

Bourns, Inc.

Communication on Progress

2020

BOURNS®

An Overview Bourns' support for the Global Compact's Ten Principals

In 2009, Bourns, Inc. ("Bourns") became a member of the United Nations Global Compact, a voluntary corporate responsibility initiative. Bourns' own code of ethics and conduct, which was updated and strengthened in April 2020, reflects the Global Compact's ten principles and Bourns remains committed to promulgating these principles throughout its organization as described in this report.

Bourns was founded in 1947 by Marlan and Rosemary Bourns in their garage in Altadena, California. Today, Bourns has sales and distributor locations in every geosphere and manufacturing and research & development facilities strategically positioned in key locations around the world.

Bourns' global, overarching goal is to provide value for its customers in markets as varied as automotive, industrial, consumer and telecommunications. In order to maintain and grow its customer base and meet the needs of the markets in which it operates, Bourns invests in innovative new products through development both within Bourns and through strategic acquisitions of companies or product lines

The Ten Principles of the UN Global Compact

- **Human Rights**

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

- **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.

- **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.

- **Anti-Corruption**

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





Human Rights

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, Slovenian 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

The Bourns Code continues to prohibit discrimination for reasons of age, disability, ethnic origin, gender, race, religion or sexual orientation, and other specified bases. 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 providing employees with a forum to report suspected violations.



Environment

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 considered the potential environmental impact of new product and processes during the design and planning phase.

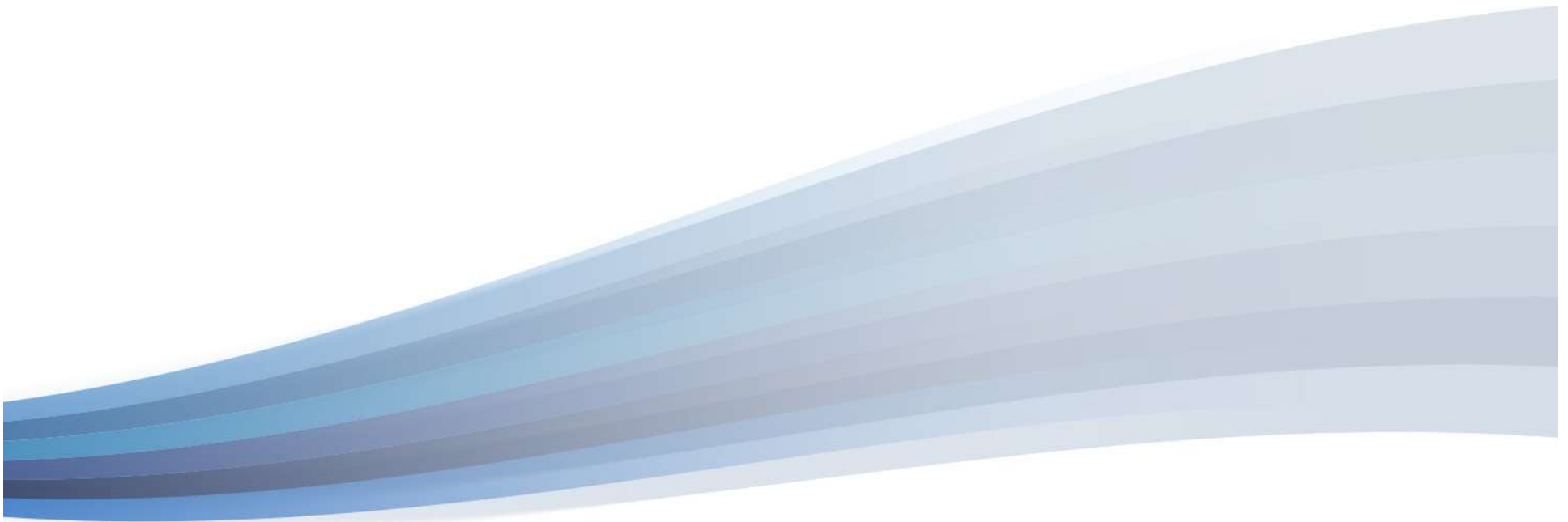
Bourns strives for continual improvement in its efforts to prevent pollution and minimize waste by aggressively reviewing opportunities for recycling and reuse of materials, and taking other sensible measures in these areas.

