



February 2022
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COMMUNICATION ON PROGRESS 2021

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

- Human Rights
- Labor
- Environment, and
- Anti-corruption.

Bourns is proud to be entering into its thirteenth year of membership in 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 shown in this Communication on Progress.

About Bourns



Bourns, Inc. was founded in 1947 by Marlan and Rosemary Bourns in their garage in Altadena, California. After almost 75 years in business, with sales and distributor locations in every geosphere and manufacturing and research & development facilities strategically positioned in key locations, Bourns continues to grow due to its continued commitment to providing value for its customers. Bourns invests in innovative new products through development within Bourns and through strategic acquisitions of companies or product lines and serves a wide variety of customers in various markets such as automotive, industrial, consumer and telecommunications.

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.

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 Ombuds program for 31 years to hear and 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

- **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 implementation of improvements 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 exhortation and bribery.

On an annual basis, 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 in place which address anti-bribery and anti-corruption.

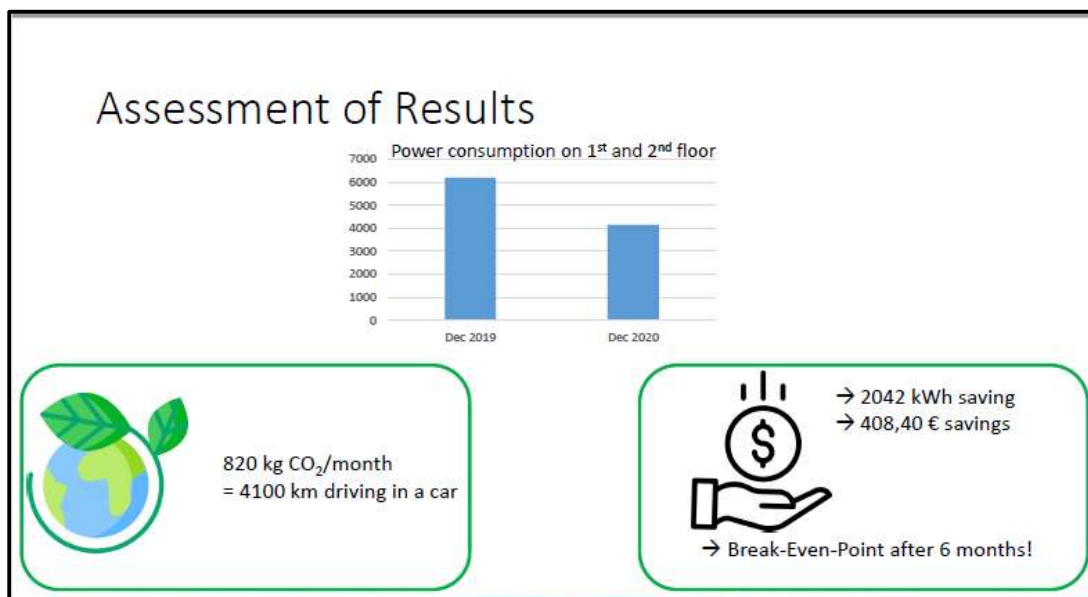
2021 ENVIRONMENTAL MILESTONES

All Bourns facilities place a high importance on protecting the environment and capitalizing on sustainable and eco-friendly solutions.

In 2021, Bourns engaged one of the Big 4 accounting firms to establish procedures for and a plan with data quality checks to survey and inventory the Green House Gases (GHG) emissions for calendar year 2020 at Bourns' 41 distinct global locations. Based on this data Bourns will determine its GHG Scope 1 and Scope 2 baseline and then will focus on developing a roadmap for GHG emissions reduction with concrete goals. Additionally, Bourns will be hiring additional regular staff to oversee and manage the program in the near future.

In 2021, Bourns KK in Japan was proud to join @Apple's Clean Energy Program. Bourns KK is committed to power all of its Apple production with 100 percent clean energy.

In February 2021, the Bourns office in Taufkirchen, Germany replaced its office lighting with LED lighting which resulted in an energy consumption reduction of 30% and a total savings of 3,70€/m² per year.



The Bourns Electronics (Taiwan) Ltd. facility performed a Kaizen to research its kiln usage at the facility and consequently discovered that it could optimize and shut down one kiln without creating any capacity issues. The lower use of power in kiln operations led to \$10,508 in savings and a 65% reduction in sample scrap.

