

# CONNECTIONS FOR TODAY AND TOMORROW

TE Corporate  
Responsibility Report  
**2016**





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## MESSAGE TO OUR STAKEHOLDERS

As a global leader in connectivity and sensor solutions, corporate responsibility is at the very core of TE Connectivity and imperative to advancing our purpose of creating a safer, sustainable, productive and connected future.

The insatiable demand for a more connected world grows daily. TE is at the center of enabling responsible, smart and innovative connectivity that not only advances growth through innovation, but also optimizes resource use. With 75,000 people—including more than 7,000 engineers—co-creating solutions alongside our customers in nearly 150 countries, we ensure that every connection counts.

Across the globe, we innovate with our customers to solve their toughest problems and turn ideas into innovations that move the world forward—from autonomous vehicles, next generation aircraft and smart factories to advanced medical devices and connected homes. Our commitment to innovation enables advancements in transportation, industrial applications, medical technology, energy, data communications and the home.

We unleash and empower our employees to innovate and meet our customers' needs for today and tomorrow. We strive to achieve above market growth while operating smarter and more efficiently, constantly shrinking our environmental impact. We value our partnerships with the communities where our employees live and work.

Innovation in an increasingly connected world requires a robust team of technology experts. TE is committed to training the world's next generation of technology leaders by investing in STEM education. Our corporate responsibility initiatives are designed to improve the customer experience, optimize TE's operations, remove obstacles to unleashing TE employees and cultivate a diverse work environment where global collaboration and innovation thrive in a more sustainable world.



We demand of ourselves, our partners and each other the highest standards of ethics and integrity. Our corporate governance and corporate responsibility practices continue to advance TE's longstanding ethical leadership. For three consecutive years, the Ethisphere Institute, a global leader in advancing ethical business practices, has recognized TE as one of the World's Most Ethical Companies. This distinction strengthens our stakeholders' trust in our brand and affords TE competitive differentiation with our customers.

I feel very fortunate to lead such a diverse global team, as this strength allows us to better serve the customer both globally and locally. Our global Employee Resource Groups foster greater inclusion, increasing collaboration and sharing across our organization. I am particularly gratified that the Human Rights Campaign Foundation recognized TE for our commitment to the LGBT community – achieving a score of 100 on the index and confirming the effectiveness of our inclusion and diversity efforts. We continue to expand on our commitment to inclusion and diversity, to maximize every employees' potential and empower all to contribute to our common success.

Connectivity is fundamentally transforming every industry. We work hard to distinguish ourselves through decades of engineering expertise, a willingness to accept the toughest technical challenges and our track record for delivering reliable solutions that perform in the harshest environments. Creating value for customers in a responsible and sustainable manner is at the very foundation of TE's business, and will remain a top priority.

Every day, I am inspired by our incredibly passionate and talented people, and we are privileged to partner with many of the most admired companies as our customers. Witnessing our evolution over the past two decades and embracing our unique opportunity to create a safer, sustainable, productive and connected future, I am convinced that the most exciting times for TE Connectivity and our customers lie ahead.

Sincerely,

Terrence Curtin  
Chief Executive Officer



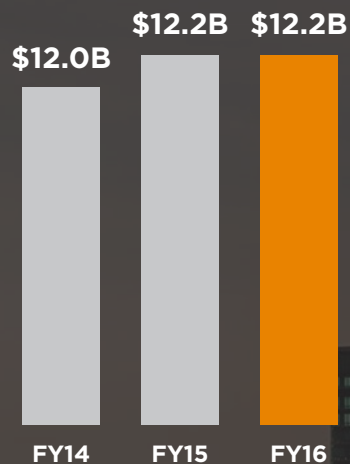


## OUR COMPANY

**We create a safer, sustainable, productive and connected future**

Our commitment to innovation enables advancements in transportation, industrial applications, medical technology, energy, data communications and the home. TE's unmatched breadth of connectivity and sensor solutions, proven in the harshest of environments, helps build a safer, sustainable, smarter and more connected world.