Anti-Corruption

Annually, Bourns employees are required to complete and sign a statement of personal business interests, to help prevent conflicts of interest. In addition, Bourns has a corporate policy which address anti-bribery and anti-corruption.

Milestones / Community Outreach

The effects of the 2020 global pandemic caused by COVID-19 have affected Bourns' ability to interact with its communities. However, Bourns is pleased to present the following as evidence of our commitment to making our immediate environments more sustainable and socially responsible.



November 2019

Bourns' Automotive Division in Auburn Hills came together to support the Lighthouse of Michigan 2019 Holiday Program. Located in Pontiac, MI, the Lighthouse of Michigan provides direct services (food, shelter, rental/utility and other financial assistance, clothing, crisis referrals) and stability and housing programs that develop and support self-sufficiency. The Auburn Hills team donated items listed on the Lighthouse donations list, such as grocery store gift cards, blankets, pillows and other household items, personal care items (e.g., diapers, baby wipes, toothbrushes and toothpaste), cleaning supplies, items for teen boys and girls, infants and toys and games.

For two Saturdays in November, Bourns Riverside employees participated in the pre-build for the Mulberry Street project with Habitat for Humanity - Riverside. The Mulberry Street project will consist of 10 cottage homes to serve as temporary transitional housing for the homeless in Riverside; more than 20 door frames and 15 window frames were constructed for the project. On two subsequent Saturdays, CEO Gordon Bourns participated with STEM Solutions high school students building a further set of windows and doors for 10 homes for the Mulberry Street project. These students are former participants from the Summer STEM Learning Labs programs supported by Bourns and have continued under the guidance of college student mentors from UC Riverside and California Baptist College to work on their projects while also serving the local community by helping its homeless population.

November 2019

Bourns Riverside employees gathered various toiletry items and undergarments to be donated to individuals who utilize Path of Life's shelter facilities and transition programs in the Riverside community. Path of Life is a direct outreach services to individuals and families living on the streets of Riverside County.

December 2019

Bourns Riverside collected toys for the local Spark of Love toy drive, an event that Bourns has participated in for many decades now. The new, unopened toys were delivered to the Riverside Fire Department and various community groups to help sort and distribute the toys to local, deserving families.

On December 21, Trimpot Electronicas Limitada employees donated 130 Christmas gifts to local children at social risk. The toy drive was coordinated with the Church of Puerto Jimenez, Costa Rica.

Additionally, employees raised and donated \$7,143.00 to assist in the equipment area of the National Children's Hospital. Since 2011 the plant has donated funds which have also assisted other pediatric units throughout Costa Rica.

December 2019

Bourns de México - Chihuahua supports a local orphanage with an average of 100 children by providing a free lunch every Sunday for the children. In December 2019 Bourns de México - Chihuahua employees also donated to allow each child to receive a new pair of tennis shoes. Additionally, employees contributed to buy 100 food pantry items for “Los Amigos de Asís,” a local organization that helps the elderly and the indigent.

January 2020

Trimpot Electronics Limitada held its monthly first aid training in January 2020. The event is intended to train staff for emergency situations as well as familiarizing them with first aid practices.

To honor Dr. Martin Luther King Jr. Bourns Riverside employees participated in the 27th Annual MLK Walk-A-Thon hosted by the Riverside African American Historical Society in Downtown Riverside. This year’s theme was “Celebrating the Pursuit of Unity.”

March 2020

Bourns recognizes the value of increasing the visibility of gender-based inequality and gender violence present in the modern world. So on March 9, 2020, Bourns de México - Tijuana invited employees to a space for reflection along with a specially prepared conference titled, “A Life Free of Violence” which was given by Psic. Claudia Esparza Garcia.

June 2020

Trimpot Electronics Limitada held its annual health fair in June. The event took place in accordance with social distancing guidelines, but still allowed for employees to be screened as recommended annually to maintain good health.

On June 18, 2020, Bourns de México - Tijuana celebrated Father's Day in a different way for its employees. Because of the COVID-19 pandemic, the traditional event was suspended, but not wanting overlook this special date, and with the help of supervisors and managers, a gift lunch box and a slice of cake was delivered to each of the fathers during their break in the lunch area.