Environmental optimization & measures						
Item	Directions	2020	2021	Save power kwh	Save kg-CO2e	Remark
Production Power consumption	Power consumption per unit of production K pcs (kwh/k pcs)	53,426	49,789	550,799.0	276,501.101kwh=0.502kg-CO2e	
Lamps	Landscape lamp to LED			2,312.6	1,160.95	
	Guardhouse/Bldg-A porch lamp to LED			525.6	263.85	
	Motorcycle parking area lamp to LED			2,473.3	1,241.60	
	Plant outdoor lamp change to solar lamp			876.0	439.75	
	Bldg-E lamp change high-performance LED			41,815.2	20,991.23	
Kaziri Saving	Screen room A/C energy saving			7,227.0	3,627.951kwh=0.502kg-CO2e	
	Vacuum pump saving			43,590.0	21,882.18	
	Molding area cooling pump saving			8,833.0	4,427.64	
Usage Management	SP & Molding cooling tower integration			16,406.9	8,236.25	
	Bldg-C RF use Sun-blinds, Reduce CZF A/C consumption			10,126.1	5,083.29	
	CDA system reduces supply pressure, 7kg/cm2 to 6.75kg/cm2			25,137.0	12,618.77	
Recycle category	Paper (kg)	18,785	20,685		23,994.601kg=1.16kg-CO2e	
	Plastic (kg)	8,440	6,960		16,356.001kg=2.35kg-CO2e	
	Iron (kg)	765	2,586		6,439.141kg=2.49kg-CO2e	
	Lamp tube (kg)	30	85		86.701kg=1.02kg-CO2e	
Paper reduction	Use electronic forms to reduce paper usage (page)	1,097,500	870,000		54/page 1kg=0.242kg-CO2e	
Total				710,108.70	403,626.28	

As a result of a variety of actions and events, total energy consumption decreased at the Taiwan facility from a total of 53.426 KWH/Kpcs in 2020 to 49.789 KWH/Kpcs in 2021. This is a total savings of 550,799 KWH of energy consumption and reduces carbon emissions by approximately 276 tons.

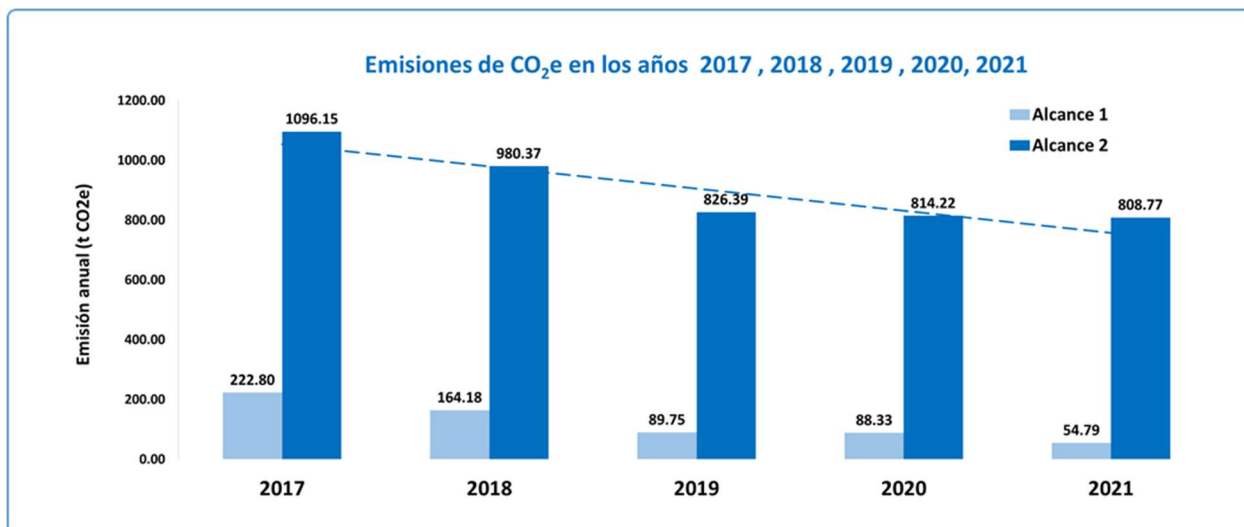
The Taiwan facility also increased its classification and selection of recyclable wastes at their facility. This facility was able to increase its recycling materials, including paper, iron, plastic, etc., from 28.02 tons in 2020 to 30.32 tons in 2021. This increase in recycled materials results in a reduction in carbon emissions of approximately 46.876 tons.