### NET SALES



APPROX  
**▲150%**

**TE CONNECTIVITY SHARE  
PERFORMANCE OVER 5  
YEARS (NYSE: TEL)**

As of September 30, 2016 and adjusted for dividends

**INNOVATION  
LEADERSHIP**

**14,000**

**PATENTS GRANTED  
OR PENDING**

**\$644M**

**INVESTED IN R&D AND  
ENGINEERING FY16**

**7,000+**

**ENGINEERS GLOBALLY**

### TE SALES BY SEGMENT FY16

**TRANSPORTATION  
SOLUTIONS**

**\$6.5B**



**INDUSTRIAL  
SOLUTIONS**

**\$3.2B**



**COMMUNICATIONS  
SOLUTIONS**

**\$2.5B**







## OUR COMPANY

Unmatched resources close to our customers

TE designs, manufactures and delivers connectivity and sensor solutions to customers in nearly 150 countries. Our global reach enables us to work closely with our customers, identify and meet their local needs and advance our mission to deliver extraordinary customer experiences.

# \$12.2B

FY 16 SALES WORLDWIDE

AMERICAS

**\$4.2B**

EMEA<sup>†</sup>

**\$4.0B**

ASIA\*  
(EXCLUDING CHINA)

**\$1.8B**

CHINA

**\$2.2B**

**Americas**

**44** Manufacturing Sites

**23,000** Employees

**China**

**15** Manufacturing Sites

**20,000** Employees

**Asia\*** (EXCLUDING CHINA)

**10** Manufacturing Sites

**9,000** Employees

**EMEA<sup>†</sup>**

**35** Manufacturing Sites

**23,000** Employees

\* Including India

† Europe, Middle East and Africa



# OUR APPROACH TO CORPORATE RESPONSIBILITY

As a leader in connectivity and sensor solutions, TE recognizes our unique role in building connections for today and tomorrow. This is vital to our ambition to create a safer, sustainable, productive and connected future.

Responsibility means acting with integrity and mindfulness in every step we take — from sourcing materials to the use of our products, and from the treatment of our employees to engaging communities around the world.

TE unleashes talent, builds leaders and fosters the next generation of innovators to develop solutions for our customers — all with a focus on creating a more sustainable future.

This report demonstrates the approach we've taken and the achievements we've made.



## People

Unleashing innovation and creativity in our employees while promoting an inclusive, healthy and injury-free workplace



## Products

Partnering with our customers to co-create solutions that address today and tomorrow's greatest connectivity challenges



## Suppliers

Cultivating strong supplier relationships, supporting local economies and promoting high standards that ensure a robust, responsible supply chain



## Environment

Addressing the environmental impact of our operations by minimizing our energy use, greenhouse gas emissions and water use, while optimizing our waste management



## Communities

Engaging the communities in which we live and work through our employee volunteers, philanthropic giving and corporate sponsorship contributions



## Ethics & Compliance

Enabling our employees to operate with the highest ethical standards, while ensuring the strictest compliance with global regulatory frameworks



# MAJOR AWARDS AND RECOGNITION

## Dow Jones North America Sustainability Index

TE is proud to have been recognized for the fifth consecutive year by the Dow Jones North America Sustainability Index, one of the most recognized corporate sustainability benchmarks.  
[Learn more.](#)

## Top 100 Global Innovator

For the sixth consecutive year, TE is among the Top 100 Global Innovators, an annual ranking from Clarivate Analytics (formerly Thomson Reuters) honoring the companies and institutions that best demonstrate technology and innovation leadership.  
[Learn more.](#)

## Innovation Leader

TE is proud to be on the CNBC IQ100, a global ranking of the top 100 companies investing in, developing and deploying technology today.  
[Learn more.](#)

## Top 100 Conflict Mineral Influence Leaders

TE's steadfast commitment to responsibly sourced materials across its global supply chain is recognized by Assent Compliance, which lists TE Ombudsman Jennifer Prisco among the top 10 people on its annual list of the Top 100 Conflict Mineral Influence Leaders.  
[Learn more.](#)

## Best Places to Work for LGBT Equality

TE's perfect score on The Human Rights Campaign Foundation's annual index reflects our long-standing commitment to a diverse, inclusive workplace and the LGBT community.  
[Learn more.](#)

## World's Most Ethical Company

Our strong values around integrity, accountability, teamwork and innovation helped land TE on the Ethisphere Institute's list of the World's Most Ethical Companies for the third consecutive year.  
[Learn more.](#)