July 2020

From July 17 to July 31, thanks to the support of many educators and business professionals in Riverside, the Bourns online STEM Summer Learning Labs event was held and was extremely well received. During the webinars, the presenters demonstrated to 80 to 90 high school students how Science, Technology, Engineering, and Math (STEM) plays a role in many jobs in the local community and how they can prepare for careers for jobs in diverse occupations such as public utilities or advanced manufacturing.

October 2020

On October 11, Bourns Riverside employees participated in a virtual walk for the Susan G. Komen Foundation raising a total of \$5,275.00. This is just one of the ways that Bourns has learned how to safely take part in charitable events under local regulations that restrict the gathering of large groups due to the COVID-19 pandemic.

Following on interest expressed by Bourns Riverside employees in January 2020, Bourns is planning to participate in the Big Brothers Big Sisters of the Inland Empire WorkPlace Mentoring Program starting at the end of 2020. The program has been adjusted to be web-based in lieu of on-site meetings. Bourns employees will have the opportunity to mentor local youth and help them explore different career opportunities.

October 2020 brought about the 20th anniversary of the Science and Technology Education Partnership (STEP) Conference for Inland Empire students and the 10-year anniversary of Bourns' involvement. Normally the conference is held physically at the Bourns Technology Center in Riverside. However, this year it was held as a virtual event, which had the advantage that over twice the number of children were able to attend compared to the 2019 in-person conference. The virtual setting allowed students who might normally be restricted due to school travel budget restrictions to attend the STEP Conference. Even though Bourns was not able to host the event as in previous years, the company was involved in giving local children in grades 4 through 12 the opportunity to learn about science and engineering careers through demonstrations and (virtual) hands-on examples.

Employee Health

In the face of the global pandemic challenge caused by COVID-19, each Bourns facility has developed extensive policies, procedures and actions guided by their local country and state guidelines and regulations, to help keep employees safe when they arrive for work, perform their job, and as they leave work for the day. Bourns takes seriously its responsibility to provide a safe working environment for employees and has created a robust, multilayered approach to prevent the spread of COVID-19.

Bourns employees who can work remotely do so in order to reduce the risk of transmission of COVID-19.

Where Bourns employees who cannot perform their duties from home have been allowed under local law to return to the work-place, Bourns has implemented a variety of steps and procedures to keep employees safe, with an emphasis on initial screening, enhanced hygiene, use of mask and protective equipment, and physical distancing.



Employee Health

Bourns de México - Tijuana improved their molding area sensors and lowered the noise levels during operations from 90 dB (A) to 66 dB (A), thereby eliminating the risk of contributing to hearing loss for employees working in the area.

As part of its continuous improvement, Bourns de México - Tijuana led an ergonomic kaizen on one of the production lines which identified insufficient space for workstation access, fatigue experienced by many line-employees and an unergonomic work area design as conditions for improvement. As a result of the kaizen, the workstation area access space was increased and job satisfaction improved, reducing the possibility of injury to the employee due to poor posture or incorrect work methods.

Many Bourns manufacturing facilities offer free, on-site health screenings and preventative measures for things such as flu vaccinations, diabetes detection tests, hypertension detection tests, STD prevention, PAP smears, prostate antigen tests, and eye and hearing exams, among other things.



Employee Health

In order to help prevent an outbreak of COVID-19 at its plant, Trimpot Electronics Limitada installed two sinks at the entrance so that employees who travel mainly by public transportation can immediately wash their hands before entering the plant. Lavatories were also made available for visitors coming to the plant. Finally, Trimpot Electronics Limitada published seven tips to help ease employee fear and anxiety during the pandemic crisis. A video was created to show employees how to breathe properly in the event they feel anxiety or panic.

In addition to precautions taken at each facility to prevent the transmission of COVID-19, Bourns' corporate office has published a variety of recommendations and tips on the Bourns intranet for helping employees navigate the COVID-19 pandemic, both at work and at home.



Environment

Bourns de México - Chihuahua implemented a variety of energy and resource savings techniques and programs, such as:

- Sectioning of compressed air to rationalize its use during shifts with low production volumes;
- Turning off manual and automated production equipment when it is not being used;
- Regular repair of air leaks in production equipment;
- Replacing fluorescent lamps with LED technology;
- Replacing water faucets by sensor activated faucets; and
- Maintaining scrap reduction goals so as to have more efficient productive times and substitution of artificial climate equipment, washed air for production, refrigeration and furnaces to optimize the use of electricity, gas and water.

