



TE Connectivity Norge AS Norwegian Transparency Act Report 2022

Background

This is the annual Norwegian Transparency Act Report (**Report**) for TE Connectivity Norge AS (**TE Norge**). This Report has been prepared in accordance with the *Norwegian Transparency Act (lov 18. juni 2021 om virksomheters åpenhet og arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold (åpenhetsloven))* (**the Act**) for the period 01 October 2021 to 30 September 2022 (**FY2022**).

TE Norge is committed to promoting and supporting a culture of corporate compliance and ethical behaviour and endorses the implementation and promotion of ethical business practices to protect the fundamental human rights and decent working conditions of workers in our value chain.

Structure, operations and supply chains of TE

TE Norge is an indirect wholly owned subsidiary of its global parent company, TE Connectivity Ltd (**TE**). TE is a public company listed on the New York stock exchange.

TE is a global designer and manufacturer of connectivity and sensor solutions serving customers and selling products in approximately 140 countries. As of September 2022, it manufactured products in over 25 countries worldwide.

TE operates in the following business segments:

1. Transportation Solutions;
2. Industrial Solutions; and
3. Communications Solutions.

TE's supply chain includes suppliers of raw materials, commodities, components, and services required to support its operations. As of September 2022, TE's global supply chain comprised approximately 32,000 direct and indirect suppliers.

The business activities of TE Norge consist of engineering, sales & marketing and quality control activities. The sales and marketing activities mainly relate to the Aerospace & Defense and Energy markets. Products sold include connectors, relays, switches, fiber optics, sensors, filters and tubing. The engineering activities focus on development of Integrated Level and Quality sensor systems for DEF and fuel tanks for the Industrial and Commercial Transportation markets, including the truck, bus, agriculture and construction markets.

TE Norge's supply chain comprises approximately 40 direct and indirect suppliers, which includes services required to support its operations.

As of 30 September 2022, TE Norge employed approximately 40 employees. All TE Norge employees are required to comply with the *TE Connectivity Guide to Ethical Conduct* as a condition of their employment and must undergo annual on-line Ethics training and certification.



Corporate Governance

TE's Human Rights Program. Our human rights program at TE is governed in partnership with the legal and human resources departments, who set forth policies, training and due diligence. Our Executive Vice President and General Counsel and Chief Human Resources Officer are briefed quarterly on our progress. TE's Board of Directors is also informed at least annually on the progress of our human rights program.

Labour and Human Rights Risks and Measures Taken

TE's Commitment and Framework

Since TE Norge is an indirect wholly owned subsidiary of TE and is subject to TE Global Policies which are explained in the following paragraphs, TE Norge relies upon its parent company's application of the TE Global Policies to provide a common enterprise-wide approach to managing human rights and related compliance.

TE, including TE Norge, is committed to conducting business in responsible ways and addresses fundamental human rights and decent working conditions through our foundational policies. All TE entities are required to adhere to TE's policies, including the following (collectively **TE Global Policies**):

1. **TE Connectivity Guide to Ethical Conduct (Ethical Conduct Guide)**, outlines TE's position on fair treatment and human rights for employees.
 - a. Amongst other requirements, the *Ethical Conduct Guide* sets out TE's commitment with respect to Human Rights, Social Responsibility, and Global Corporate Citizenship. It prohibits all forms of forced, trafficked or child labour, and any activity that violates individual dignity, and prohibits any form of physical punishment, abuse and harassment.
 - b. Every TE employee is required to participate annually in a training session on the *Ethical Conduct Guide* which includes human rights topics, commit to acting in accordance with the principles outlined in the *Ethical Conduct Guide* when carrying out work activities, and to report any activity that may be deemed a violation of the *Ethical Conduct Guide*. In 2022, TE had a 99%+ completion rate for this training among active employees on TE payroll at the time of the commitment campaign.
2. **TE Connectivity Human Trafficking and Modern Slavery Policy (TEC-01-71)** provides the following:

TE, including TE Norge, is committed to a work environment and supply chain that is free from human trafficking and slavery, which for purposes of this policy, includes forced labour and unlawful child labour.

 - a. prohibits human trafficking and sets out TE's commitment to a work environment and supply chain that is free from human trafficking and slavery, which expressly includes forced labour and unlawful child labour;
 - b. prohibits numerous practices connected with human trafficking;



- c. stipulates that TE will develop and deploy appropriate training, including annual training for third-party contractor personnel and TE employees who have direct responsibility for TE's operations and supply chain management;
 - d. provides that any personnel who violate the policy may be subject to appropriate disciplinary and/or corrective action up to and including termination of employment or contract;
 - e. stipulates that TE will communicate the principles and requirements set forth in the policy to suppliers, subcontractors and agents.
3. **TE Connectivity Global Human Rights Policy (TEC-04-37)** broadly defines how TE respects human rights in our operations, supply chain, and the communities in which we operate. TE has identified the following human rights issues as most salient for our operations:
- a. Child labour;
 - b. Forced labour and human trafficking, including all forms of slavery;
 - c. Health and safety;
 - d. Harassment-free workplace, including equal treatment;
 - e. Equal opportunity; and
 - f. Respect and civility.
4. **TE Connectivity Reporting and Investigating Misconduct Policy (TEC-01-57)** is intended to establish procedures and responsibilities for reporting alleged violations of applicable laws or regulations, the *Ethical Conduct Guide*, TE policies and procedures, and for the investigation and any corrective action related to those reports. The policy also includes a prohibition against retaliation and an enhanced whistleblower protection relating to US federal contracts.