MEMBER OF

## Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

2016

**TOP 100**  
GLOBAL  
INNOVATORS

**CNBC**  
**iQ100**  
POWERED BY M•CAM

**Clarivate**  
Analytics

**BEST**  
PLACES TO WORK  
2017 for LGBT Equality  
100% CORPORATE EQUALITY INDEX




2016 **TOP 100**  
Conflict Mineral  
Influence Leaders

2017 **WORLD'S MOST**  
**ETHICAL**  
**COMPANIES**  
WWW.ETHISPHERE.COM





## OUR PROGRESS

	<b>Our People</b>	<b>70%</b> of our manufacturing plants completed the year with one recordable injury or less	<b>336%</b> growth in Employee Resource Group membership FY2015 – FY2016
	<b>Our Products</b>	<b>14,000</b> patents granted or pending	<b>\$644M</b> invested in R&D and engineering FY2016
	<b>Our Suppliers</b>	<b>4,202</b> additional suppliers certifying to our Supplier Guide in FY2016 alone	<b>\$3B+</b> TE contributed to local economies around the globe
	<b>Environmental Sustainability</b>	<b>31%</b> reduction in greenhouse gas intensity per net sales FY2010 – FY2016	<b>30%</b> reduction in absolute water usage FY2010 – FY2016
	<b>Community Impact</b>	<b>21,000</b> volunteer hours by TE employees FY2016	<b>\$4.1M</b> in total global giving FY2016
	<b>Compliance, Ethics &amp; Risk Management</b>	<b>99%</b> of employees certifying compliance with the TE Guide to Ethical Conduct in FY2016	<b>148,745</b> number of ethics and compliance training sessions completed company-wide FY2016



# GOVERNANCE

## Our Board

Our Board of Directors continues to set the tone for the company's commitment to personal and professional integrity. The Board is responsible for aligning our management with the best interests of shareholders in a manner that is consistent with being a responsible company. In addition to providing oversight of, and guidance for, the financial aspects of the business, the Board oversees the implementation of governance policies that ensure our values are embedded throughout our business. Biographies for our Board members and corporate officers can be found at <http://investors.te.com>.

## Executive Compensation

TE's executive compensation philosophy is designed to achieve two objectives: (1) reward executives meeting individual and corporate performance objectives and (2) attract, motivate and retain leaders who increase shareholder value and play an integral role in advancing our strategic priorities. Our Board's Management Development and Compensation Committee oversees the compensation and benefits programs for TE executives. A comprehensive discussion of executive compensation can be found in our 2017 Annual General Meeting Proxy Statement available at <http://investors.te.com>.

## Stakeholder Engagement

TE engages its stakeholders—including customers, community leaders, employees, commercial partners and investors—to gather their views and interests. We maintain membership in formal and informal groups to advance common stakeholder interests. TE does not make political contributions to candidates, causes or parties. In the United States, TE's employee political action committee (TELPAC), makes political contributions in compliance with applicable federal and state laws and can be found at [www.fec.gov](http://www.fec.gov).

TE is a proud signatory of the U.N. Global Compact for the past six years. See our commitment at [www.te.com/responsibility](http://www.te.com/responsibility).



### **Thomas J. Lynch**

Executive Chairman and Retired  
Chief Executive Officer, TE  
Connectivity Ltd.

First Elected Director June 2007  
and Chairman January 2013

### **Dr. Pierre R. Brondeau**

President, Chief Executive  
Officer and Chairman, FMC  
Corporation

Lead Independent Director,  
TE Connectivity Ltd. Board of  
Directors

First Elected June 2007

### **Terrence R. Curtin**

Chief Executive Officer, TE  
Connectivity Ltd.

First Elected March 2016

### **Carol A. (John) Davidson**

Retired SVP, Controller and  
Chief Accounting Officer, Tyco  
International Ltd.

First Elected March 2016

### **Dr. William A. Jeffrey**

Chief Executive Officer and  
President, SRI International

First Elected March 2012



### **Yong Nam**

Advisor to the CEO, Daelim  
Industrial Co. Ltd.

Former Chief Executive Officer,  
LG Electronics, Inc.