All of these actions have had a positive environmental impact generating the following savings in use of resources:

- 3,548 m3 savings in natural gas usage;
- 1,785 m3 savings in potable water usage; and
- 1,039,549 fewer KW/Hours of electricity used.

Environment

For the third consecutive year, the Trimpot Electronics Limitada Human Resource and Health, Safety and Environment team received the National Blue Flag Award, an ecological award bestowed by the Costa Rican government. This award is a special recognition for activities which positively influence the local community and employees regarding the conservation of water resources, pollution prevention, and the mitigation of the effects of climate change.

In 2019, Trimpot Electronics Limitada invested in the installation of solar panels to generate electric power to heat the water for dishwashing in the employee cafeteria. The project saves electricity consumption and is part of the plant's carbon footprint reduction plan resulting in a savings of 100 KW/hours per month.

Bourns de México - Tijuana was able to reuse for other purposes the wastewater from their water purification systems, thus reducing annual consumption of water at the plant by 2850 m3 per year.

Additionally, Bourns de México – Tijuana reduced its electricity consumption through improvements in maintenance, the elimination of leaks, and optimization of energy use, among other activities. Total savings in 2020 compared to 2019 were 1,076,619 KW/hours of electricity which equates to 1,149,950 fewer tons of carbon dioxide emitted.

Environment

Bourns Electronics (Taiwan) Limited continues to implement energy saving and is achieving rates that exceed the Taiwanese government's requirement of 1% energy saving. The annual savings in 2020 to date are 191,518.98 KWH, which is a saving rate of 2.73% compared to the plant's 2019 energy consumption. This result is equivalent to reducing carbon emissions by approximately 97.5 tons.

The Bourns Taiwan plant also implemented a waste classification system which increased available materials delivered to recyclers. This action is equivalent to reducing carbon emissions by approximately 43.6 tons.

Bourns Electronics (Taiwan) Limited also reduced its consumption of resources from regular operations at its plant in 2020 compared to 2019:

- Electrical usage decreased from a total of 65.7 KWH in October 2019 to 61.8 KWH in September 2020;
- Water consumption decreased from a total of 2600 gallons in October 2019 to 2510 gallons in September 2020; and
- Total paper usage decreased by approximately 302,600 sheets from October 2019 to September 2020.

Additionally, the Bourns Taiwan plant installed reserve parking spaces and charging stations for employees who use electric scooters to commute to the plant which reduces gasoline consumption and helps reduce air pollution.

Environment

Bourns (Xiamen) Limited carried out a variety of recycle and waste reduction activities. For example, in April 2020, the Bourns Xiamen MPC team improved its recycling of shipping and packaging methods and carton specifications. As a result, the yearly usage of different sizes of cartons was reduced by at least 350 each.

Xiamen regularly reviews its environmental management systems and goals related to waste and energy-use reduction. Wastewater from the plant may only be discharged after being treated and meeting the local sewage discharge standards allowable by the water treatment station. In September 2019, the Bourns Xiamen plant installed a solar energy power generation system and a solar energy lighting system on the roof of one of its buildings to reduce electricity consumption. In April 2020, the Bourns Xiamen MPC team replaced fluorescent lamps with environmental-friendly LED lamps in the warehouse. This improvement program not only saves electricity but also helps reduce the amount of mercury emissions from plant lighting. Additionally, the Bourns Xiamen plant installed a frequency converter in the exhaust fans to reduce electricity use.

As a result of these various activities in electricity, water and paper savings, the below listed achievements have been reached in 2020 at the Bourns Xiamen plant:

- Total actual Electricity Saving: 498,051 KW/Hours;
- Total actual Water Saving: 401,544 Gallons; and
- Total actual Paper Saving: 21,864 Sheets.

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, as described in this report, 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 eleventh year as a member of the UN Global Compact.

Sincerely,

A handwritten signature in black ink that reads "Gordon L. Bourns". The signature is written in a cursive, flowing style.

Gordon L. Bourns