

## Responsible Mineral Sourcing Policy September 2024

Bourns has been a member of the United Nations Global Compact Initiative since 2009 implementing policies supportive of the human rights and the environment. As part of Bourns' social responsibility commitment, Bourns adopted policies and procedures to make sure that its minerals and materials sourcing similarly does not harm the environment and promotes human rights. Further, Bourns wishes to support the efforts of its direct and indirect customers to perform due diligence and obtain accurate information regarding its sources of 3TG / Conflict Minerals (as defined below).

Bourns joined the Responsible Minerals Initiative ("RMI"<sup>1</sup>) in 2016 to support an industry-wide approach for mineral reporting and supply chain oversight. Although Bourns is not a public company, Bourns is a part of the global supply chain and supports the supply chain responsible minerals due diligence effort based on RMI's "Reasonable Practices to Identify Sources of Conflict Minerals: Practical Guidance for Downstream Companies" and on the Organization for Cooperation & Development ("OECD"<sup>2</sup>) framework for risk-based due diligence in the minerals supply chain.

More specifically, Bourns participates in efforts to eradicate the sales of tin, tantalum, tungsten or gold minerals ("3TG" and "Conflict Minerals") from the Democratic Republic of Congo and adjoining countries (collectively, the "Conflict Countries") which sales finance armed militant groups participating in regional conflicts. Although Bourns is not a public company, Bourns collects and makes available to its customers and trusted partners information on use of such Conflict Minerals in the RMI sponsored format (CMRT, EMRT and AMRT<sup>3</sup>). The sharing of sourcing information is critical to our efforts to source responsibly, and all Bourns suppliers are required to similarly provide information on their sourcing upon request.

Further, Bourns is committed to conduct risk-based due diligence to identify source cobalt, mica, aluminum, copper, iron, lithium, nickel and zinc minerals in order to prevent Bourns' use of such minerals from the Conflict Countries throughout the world unless the minerals are from a smelter that RMI has determined is compliant with its Conflict-Free Smelter Program assessment protocols.

Finally, with respect to further raw materials containing the potential for negative environmental and social impact, we commit to the Responsible Mineral due diligence effort in order to allow complete and accurate reporting both upstream and downstream in the supply chain under consideration of the OECD guidelines and existing legal frameworks. In addition to understanding and reviewing smelter or refiner third party audit information from RMI, Bourns also reviews information provided by LBMA ("London Bullion Market Association"), RJC ("Responsible Jewelry Council") and ITRI ("Tin Industry Association").

Bourns requires its trusted partners and suppliers to confirm compliance with the UN Global Compact Initiative and with the principles of the Bourns Code of Ethics and Conduct updated through September

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<sup>1</sup> The RMI was previously called the Conflict Mineral Sourcing Initiative and was founded in 2008 by leading electronics companies to provide resources and tools to help companies source conflict-free minerals. The RMI includes a voluntary audit program for smelters and refiners that identifies mineral sources and helps companies to ensure they can source conflict-free minerals.

<sup>2</sup> The OECD is a forum where governments work together to address the economic, social and environmental challenges of globalization. The OECD provides guidance regarding due diligence for responsible supply chains for minerals potentially from conflict-affected and high-risk areas.

<sup>3</sup> CMRT Template is a universal conflict mineral reporting template for collecting Conflict Minerals declarations and smelter information. Bourns uses the CMRT Template for replying to requests from its customers and soliciting information from its supply chain.

2024 (“Bourns Code”). Bourns does business only with organizations that conduct their business with principles that are consistent with Bourns Code. If necessary, Bourns requests full transparency of critical supply chains and reserves the right to conduct assessments or audits of suppliers at risk. If there is a reasonable basis to believe a supplier is in violation of Bourns Code, Bourns works with the supplier to remediate and will transition away from that supplier if that supplier has not remediated a violation in a timely and satisfactory manner.

Although minerals and mineral extraction is not explicitly mentioned in the Ten Principals and Seventeen Sustainability Goals adopted by the United Nations Global Compact, it is well understood that poorly managed extraction and trade in minerals can lead to environmental and social difficulties, and well managed mineral extraction and fair trade can help prevent poverty and advance sustainable human development. Bourns is committed to sourcing only responsibly produced minerals and materials which to a large degree depends on understanding where such minerals and materials come from through reasonable country of origin verification and additional due diligence investigations discussed in more detail below.

#### **Reasonable Country of Origin Verification:**

Bourns sends in-scope suppliers a formal communication of our expectations and utilizes the RMI and CMRT process to gather information from our Tier 1 suppliers. We expect our suppliers to: review and adhere to Bourns Code; complete a Bourns specific CMRT request; remove high-risk and non-conformant smelters or refinancers (“SoRs”) from the supply chain; establish and document due diligence frameworks consistent with the OECD Due Diligence Guidance; source from SoRs that participate in RMAP<sup>4</sup> or another OECD-aligned independent assessment program; implement due diligence practices (including recommendation to become a member of the RMI, participate in the Minerals Grievance Platform (<https://www.responsiblemineralsinitiative.org/minerals-due-diligence-container/risk-management/rmi-grievance-mechanism>)); utilize resources such as the CMRT Completion Guide (available at [https://www.valuestream.eu/wp-content/uploads/2020/09/CMRT-6.0-Guide\\_final.pdf](https://www.valuestream.eu/wp-content/uploads/2020/09/CMRT-6.0-Guide_final.pdf) in English, and also in Chinese, German and Japanese); and extend and communicate these expectations to upstream suppliers. Bourns contacts our in-scope Tier 1 suppliers using a combination of outreach via e-mail and phone calls.