First Elected March 2012

### **Daniel J. Phelan**

Retired Chief of Staff,  
GlaxoSmithKline plc

First Elected June 2007

### **Paula A. Sneed**

Chair and Chief Executive  
Officer, Phelps Prescott  
Group, LLC

Retired Executive Vice  
President, Kraft Foods, Inc.

First Elected June 2007

### **Abhijit Y. Talwalkar**

Former President and  
Chief Executive Officer, LSI  
Corporation

First Elected March 2017

### **Mark C. Trudeau**

President, Chief Executive  
Officer and Director,  
Mallinckrodt plc.

First Elected March 2016

### **John C. Van Scoter**

President, Chief Executive  
Officer and Director, eSolar, Inc.

First Elected December 2008

### **Laura H. Wright**

Founder, GSB Advisors

Retired Chief Financial Officer,  
Southwest Airlines Co.

First Elected March 2014





# PROGRESS ON MATERIALITY

TE periodically conducts a materiality assessment to inform our corporate responsibility strategy. We identify critical economic, environmental and social issues that may impact our business performance or substantively influence the perspectives of our stakeholders. Our 2015 analysis identified the following three key areas in which we can make the most progress in advancing our business goals while also aligning with our company values and purpose.

**1**

## **Business Success and Stability**

We are committed to remaining the market leader in our industries and solving the most challenging engineering and technical questions for our current and future customers. We recognize the importance of TE's contributions to local economies around the world, which include job creation, infrastructure development, responsible sourcing and environmental practices. We are focused on achieving economic growth and minimizing our environmental impact through our innovative use of technology and the proven ingenuity of our employees.

**2**

## **Accountability to Our Values and Ethics**

Our ability to deliver on our purpose hinges on the strength of the standards, programs and tools we have in place. In every community in which TE operates, we bring a commitment to ethical practices, human rights, environmental stewardship and transparency that extends beyond our own company to our relationships with our suppliers, partners and communities.

**3**

## **Attracting and Retaining the Best Talent and Most Diverse Workforce**

The knowledge, expertise and creativity of our employees drive our continued success. As global workforce dynamics shift, our current and potential employees increasingly place a premium on working for a responsible, purposeful company. TE offers careers that provide diverse opportunities to make a positive impact within the company and in the communities in which we work and live.

In 2017, TE will enhance its materiality assessment with added emphasis on external input from customers, investors, suppliers, sustainability leaders and others in our industry. This updated analysis will help us better define our commitments to the U.N. Sustainable Development Goals, the U.N. Global Compact and Global Reporting Initiative standards.



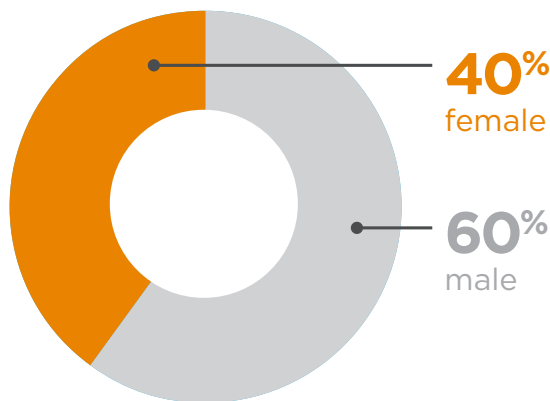
# OUR PEOPLE



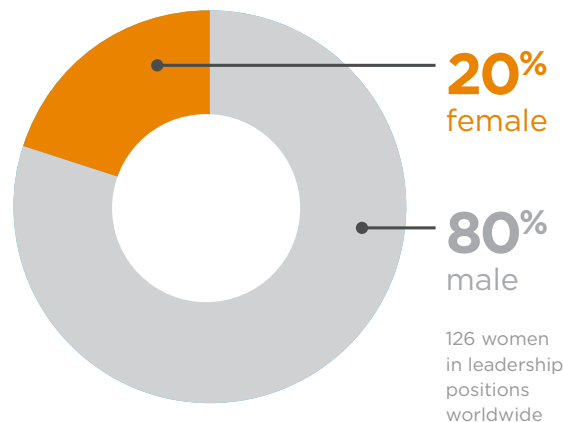


TE's people are our most important asset. Every day, our employees play an integral role in developing innovative products and solutions to create a safer, sustainable, productive and connected world. From our engineers and procurement specialists to our sales and marketing teams, TE promotes a workplace that unleashes our employees' true potential. We celebrate their creativity, dedication and accomplishments as they work with customers to solve their connectivity challenges.