In addition to TE's Global Policies outlined above, TE also published the *TE Connectivity Declaration of Principles on Human Rights of the German Operating Legal Entities of the TE Connectivity Group in Germany (Declaration)* pursuant to the German Supply Chain Due Diligence Act / Lieferkettensorgfaltspflichtgesetz, which can be found at <https://supplier.te.com/web/supplier-portal/home>. This Declaration outlines TE's commitment to human rights consistent with international standards, provides TE's guidelines and policies, and outlines our implementation process.

Risk Assessment and Due Diligence

Due Diligence Measures Undertaken Within TE

Enterprise Human Rights Risk Assessment. In FY2022, TE plans to conduct a human rights risk assessment via a third-party service provider to understand potential risks and impacts across TE's value chain, including TE Norge, to strengthen due diligence and remediation processes.

Employee Training. As part of TE's company-wide global training on TE's *Ethical Conduct Guide*, every TE employee is required to participate and certify annually in a training session, which includes protecting human rights including: (1) child labour,



forced labour and human trafficking; (2) employee health and safety; (3) harassment-free workplace; (4) equal employment opportunity; and (5) respect and civility topics.

Human Resources (HR) Internal Human Rights Survey. In addition to our annual *Ethical Conduct Guide* training and certification, we seek a separate confirmation from our key HR leaders with global and/or regional responsibilities and members of the TE Law Department who have oversight of labour and employment-related matters that the individual is not aware of any labour and employment practice maintained by TE that would violate the *Ethical Conduct Guide* or evidence violations of human rights or decent working conditions.

Due Diligence Measures Undertaken With Suppliers

Policies and Standards. TE seeks to engage primary suppliers whose values and supply chain practices align with TE's commitment to complying with fundamental human rights and decent working conditions. TE has several policies and standards as part of our due diligence measures aimed to address supplier compliance, including the following:

1. **TE Connectivity Guide to Supplier Social Responsibility (TEC-1015).** TE developed the Guide to Supplier Social Responsibility (**SSR Guide**) using best practices advocated by the Organization for Economic Co-operation and Development and the United Nations (UN) Global Compact, among others. It is aligned with our SSR activities, which are guided by principles in the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. The SSR Guide was updated in December 2022 to incorporate TE's expectations for its suppliers with respect to business conduct, decision-making, and business interaction. It outlines key principles and behaviours, based on TE's Core Values (set out in the *Ethical Conduct Guide*), and emphasises the principles and behaviours required of suppliers. It addresses TE's labour and human rights expectations as follows:
 - a. freely chosen employment;
 - b. prohibitions on child labour;
 - c. working hours;
 - d. wages and benefits;
 - e. humane treatment;
 - f. non-discrimination;
 - g. freedom of association;
 - h. metals materials / supplies from Conflict-Free Mines;
 - i. environmental impact on local people;
 - j. unlawful eviction of land; and
 - k. prohibits violent security forces.
2. **Supplier approval and onboarding processes.** TE maintains and follows an internal Supplier Onboarding Process to determine whether to engage a



new supplier. The Supplier Onboarding Process requires TE suppliers to agree to comply in principle with the SSR Guide as referenced above.

Business Partner Risk Assessment / Screening. TE has created a process for assessing the risk posed by its business partners including suppliers in relation to human rights practices in its operations and supply chains. This process involves:

1. **Screening TE's Business Partners.** TE screens business partners, including suppliers, as part of the onboarding process to determine if they are listed on any sanction or restricted party lists. We take a proactive risk management approach with certain material suppliers by monitoring their business conditions and using technology to receive alerts of potential associations with high-risk suppliers in their supply chain.
2. **Business Partner Management (BPM).** We further utilize a Business Partner Management (BPM) program that provides a targeted due diligence and screening process based upon objective risk assessments to retain and manage certain in-scope business partners ensuring their adherence to TE's Core Values and preventing potential harm to TE's brand and reputation by limiting our exposure to potential bribery and corruption. This process helps ensure that our business partners operate in a manner that is ethical, in accordance with the law and reflects our Core Values. We utilize this BPM process through our supplier onboarding and through continuous monitoring of our existing business partners.

Supplier Due Diligence, Findings & Remediation. TE also has established practices to help monitor, identify and assess potential adverse impacts on fundamental human rights and decent working conditions as part of our due diligence measures aimed to address supplier compliance, including the following:

1. **TE Supplier Social Responsibility (SSR) Audits.** TE manages SSR Audits performed by a third-party auditing firm. TE's third party auditor is appropriately qualified with technical expertise in supplier social responsibility assessment and the technical audit process.