We aim to achieve a high response rate (percentage of Tier 1 suppliers that provide a complete CMRT for the current reporting year), as this will give us the best opportunity to identify opportunities for improvement. We also strive to obtain information that is most relevant to the supply chains of the parts and products supplied to Bourns. During the 2024 reporting year, we began to focus on collecting Bourns’ product-specific information from our Tier 1 suppliers. The aim of this change in process from prior years is to encourage Tier 1 suppliers to submit information only relevant to the parts supplied to Bourns, rather than information relevant to their company as a whole. We are seeing that suppliers can comply with this expectation, which we hope will increase our response rate of acceptable submissions this year. Despite Bourns’ requests for only product-specific CMRT submissions, the information submitted by some Tier 1 suppliers is likely broader than just SoRs relevant to Bourns, due to the high volume of SoRs reported for any given supply chain, and thus, is likely over-reporting for the facilities relevant to Bourns.

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<sup>4</sup> RMAP (“Responsible Mineral Assurance Process”) uses an independent third-party assessment of smelter or refiner systems and sourcing practices to validate conformance with RMAP standards. RMAP standards are developed to meet the requirements of the OECD due diligence guidance, the Regulation (EU) 2017/821 of the European parliament and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act. See [www.responsiblemineralsinitiative.org](http://www.responsiblemineralsinitiative.org).

Given the complex and long supply chains for products that contain these materials, it is difficult for suppliers to identify the specific raw material suppliers that are a source of material for Bourns® products. We will continue to work to educate suppliers on our expectations to provide information relevant to Bourns and seek efforts to improve the transparency and due diligence process.

Our 3TG responsible sourcing of minerals processes and policies are designed to conform in all material respects with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“OECD Guidance”).

#### OECD Due Diligence 5 - Step Framework

Step 1: Establish Strong Company Management Systems

Step 2: Identify and Assess Risk in the Supply Chain

Step 3: Design and Implement a Strategy to Respond to Identified Risks

Step 4: Perform Independent Third-Party Audit of Supply Chain Due Diligence

Step 5: Report on Supply Chain Due Diligence

#### **Red Flags:**

Suppliers, as well as Bourns, are expected to conduct a reasonable country of origin inquiry (“RCOI”) to determine if there is a reason to believe that the 3TG minerals necessary for the material purchased may have originated in a Covered Country. Red flag triggers may include a declaration identifying sources of 3TG minerals from a Covered Country. Frequent questions from customers regarding specific smelter may also be a trigger to expanding the information search to clarify concern. Other triggers may include contradictory answers on a supplier declaration such as stating the presence of a 3TG mineral in the supplier’s parts but not listing any smelters.

Further, Bourns strives to review reports published by Non-Governmental Organizations, such as C4ADS (author of the Fractured Veins report<sup>5</sup>), to assure that its supply chain does not include smelters or refiners or intermediary suppliers who are accused of violations of human rights, environment and principals set forth in Bourns Code.

#### **Bourns’ Commitment to Continuous Improvement:**

Bourns is working to continuously improve our responsible sourcing efforts. Our goal is that wherever Bourns’ supply chain has an impact, local conditions for stakeholders continuously improve because of our purchasing decisions and relationships. We strive to source all our 3TG minerals through conformant SoRs and support upstream positive impact. We work to stay up to date on current and emerging risks and regularly update our policies, standards, and management systems to meet challenges and address existing and emerging issues more effectively.

To further strengthen our efforts, we:

- Continue to participate in cross-industry groups such as the RMI;

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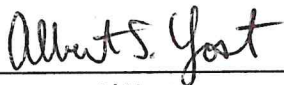
<sup>5</sup> Center for Advanced Defense Studies (C4ADS) published the Fractured Veins report in 2023 with results of investigation of reliance on minerals from the Xinjiang Uyghur Autonomous Region and highlighted issues related to forced labor and human rights violations in the mining industry. [www.c4ads.org/reports/fractured-veins](http://www.c4ads.org/reports/fractured-veins).

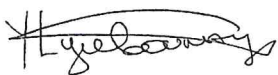
- Continue to work with in-scope suppliers to improve response rates to our requests, improve the quality and accuracy of their responses, and encourage their sourcing from conformant SoRs that meet Bourns' expectations;
- Continue to contractually require participation from our suppliers in our due diligence process;
- Encourage suppliers to conduct responsible sourcing from the Democratic Republic of Congo ("DRC") region by using conformant SoRs, and discourage the creation of a de facto embargo on sourcing from the DRC region;
- Through participation in RMI's workgroups, encourage SoRs to participate in RMAP protocol and thus enable responsible sourcing from the DRC region or other conflict-affected high-risk areas;
- Enhance efforts to understand on-the-ground opportunities for impact, including through engagements with upstream parties, non-governmental organizations and other stakeholders;
- Enhance efforts to implement on-the-ground opportunities for impact, in consultation with local stakeholders; and
- Explore opportunities to further Bourns' mission to accelerate the world's transition to sustainable energy as it relates to the responsible sourcing of minerals.

Bourns expects our suppliers and business partners to commit to the Responsible Mineral sourcing and support Bourns' efforts of becoming a sustainable ethical company.

Bourns was founded on the guiding principles of delivering exceptional quality and value along with a commitment to excellence. These company values continue to shape the high ethical standards and operating culture at Bourns. The belief that we can help make the world a better place today than it was yesterday is the driving concept propelling us to constantly refine our business practices and procedures to build a strong and successful sustainability program.

Bourns is committed to providing sustained environmental benefits for the good of the world in which we all live.

  
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Revisions to September 19, 2023 version.