#### EMPLOYEES BY GENDER



#### LEADERSHIP BY GENDER



#### EMPLOYEE BREAKDOWN



**75,000** WORLDWIDE  
**46,000** MANUFACTURING  
**7,000+** ENGINEERS



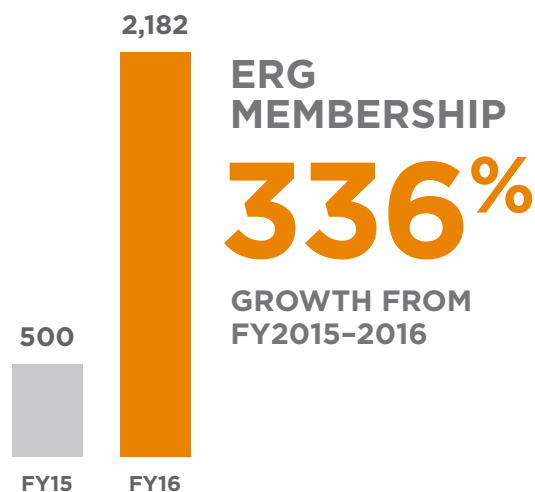


# THE COURSE WE'VE SET

TE fosters a diverse and inclusive work environment that empowers our employees through leadership development and training.

Workplace safety is our priority.

Our extensive employee health and wellness programs and safe workplace training exemplify our goal of becoming an injury-free workplace.



## Inclusion & Diversity

TE's culture of inclusion encourages a diverse workforce to collaborate and innovate. Our customers demand leading-edge solutions and exceptional execution, and TE meets these high standards by compiling a workforce with diverse experiences and perspectives. Our inclusion and diversity strategy consists of four pillars:

- **Engagement:** ensuring all employees feel their voices are heard
- **Development:** offering employees continuous learning opportunities
- **Accountability:** measuring our progress and striving to meet our goals
- **Community:** cascading our commitment to diversity and inclusion into the community programs we support globally

Chaired by our CEO, our Engagement and Inclusion Council provides executive-level sponsorship of all diversity and inclusion programming and advises on enterprise-wide initiatives.

TE's Employee Resource Groups (ERGs) illustrate TE's commitment to ensuring employees of all backgrounds feel included and welcome at TE. Launched in 2015, our ERGs now engage more than 2,000 members globally and play a vital role in driving the cross-fertilization of ideas internally, which enhances our effective collaboration with customers. Currently, our ERGs include:

- TE Women In Leadership (WIN)
- TE Young Professionals
- ALIGN (LGBT)
- African Heritage Employee Network
- TE Veterans

All of our ERGs and local Inclusion & Diversity Councils enjoy the support of key management and executive leadership at TE and we are committed to increasing senior leadership's participation in our ERGs.



“Employee Resource Groups increase awareness and understanding of the diversity of our employees and, as a result, help create

a workplace where everyone feels safe to bring their whole self to work.”

Joan Wainwright, President,  
Channel and Customer Experience  
Executive Sponsor - ALIGN



“We are experiencing the benefits of a more diverse and inclusive organization, bringing new ideas and new ways of working. The

special combination of groups with different backgrounds and experiences is part of our culture.”

John Pryce, Senior Vice President  
and General Manager, Automotive EMEA  
Executive Sponsor - TE Young Professionals EMEA



“To me, diversity is bringing together all the different ways of thinking to solve the business challenges of today and is the only way to succeed in the future.”

Chao Zhang, Vice President and General Manager  
TE WIN China, TE Young Professionals



“One of the important things about WIN is that we are truly taking ownership for making TE a great place to work. WIN

members are creating deeper relationships with colleagues, driving their own career development and strengthening connections in the communities in which they live and work.”