Additionally, the Bourns Taiwan facility introduced more electronic form usage in an effort to reduce the use of paper. This action meant that 227,500 fewer sheets of paper were used in 2021 compared to 2020, which reduced carbon emissions by approximately 0.275 tons.

In June 2021, the Taiwan facility initiated a Kaizen regarding scrap reduction and productivity improvements for a certain product model that resulted in:

- Reduced scrap by 75%,
- Elimination of overtime for reworks by 80%, and
- Reduced high inventories at the bottleneck operation.

Trimpot Electronicas Limitada in Costa Rica has consistently reduced its carbon emissions from 2017 to 2021 through a variety of environmental programs.



In June 2021, the Costa Rica facility reviewed the energy efficiency of its air compressors in the molding area. Consequently, three air compressors with a total of 225 horsepower were swapped out for two air compressors with a total of 200 horsepower, thereby reducing power usage by 12% and energy consumption by approximately 15% which led to a total energy consumption reduction of \$1,255 per month.

In July 2021, the Costa Rica facility implemented a Kaizen that successfully reduced the waste in the carrier reel for a certain product line by reviewing the drawing specifications and redefining a new length for the reel pocket, thereby leading to a reduction in raw material waste by a whopping 1,270%.

The Costa Rica facility additionally conducted a Kaizen on oil usage by its Bechler Swiss Screw Machine’s automatic lathes which are used in the production of certain potentiometers. By modifying the lubrication system in the machines and adding oil to drag the shaft, this facility was able to reduce oil consumption from 440 gallons per year to 165 gallons per year which significantly reduced material waste. The total savings from this Kaizen is \$7,431 per year.



For the third consecutive year, the Bourns Costa Rica facility received the Costa Rica National Blue Flag Award. In 2021 the company was awarded 5 stars. This award is presented annually by the Government of Costa Rica to companies for their efforts and volunteer work in the pursuit of conservation and development, in accordance with environmental protection, and the implementation of

actions to mitigate climate change, the search for better hygienic sanitary conditions and the improvement of public health.

In August 2021, the Bourns Bedford UK manufacturing facility initiated a plan to reduce the amount of scrap related incidents due to operator error and incorrect information by introducing a structured problem-solving process that could be utilized by the majority of employees. Following the Kaizen review, information was simplified, and color coding used to make it easier to read and clearer; duplication of tags were eliminated; and batch numbering was improved. User error scrap occurrences in 2021 were reduced to 10.2% compared to 14.2% for 2020. Extrapolated, the expected yearly savings achieved in total scrap reduction is £24,723 (or approximately USD \$34,400).

In September 2021, Bourns de Mexico – Tijuana worked with the facilities team at Bourns, Inc. in Riverside on an energy reduction plan, since at the plant level, energy expense is one of the largest costs, as well as on a sustainability target in the reduction of the effects of global warming and climate change. After analyzing the facility’s expenses in a Kaizen, the decision was made to: (i) change to a green energy supplier, (ii) reduce consumption by improving the project management system, (iii) optimize HVAC usage, (iv) modify the use of air compressors for more efficiency, (v) install a system to turn off equipment not in use, and (vi) reduce the

energy usage load during peak hours. These combined efforts led to a reduction in electrical consumption and demand which amounted to an expected total savings of 6 million Mexican pesos (about USD \$315,000) per year.

Also, as part of Bourns de Mexico's Tijuana commitment to environmental care and the reduction of waste, a Kaizen was established for the recovery of scrap precious metals which are a part of the production process, with ruthenium added to this scrap program. Activities were simplified and bottlenecks and waiting periods were eliminated, reducing the process time invested by 33% or 13 days. As a result, the total savings amount to approximately \$45,000 annually.

The Bourns de Mexico – Chihuahua facility also implemented an automatic shutdown of all production equipment, lights, heaters, and air conditioning after 40 minutes of inactivity which led to a total reduction in 345,859 kWh of annual electricity use.

The Bourns Dongguan China facility implemented a Kaizen in 2021 to reduce scrap waste of copper and tin in production. By shortening the lead wire cutting length, reducing winding failures, and achieving machine and tooling optimization across a variety of product lines, the Dongguan facility was able to significantly reduce its scrap waste and save \$203,000 per year.



