrial and consumer. During its more than 70 years in business, Bourns has established sales and distributor locations in each hemisphere and manufacturing and research & development facilities strategically positioned in key locations. Bourns regularly invests in innovative new products through development within Bourns and through strategic acquisition of companies or product lines. Bourns has continued to grow due to its continued commitment to providing value for its customers.



Bourns Laboratories in 1950

Human Rights

Principle 1: Businesses should support and respect the protection of international 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.

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 included in the Bourns Code. Consistent with the UN Global Compact initiatives, no Bourns employee is a child laborer and Bourns prohibits non-management Bourns employees from working more than 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 29 years to investigate employee complaints. Bourns also continues to provide 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). Lastly, certain Bourns facilities continue to offer employee opinion boxes and welfare committee meetings to provide employees with a forum to report suspected violations.



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' Environmental, 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 product 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. Below are some examples of recent milestones achieved by Bourns worldwide:

- Trimpot Electronicas Ltda analyzed the use of energy in its clean room where energy consumption was at the highest to see where improvements could be made. By effectively managing equipment use during downtimes, the plant was able to reduce clean room energy consumption by 15% which has a positive environmental impact equivalent to planting 5,040 trees or reducing the carbon footprint by 96 metric tons.
- For its efforts, Trimpot Electronicas Ltda also achieved the Ecological Blue Flag award bestowed annually by the government of Costa Rica.



Environment

- Bourns de Mexico streamlined its printing procedures and reduced its black and white printing by 47% and its color printing by more than 78%, reducing print expenses in total by 66%. The environmental impact is the equivalent of and saving approximately 131 trees and 388.34 M³ of clean water and reducing the facility's carbon foot print.
- Bourns Electronics (Taiwan) Ltd. initiated a number of projects such as replacing its 20 Watt fluorescent lamps with LED 10 Watt lamps, replacing its air handling unit and adding an inverter, using water-saving certified products in washrooms, and improving its waste water out flow to meet 2027 requirements of Taiwan's Environmental regulations standards as shown below.

Quality	Industrial Center Out-flow standard	BETL Before of WWTP	BETL After of WWTP	Taiwan's Environmental regulations Out-flow standard
pH	5-9	7.3	7.1	6-9
Temperature	<65	30.4	29.8	<35
BOD	480	71.3	24.5	30mg/l
COD	480	239	89.8	100mg/l
SS	320	26.2	17	30mg/l
NH3	100	36.3	17	2024→75mg/l, 2027→30mg/l
Chroma	400	51	ND	400mg/l
Grease	5	6.2	0.2	10mg/l
Active agent	10	7.78	7.71	10mg/l
Chlorine	2	ND	ND	<u>2mg/l</u>



Environment

- Bourns Ltd. located in Bedford England redirected waste water from its deionized water plant to its toilets and from its reverse osmosis plant to the toilets, fume scrubbers, vacuum pump cooling, oxygen purifier cooling, etc. Not only is this an effective re-use of waste water, it also saves the facility over \$20,000 per year.
- Similarly, the Bedford facility captures rejected radiated heat from its diffusion furnaces and returned as supply air to the other areas, saving gas to fire the boiler.
- Lastly, Bedford is changing its bulk fill to reusable drums which will reduce the amount of container/hazardous waste. It will also make the filling of stations safer as it is piped, not manually poured.
- Bourns (Xiamen) Ltd. reached the following energy targets compared to 2018 in Electricity Saving, Water Saving, Paper Saving, and Chemical Waste Reduction:
 1. Total actual Electricity Saving: 295,800 KWH;
 2. Total actual Water Saving: 340,296 gallons;
 3. Total actual Paper Saving: 42,500 sheets; and
 4. Total actual Chemical Waste Reduction: 202.4 gallons.

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 Bourns to identify potential conflicts of interest.

In addition, Bourns has a corporate policy which addresses anti-bribery and anti-corruption.



Community Outreach

Bourns facilities around the world are active in their communities. In addition to activities such as twice yearly blood drives hosted by Bourns Electronics (Taiwan) Ltd., Trimpot Electronics Ltda. and Bourns Kft., below are some of the highlights of the past twelve months.

NOVEMBER 2018: Bourns Auburn Hills, Michigan - The Bourns Automotive Division in Auburn Hills received a certificate from the Auburn Hills Police Department thanking them for their donation of a “Stop the Bleed” training kit. Additionally, in November 2018 employees participated in a service project showing their support for the troops overseas. They donated 47 pounds of candy for the 9th annual “Treats for Troops” sponsored by the Oakland County Sheriff’s Office.

MAY 2019: Bourns’ headquarters in Riverside participated in the Annual IE Women in Manufacturing Summit and Job Fair at the San Bernardino International Airport. The purpose of the summit is to change the public perception of women in the manufacturing industry. More than 750 Inland Empire residents, including 200 high school students participated in the event. Spearheaded by Fontana Mayor Acquanetta Warren’s Manufacturer Council and hosted by the Chamber of Commerce, the annual summit provided women and teens with industry information and resources. The summit ended with the presentation of four scholarship awards, valued at \$27,000 to various local vocational programs.