Claudia Anderson, Vice President,  
Customer Experience  
Executive Sponsor - WIN North America



“Having served in the U.S. Navy for 20 years, I’m quite honored to act as the Executive Sponsor, alongside my fellow

veterans and their supporters, in advancing the Vets ERG. The men and women of the armed forces have the leadership, ethics and education to greatly contribute to TE and our customers as we build out the four strategic pillars of Workforce, Service, Social & Development, and Communication.”

John Jenkins, Executive  
Vice President and General Counsel  
Executive Sponsor - TE Veterans



“An inclusive culture is essential to creating an environment in which our employees can feel valued, respected and supported.

By increasing our cultural knowledge, promoting employee development, and appreciating our differences, TE will continually be a stronger company while allowing our employees to reach their full potential.”

Tom Lynch, Executive Chairman  
Executive Sponsor - African Heritage



“The ERGs are an excellent way of amplifying both the individual and collective voices of our diverse community. They are a

great way for people to engage directly in helping to shape both the culture and direction of TE Connectivity.”

Steven Merkt, President, Transportation Solutions  
Executive Sponsor - Young Professionals



“Diversity is key to spurring innovation. This is why our employee resource groups are such vital elements of our success.”

Eric Kueppers, President, Global Automotive  
Executive Sponsor - TE WIN EMEA



## Employee Recruitment and Development

We aim to recruit and train a talented and diverse workforce. TE's recruitment strategy has expanded to include additional university outreach and partnerships with engineering societies. TE's learning and development programs build professional, leadership and functional skills among our high-potential employees to prepare them for executive roles in a variety of areas, including:

- **Product Management:** We created an in-house, accelerated MBA course that focuses on key competencies to increase growth in our product management teams.
- **Legal, Finance and HR:** Our 15-month program accelerates professional growth and leadership skills development in key functions.
- **Sales:** Our eight-week interactive Sales Acceleration Learning Experience (S.A.L.E) program equips our salespeople with product knowledge across TE's various business sectors and sales skills specific to the various industries we serve.

- **Engineering:** TE's Technical Leadership Development Program and Manufacturing Engineering Leadership Development Program build the leadership capacity of engineers from across the company through a series of workshops and seminars on leading effective and innovative engineering teams. Additionally, entry-level engineers participate in TE's Engineering Rotational Program, exposing them to various engineering career paths within TE, and all TE engineers have access to TE's online engineering self-development learning resources and databases: LEARN@TE and TEchNET.
- **Senior Leadership:** Our two-year, cross-functional Emerging Leaders Program gives exceptionally high-potential employees the opportunity to strengthen their global leadership skills through mentorship, virtual training sessions and a series of in-person meetings in the United States, Belgium and China.

## Workplace Safety

TE strives for an injury-free workplace — not only for our employees, but for our customers, contractors, vendors and visitors alike. We build a culture where safety is everyone's responsibility and where tools, training and resources are readily available for every employee to ensure the safety of their workplace. Our safety programs and policies include:

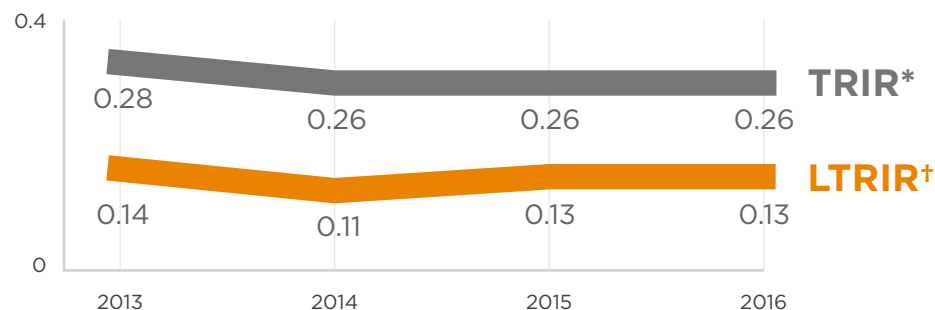
- Leadership in safety at all levels of management
- Safety management systems across our manufacturing plants
- Employee engagement in TE safety programs
- Measurement and reporting safety outcomes as a key performance indicator

TE's programs at every facility train employees in all facets of machine-related risks, ergonomics, behavioral safety, fall protection and many other injury-prevention measures.