To celebrate 2021 Earth Day, Bourns Kft. in Ajka, Hungary planted three saplings in the yard of its facility. Additionally, in September 2021, the Ajka facility encouraged employees to cycle to work for an entire week for “World Car Free Day.” Participating employees collected prizes for their efforts to reduce pollution caused by automobiles.

In October 2021, many Ajka employees volunteered for the 9th year of “Clean Hungary,” the largest volunteer movement in Hungary. During October 18-24, 2021, volunteers participated in the “*Take the garbage out!*” garbage collecting campaign and cleaned up all over the country. Our experience is that employees who take part in this kind of action become more sensitive to their environment and will become more aware of conservation and protection of natural resources.

2021 COMMUNITY OUTREACH

In December 2020 and 2021, Bourns’ headquarters located in Riverside, California collected toys for the local Spark of Love toy drive, an event that Bourns Riverside has participated in for many decades now. The new, unwrapped toys were delivered to the Riverside Fire Department and various community groups where these toys were sorted and then distributed to deserving local families.

In December 2021, the Trimpot Electronics Limitada facility in Costa Rica held its annual telethon donation program for the Costa Rican national Hospital of Geriatrics and Gerontology and raised over CRC 4.0 million (about USD \$7,000). The Costa Rica facility also provided Christmas baskets to APAZA (Asociación de Personas con Autismo de la Zona Atlántica), a local autism organization which assists families with autistic children. Lastly, this facility donated apples and grapes to a local charity’s “*Happy House Community Home*” Christmas party.

In 2021, Bourns de Mexico – Chihuahua continued its monetary support of a local orphanage. In addition to this support, the facility’s cafeteria vendor prepared lunch every Sunday for the children, and in December 2021, the Chihuahua employees gave each child a pair of tennis shoes. In addition to the orphans, the Chihuahua employees gave 106 blankets for “*Los Amigos de Asis*,” which helps elderly and poor people in the region.

The Bourns manufacturing facility in Bedford, England took part in the UK government sponsored “Kickstart Scheme” which was implemented to help young people aged 16-24, currently unemployed and claiming unemployment benefits, gain valuable work experience and training. The aim of this program is to equip the young people with skills and experience to help them find suitable employment after participating in the program. In 2021 Bedford took on two Kickstarters to train and work as process operators.



In September 2021, the Bourns Family Youth Innovation Center had its Grand Opening. The Bourns family donated \$1.0 million toward the center’s construction. The center offers young people of the City of Riverside, where Bourns, Inc. is headquartered, the use of state-of-the-art equipment in a safe environment to foster collaboration, learning and creativity. The center’s mission is to provide opportunities to city residents by introducing them to professionals and services that will promote and enhance learning to increase the likelihood of life-long success. The center offers both free and fee-based activities such as robotics, programming, coding, web design, sound engineering and film and light production.



In addition to a generous monetary donation from Bourns, Inc., 13 Bourns employees and their family members volunteered their time over two weekends in October 2021 to participate in a Habitat for Humanity project in Riverside, California. The *Mulberry Street Village* project comprises 10 small homes that will serve as temporary housing for the city’s homeless. Homelessness is a growing concern in Riverside and this project is one of many projects that the City of Riverside Housing Authority is managing to combat homelessness in the community.

Throughout 2021, certain Bourns employees in Riverside continued their participation in the Big Brothers Big Sisters of the Inland Empire WorkPlace Mentoring Program in which employees mentor youth from two local high schools and help them explore different career opportunities.

In September 2021, the Bourns Ajka facility donated 31 sanitary dispensers to a local hospital.

In February and September 2021, over 40 Bourns Taiwan employees donated blood resulting in a total of 118 packs (250cc/pack) of blood collected.

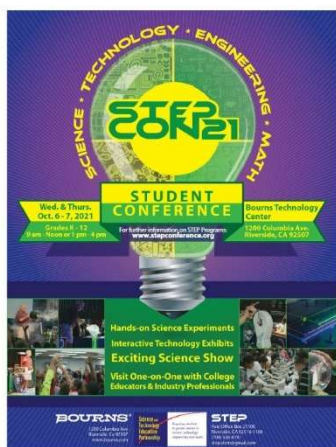
In August 2021, the Bourns Ajka facility organized a Blood Donation Day together with the local Red Cross organization. Thirty employees participated by donating approximately 13,500 milliliters of blood.