The SSR Audit validates supplier's values and principles outlined in TE's SSR Guide and identifies areas of concern related to forced labour/human trafficking, child/young labour, discrimination, compensation, working hours, environment, health & safety, freedom of association, ethics and subcontracting. TE's third party auditor conducts detailed on-site audits and follow-up audits as needed to monitor corrective action plans.

In FY2022, TE conducted audits of suppliers primarily located in one high-risk region. Most of the findings were related to health & safety, compensation and working hours. The following are remediation examples conducted:

- a. One audit identified that the supplier did not have a written procedure on child labour/young worker protection. A follow-up audit confirmed the supplier site established a written procedure on child labour and young worker protection and posted the procedure onsite at the factory. Under disciplinary practices, the supplier also had a policy to deduct escalating amounts from employee compensation for first and second verbal warnings and written warnings. Although the supplier confirmed that no amounts were deducted from employee compensation, the supplier updated its policy to remove such disciplinary practice and implemented related training on such update



to its policy. A follow-up audit confirmed this remediation was completed. Under health and safety, the initial audit also found the supplier site did not have an evacuation map posted onsite for employees nor was an assembly point designated for fire drills. A follow-up audit confirmed that an evacuation map was clearly posted onsite for employees and an assembly point designated for fire drills. Supplier site also only held one fire drill per year. Supplier implemented two fire drills per year confirmed by employee interviews to comply with local law requirements.

- b. Another supplier audit found an instance of age and gender discrimination during the recruitment process. The hiring criteria required the employee be male and a maximum age of 30 years old. The supplier established a non-discrimination procedure in its hiring practices, which defined that hiring shall not discriminate against employees' age and gender. This was confirmed by a follow-up audit. Additionally, the supplier provided training for relevant personnel, and no other discrimination against employees' age and gender were found. The initial audit also found the supplier had documented history of child labour. Review of documents showed there were three young workers in the factory at the time of the audit. There was no registration of juvenile workers, or medical examination records for juvenile workers but payroll provided by the factory showed the three juveniles worked overtime. The supplier established procedures prohibiting child and juvenile workers at the factory. This was confirmed in a follow-up audit. It was noted that the three young workers had resigned. A follow-up audit confirmed through employee documents and interviews that the youngest current employee was 21 years old when hired, which complies with local law requirements.

2. **Human Trafficking and Slavery Survey.** In December 2021, TE launched its first annual Human Trafficking and Slavery Survey (**HTS Survey**) of certain suppliers using the Slavery and Trafficking Risk Template (**STRT**), an industry standard survey used to collect human trafficking and slavery data from supply chains. The HTS Survey and supplier information gathering is facilitated by a third-party compliance information gathering service (**TPCS**) provided by a leading software-as-a-service solution accessed by TE's suppliers. Supplier response to the HTS Survey is voluntary. TE surveyed approximately 1,000 high risk suppliers for the first year.

Grievance Mechanism

Office of the Ombudsman Program. The Office of the Ombudsman acts as an independent, impartial and confidential resource with whom employees, suppliers, investors, customers, and other third parties can ask questions or raise concerns about potential violations of applicable laws, regulations, the *Ethical Conduct Guide*, TE policies and procedures, and TE's Core Values. The Ombudsman reports directly to the Audit Committee of the TE Board of Directors and ensures that all reported issues are investigated, communicated to all affected stakeholders and resolved in an appropriate manner. Often, the post-investigation corrective actions enable TE to make process improvements or otherwise rectify an inefficiency for the benefit of TE or its employees. Information about the program is publicly available on the TE website at [Office of the Ombudsman | TE Connectivity](#).



Based on TE's Corporate Responsibility Report (see link below), the total number of matters reported to the Office of Ombudsman related to Human Rights has been zero for the past three years from FY2020 through FY2022.

Continuous Improvement

TE applies a continuous improvement approach. Areas of focus going forward include:

1. We intend to provide more in-depth training to employees with the most exposure to human rights issues.
2. In FY2022, TE plans to conduct a human rights risk assessment via a third-party service provider to understand potential risks and impacts across TE's value chain, including TE Norge, to strengthen due diligence and remediation processes.
3. Continuing to enforce and promote awareness of the *Ethical Conduct Guide* and Global Human Rights Policy.

Conclusion

TE and TE Norge are demonstrably committed to ensuring that it complies with its human rights obligations. As described above, TE takes active steps to review and improve its fundamental human rights and decent working condition processes on an ongoing basis.

Additional detail on the TE human rights program may be found in TE's Corporate Responsibility Report at [Disclosures | Corporate Responsibility | TE Connectivity](#).

/S/ Malin Tränk

Malin Tränk, General Manager

Board Members: Malin Tränk, General Manager

Jue Liu

Jeroen Thomas

Harold G. Barksdale

For and on behalf of TE Connectivity Norge AS

This Report was approved by the General Manager and Board of Directors of TE Connectivity Norge AS at a duly noticed meeting and then executed. The Report shall be placed on the Corporate Responsibility section of the TE Connectivity website at [Disclosures | Corporate Responsibility | TE Connectivity](#).