## EMPLOYEE SAFETY

\* TRIR: Total recordable incident rate (per 100 employees)

† LTRIR: Lost time recordable incident rate (per 100 employees)







## WHAT WE'VE ACHIEVED

### Inclusion & Diversity

- **Safe Space Program:** TE's Safe Space Program enables our employees to identify themselves as an LGBT Ally and pledge their support of LGBT equality. Membership in our ALIGN ERG increased nearly 330 percent in the past year to include more than 100 employees. In 2017 we will continue to expand the Safe Space Program to additional TE sites.
- **Digital Reverse Mentoring Program:** Our Young Professionals ERG features a Digital Reverse Mentoring Program, through which our younger professionals help more senior members enhance their digital technology skills. This cross-generational mentorship program gives younger employees the opportunity to interact with and learn about the industry from their more experienced colleagues.
- **Inclusion & Diversity Month 2016:** In May 2016, we celebrated our annual Inclusion & Diversity month by hosting more than 200 events at 75 facilities focused on engagement, development, accountability and community. More than 1,300 employees volunteered during the month, an 86 percent increase over 2015.

### Employee Recruitment and Development

- **Recruitment Hub:** By embedding human resources in our businesses, we enhanced our talent acquisition model and reduced time required to fill open positions by 30 percent. Through a new human resources hub and new social media recruitment tactics, we saved \$3.1 million in human resources-related costs.
- **Attracting Diverse Talent:** This year, TE formed recruitment partnerships with the National Society of Black Engineers, the Society of Women Engineers and oSTEM (LGBT in STEM). TE's ERGs supported these initiatives.
- **Investing in Women Leaders:** To nurture and accelerate the careers of female professionals at TE, we established our eXcel program, a two-year career development program for high-potential women leaders. Each participant works with a senior-level sponsor who assists in her career development through assignments, special projects and new roles.

**30%** REDUCED TIME TO FILL OPEN POSITIONS BY 30 PERCENT ACROSS THE BUSINESS

**\$3.1M** SAVED \$3.1M IN REVENUE IN RECRUITMENT AND OTHER HR COSTS



"The diversity recruiting initiative is important to me because it highlights TE's commitment to increasing representation. My

participation in this initiative has impacted my day-to-day activities by expanding my focus and passion to support TE's efforts. It is my mission to bridge the gap for potential employees who accept the challenge of rising above average."

Erika Cherry, Product Manager, Sensor Solutions

### Workplace Safety

In 2016, more than half of our manufacturing plants operated injury-free while 70 percent of our plants completed the year with no more than one recordable injury. We established the Back-to-Basics Initiative to closely measure the effectiveness of our safety programs and identify opportunities for further safety enhancements.



## DRIVING FUTURE PROGRESS

Our employee-focused programming continues to distinguish us as an employer of choice, and we continue to invest in professional development training, ERG programming and other initiatives.

### **What's Challenged Us?**

Recruiting and retaining young talent has become increasingly competitive in today's business world. We have stepped up our efforts to attract high-performing, young, diverse professionals and offer compelling talent development programs.



# OUR PRODUCTS



TE's connectivity and sensor solutions enable smart factories, medical devices, connected homes and the development of safer and smarter cars. In doing so, we create a safer, sustainable, productive and connected future.

# 14,000

PATENTS GRANTED  
OR PENDING

# 7,000+

ENGINEERS GLOBALLY

# \$644M

INVESTED IN R&D AND  
ENGINEERING FY16

# 277

ADDITIONAL  
PATENTS ISSUED  
IN FY2016





# THE COURSE WE'VE SET

TE creates innovative processes and solutions to help power our customers' businesses while reducing our impact on the environment. We work side-by-side with our customers to co-create solutions for the future, embedding our engineers in their businesses and ensuring we can anticipate the demands of the evolving industries we serve. We also ensure that our products reflect TE's research, innovation and the highest standard of service our customers have come to expect from TE.

## Research & Innovation

We understand that maintaining our industry leadership requires relentless research and innovation. From our work with automotive original equipment manufacturers, as well as aerospace, appliance and medical device manufacturers, our deep customer relationships and strategic partnerships allow us to test and apply advanced technologies in high-pressure environments. Our decades of firsthand experience with evolving technologies also enable us to help customers anticipate and address potential future needs.