Community Outreach

The Expo portion of the Summit provided attendees with the opportunity to network with more than 90 local leading manufacturing companies. Attendees were able to inquire about the company's business model and internship/career opportunities.

JUNE 2019: Bourns de Mexico, Tijuana - Bourns de Mexico is committed to taking part in local events that support those who need it most, while at the same time promoting family integration. Accordingly, plant employees and their families spent a Sunday at the Childhood Without Cancer event "*Corre con Color*" organized by Fundación Castro-Limón, a 5k event in which participants run, jog or walk to raise funds and awareness.

AUGUST 2019: The Bourns Ltd. Facilities/Equipment Engineering Manager took part in a sponsored 100 mile cycle ride around London and raised £2,745 for the fight against breast cancer in memory of a late colleague who sadly passed in 2016 from this disease.

OCTOBER 2019: Bourns Electronics (Taiwan) Ltd. employees volunteered to clean the homes of elderly shut-ins providing not only a much needed service for free but also providing human contact and companionship.



Education Outreach

Education is an important outreach component of Bourns' company ethos. In addition to the Marlan and Rosemary Bourns College of Engineering at the University of California, Riverside and the Gordon and Jill Bourns College of Engineering at California Baptist University, Bourns facilities around the world undertook the following activities:

FEBRUARY 2019: Bourns' headquarters in Riverside hosted a Science, Technology, Engineering and Math (STEM) Careers Workshop for over 150 Girl Scouts.

Also in February 2019 students from the Industrial Engineering Career of the Universidad Tecnología de Tijuana visited Bourns de Mexico Tijuana with the objective to learn about the production process and appreciate the real application of the operation and logistics as well as the company's quality management system.

MARCH 2019: Bourns Kft. took part in the Napló Job Fair in Veszprém, Hungary. There are a number of excellent technical universities in and around Veszprém such as the University of Pannonia. The Napló Job Fair was a good opportunity to build relationships with potential candidates and acquaint them with Bourns' Veszprém office and what it has to offer potential employees. The Veszprém office is fairly new to this area and offers positions in both European Sales Support as well as Automotive Design. Also highlighted at the Napló Job Fair were openings in automotive manufacturing at the nearby Bourns plant located in Ajka.

Education Outreach

MARCH 2019: Bourns, Inc. in Riverside hosted its fifth year of “Inspire Her Mind,” for 250 local high school girls. The program provides information to encourage the girls to pursue educations and careers in Science, Technology, Engineering, and Math (STEM). It also teaches the importance of leadership and teamwork. The program was developed by The University of California, Riverside, the United Way of the Inland Valleys and Riverside Unified School District. Gordon Bourns, Chief Executive Officer of Bourns, welcomed the students to the Bourns Technology Center and shared with them how his mother, Rosemary Bourns, did all of the administrative and financial work for the company in its founding years, while his father, Marlan Bourns, did the design and manufacturing work. The keynote speaker talked about how Rosemary Bourns worked in the organization of a local technical instrumentation company and the types of local jobs available for college graduates who have STEM degrees. Adult mentors in technical careers sat at each of the tables and answered questions about their educational path and their jobs.

JUNE 2019: As part of a Costa Rica university’s ULACIT’s academic program, Trimpot Electronics Ltda. hosted a group of students aspiring to careers in Industrial Engineering. This activity is part of their complementary learning strategy and operation, which enables students to understand the context and reality of a manufacturing environment. Also in keeping with its Company Social Responsibility program and as an investment in the development of future generations, Trimpot Electronics Ltda. donated six multimeters to technical schools in its community.

Education Outreach

The Bourns Costa Rica facility counts on the availability of well prepared technical and mechanical engineering students from its local universities such as CTP of Belen, Colegio Tecnico Profesional and CTP Ulloa, Colegio Tecnico Profesional.

JULY 2019: In collaboration with the Science and Technology Education Partnership (STEP), the Riverside Unified School District and the City of Riverside, Bourns hosted three interactive programs in July 2019, immersing 150 Riverside high school students, at no cost to the students, in the applications of STEM in careers in the local community.

During the week of July 15 -19, 2019 Bourns hosted STEM in Law Enforcement and Public Safety (STEM LEAPS) in partnership with the Riverside Police Department and the Riverside Fire Department, with each of two groups of 50 students learning about careers as first responders. Members of Police and Fire Departments provided intensive hands-on training to students in various areas where STEM concepts are applied. The students then developed and presented their innovative STEM LEAPS projects during the Design Challenge Competition, with the goal of improving the safety and effectiveness of first responders. The STEM LEAPS program curriculum included simulated detection and neutralization of bombs and hazardous materials, application of scientific methods to manage, collect and analyze crime scene data including fingerprints and blood samples.