2021 EDUCATION OUTREACH

In November 2021, Bourns Sensors GmbH participated in the Hochschulkontaktmesse (HOKO) in Munich, one of the largest university career fairs in Germany. While many university faculties are included, the main thrust of the fair is mechanical, electrical and industrial engineering. The aim of the fair is to offer students a platform where they can quickly and easily get in touch with companies regarding future careers and internships. Due to COVID restrictions, the fair was 100% online with 116 companies in attendance and approximately 5,000 students visited this platform.

Together with the local government of Ajka, Hungary, the Bourns manufacturing facility in Ajka helped support local low income families by donating packages of notebooks, paper and colored pencils to four area primary schools at the start of the school year.

In October 2021, the Ajka facility hosted local primary and secondary schools for career orientation at the facility so that students could get acquainted with career opportunities that require vocational training/higher education.



On October 6-7, 2021, STEPCON21, the premier student STEM (Science, Technology, Engineering and Mathematics) conference in Southern California's Inland Empire was held in the Bourns Technology Center Auditorium with 26 Exhibitor booths set up in the parking lot. STEP (Science & Technology Education Program) was founded in 2000 to bridge the STEM skills gap between K-12 graduates, local colleges and universities or academies, and the needs of the technology companies in the Inland

Empire, where only 20% of adults, 26 and older, have college degrees and 60% of K-12 students qualify for free or reduced cost lunches. All STEP programs are offered at no cost to the participants. Bourns has been a supporter of STEP since its inception.

Due to COVID concerns, 99% of STEPCON21 was made available online for students. This hybrid program hosted an estimated 17,000 students between 4th grade and 12th grade, and included two live (and lively) STEPCON21 Science Shows conducted by local partner, General Atomics.



In the last three weeks of July 2021, local high school students attended STEM Summer Learning Labs 100% online. The STEM Public Utilities Learning Labs included virtual tours of Riverside's Peaker Plant, which provides electricity during periods of peak demand, and the Elsinore Valley water treatment plant. Each student received a water filtration kit to use in several hands-on experiments. The STEM Solutions program focused on the Five Determinants of Health from the Federal Office of

Disease Prevention and Health Promotion: (i) Economic Stability, (ii) Education Access and Quality, (iii) Health Care Access and Quality, (iv) Neighborhood and Built Environment, and (v) Social and Community Context. The STEM in Advanced Manufacturing provided students with a business simulation game and virtual tours of various local manufacturing plants and several AMAZON Distribution Centers. The students also received kits to use to build projects related to animatronics, through partnership with Garner Holt Productions, the world's largest independent manufacturer of animatronics for theme parks.

In all three STEM Summer Learning Lab weeks, the students worked online in teams to gather information about opportunities to utilize STEM to improve the safety and effectiveness of jobs or functions within the Inland Empire, developing a project proposal and presenting it to panels of professional or educator judges at the end of each week.

2021 EMPLOYEE WELLBEING

In December 2021, all Trimpot Electronicas Limitada employee children under the age of 10 received a toy from the company as a gift for Christmas and all employees received a Christmas basket filled with gourmet food items.

The Costa Rica facility held its annual 2021 Health Fair for employees. This campaign seeks the early detection of diseases such as prostate and breast cancer and emphasizes the importance of maintaining good health through regular visual and dental exams, tests and ultrasounds, vaccinations and other important treatments.

The Bourns de Mexico – Chihuahua facility also provided certain employee health campaigns throughout the year. In March 2021, 122 employees received a free flu vaccination. In May 2021, 134 employees took part in a diabetes screening/glycosylate application campaign. In June 2021, 38 employees were

provided with a visual acuity test. In August 2021, 39 employees benefited from a prostate antigen campaign.

The Human Resources Department at the Bourns Kft. facility in Hungary conducted an engagement survey in June 2021 inviting employees to share their opinion about their work environment and their work teams and leaders. All survey participants enjoyed free coffee and a chocolate snack, with a raffle held as well. The results of the survey will lead to future actions such as workshops and action plans, but the first step was the feedback received from employees who provided suggestions and ideas on how to make Bourns Kft. an even better workplace.

Also, on June 29, 2021, the Ajka facility celebrated its excellent results of the International Automotive Task Force 16949 audit by inviting all employees for a scoop or two of ice cream. Over 450 employees took advantage of this refreshing treat on site on a hot summer's day.



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 thirteenth year as a member of the UN Global Compact.

Sincerely,



BOURNS, INC.

Gordon L. Bourns

Chairman of the Board and
Chief Executive Officer