Education Outreach

The STEM LEAPS program curriculum also included arson/fire investigation, a vehicle extrication and Jaws of Life demonstration, hazardous materials response and mitigation, construction and coding of robots, crime scene forensic analysis, paramedic and critical care transport and CPR.

JULY 2019: During the week of July 22-26, 2019, another 50 students participated in the STEM in Public Utilities Learning Labs (STEM PULL). Public servants from Riverside Public Utilities (RPU), including Line Men, Engineers and Senior Management provided an overview of their careers, took the students on tours of the RPU facilities and taught courses including the importance of cybersecurity to protect important local power and water resources, Geographic Information Systems used in managing power and water resources, water filtration and treatment, ecology and the building and programming of robots.

A highlight was a presentation by Riverside Mayor, Rusty Bailey, about the importance of the next generation becoming involved in making Riverside a better place to live in. On Thursday and Friday, the students developed and presented their innovative STEM PULL projects during the Design Challenge Competition, with the goal of improving the safety and effectiveness of RPU public servants. In addition to an exciting learning experience, the students received five units of school credit and the opportunity to compete for significant scholarship awards for their design challenge projects and presentations.

Education Outreach

A major goal for the STEM LEAPS Learning Labs is for local students to graduate from college with STEM degrees and then be employed by the Riverside Police Department, Riverside Fire Department and Riverside Public Utilities Department.

OCTOBER 2019: The largest education event hosted by Bourns, the STEP Conference, was held in October 2019. The 20th Annual STEP Conference focused on exciting local students in 4th grade through high school to pursue educations and careers in STEM. Visiting from schools throughout Riverside and San Bernardino Counties, over 5,000 students attended one of four half-day sessions, each of which included participating in a fantastic Science Show conducted by General Atomics from San Diego and visiting over 40 booths which presented the products, technologies and jobs available from local companies and the technical degrees available from local universities and community colleges. The Annual STEP Conference is an excellent community outreach program for Bourns and it is encouraging to witness the excitement of the students as they learn about STEM.



Employee Well-Being

Employee satisfaction is key to Bourns' success as a company. All facilities worldwide host various seasonal events such as Bourns Kft.'s annual Santa Waiting party organized for children of employees, and Bourns de Mexico Tijuana's two-day Christmas tree decoration and party available to all employees between their production line tasks. Many facilities also celebrate International Women's Day and Bourns Kft. additionally celebrated the International Women In Engineering Day on June 23, 2019.



- Bourns de Mexico Tijuana, conducted its third OPEN HOUSE on Saturday, June 1, 2019 for its employees' children between 3 and 13 years of age. During this event, the attendees became familiar with the facility by taking a tour where volunteers at various manufacturing stations explained the product manufactured at the plant and its application. The children also got a good idea of all that is accomplished by their parents in a working day as part of the Bourns organization.

Employee Well-Being

- The children also were invited to participate in the “Galeria Aspiración” by drawing what they wanted to become when they grew up. Bourns de Mexico Tijuana also hosted an event on August 9, 2019 for its employees’ children enrolled in Elementary or Junior High School who have excellent grades (A+). As motivation to help them continue with their studies, Bourns de Mexico provided the students with vouchers they may use towards school supplies or for the purchase of school uniforms.
- Bourns is lucky to have many employees who are sports enthusiasts. Its TRIMPOT BIKER TEAM participated in the Lourdes de Abangares mountain bike recreational. The event was attended by more than 30 team members consisting of Trimpot Electronics Ltda. employees and friends. The activity was held on Sunday, February 24, 2019 where the men's relay team won outstanding participation under the athletics and trail discipline in Turrialba. Also in 2019 Trimpot Electronics Ltda. sponsored for the first time a female team in the competition. The goal was to bring more women together to complete in the San Jose-Puntarenas 2019 women’s category.
- Trimpot Electronicas Ltda. also has a men's and women’s soccer league, marathon running team and relay athletics team.

Employee Well-Being

- Bourns Kft. also participated for the second consecutive year in the annual Dragon Boat Roadshow. A mixed team of Sales and Engineering employees promoted Bourns' sport and activity values and they all had a fun day together.
- In Tijuana, Bourns de Mexico's cycling team participated on Saturday, May 4, 2019, with more than 7,000 other cyclists in the 40th Annual Rosarito Ensenada Bike Ride in order to promote and enjoy outdoor sports. This 50-mile ride starts at Playas de Rosarito and ends in Ensenada where riders were greeted with a big party full of music, food, drink and traditional commemorative medals for all participants.
- Many Bourns facilities offer free health consultation to its employees and campaigns for the early detection of diseases.
- In May 2019 Bourns Electronics (Taiwan) Ltd. arranged for free Mammogram & Pap tests for female employees in the plant.
- In July 2019, Bourns (Xiamen) Ltd. arranged for experts from the local Maternal and Child Health Hospital to provide free prevention screening for breast diseases and uterine diseases for female employees to help prevent high-risk diseases in women.