## Co-Creating Alongside Our Customers

Our customers are at the forefront of their industries, creating solutions today to meet tomorrow's challenges. We often embed our engineers with key customers to co-create on-site, developing solutions later adopted for broader industry-wide application. For example, from our experience working with automotive manufacturers, we understand the challenges and opportunities of pushing ideas forward that once seemed virtually impossible, such as the autonomous vehicle.

## Customer Experience

Creating value by providing an excellent customer experience is paramount to our continued success. Our annual customer satisfaction survey shows that customers rank TE highest in product quality and reliability, but we are not content with our achievements. We continue to work with our logistics partners to enhance our product delivery capabilities, and we are seeing the positive results of this effort with an overall Net Promoter Score (NPS) increase of 11 points over our 2015 results.

**11**  
POINT  
INCREASE



**NET  
PROMOTER  
SCORE**

FY2016 VS FY2015



## WHAT WE'VE ACHIEVED

TE continues to seek out new ways of connecting with our customers and staying close to hubs of innovation. This includes forging new collaborations in research and development and co-creating with key customers to advance technology roadmaps in the many different industry sectors we serve. Our achievements are best told through these examples.

### Solar Solutions Spotlight

TE's solutions have supported the growth of the solar energy industry for years. Today, our teams of engineers develop technologies that allow solar providers to maximize their productivity and make renewable energy affordable. Our cables and connectors are particularly well-suited to perform in weather conditions (heat, sandstorms, heavy winds) and generally harsh environments that are common to solar industry applications.

### Unleashing our Expertise to Support Entrepreneurs

In 2016, we announced a partnership with Arrow Electronics and the crowd-funding platform Indiegogo to fund budding entrepreneurs in bringing their inventions to life in collaboration with TE's technical support and engineering teams. TE engineers partner with these developers at the outset of the design process to understand customers' challenges and enable the creation of customized solutions that will power inventive new products. To date, about 70 designs — ranging from connected home technologies to smart toys and a variety of other applications — received TE's design-in opportunities.



### Sensors Make Solar Flight Possible

TE employs proprietary technologies in its vibration sensors — also called accelerometers — to measure shock and vibration in harsh conditions. Our advancements in these types of sensors have made them ideally suited to operate in environments as diverse as motorsports, air travel and the human body.

Recently, TE leveraged micro electro-mechanical systems (MEMS) accelerometers in the Solar Impulse 2 — the first solar plane to fly around the world fuel-free. TE's MEMS accelerometers provided structural monitoring of the aircraft during flight, collecting data from across the full structure to assess its response to mechanical stresses, applied loads and vibration. This data helped to model airframe behavior under a variety of conditions, such as turbulence and downdrafts, as well as the anticipated behavior of the structure over time. Approximately 16 accelerometers were installed on the aircraft for the voyage.



## Hyperloop

In 2015, Elon Musk launched the Hyperloop project hoping to develop a radical new mode of transportation that would enable passengers to travel in a pod, similar to a single train car, at 700 miles per hour within a tube linking Los Angeles and San Francisco.

In June 2015, SpaceX—the company that designs, manufactures and launches advanced rockets and spacecraft—announced an open competition for independent and university engineering teams to design a half-scale pod for the Hyperloop and test it on a track at SpaceX.

From a suggestion in a Reddit forum, the world's first crowdsourced engineering team was born: rLoop. The team grew organically through social media, meeting daily using

online tools such as Slack and Google Hangouts. Visions and concepts for subsystems thrived in a non-hierarchical structure, while a lack of organizational obstacles enabled rapid iteration and accelerated progress. Eventually, the team consisted of 140 members from more than 14 countries.

TE provided rLoop with a home at our Silicon Valley campus, developed connectivity and sensor solutions to power the technology and contributed the expertise of more than 20 TE engineering advisors who shared their expertise with rLoop throughout the course of 2016.

Learn more about rLoop by visiting: [www.te.com/rloop](http://www.te.com/rloop)



## Andretti Formula E

TE's partnership with Andretti Technologies and the Andretti Formula E Team provides a key testing ground for the development of innovative clean-energy technologies. The first fully electric racing series is helping TE reimagine transportation—developing connectivity and sensor solutions that will make vehicles more reliable,

engines cleaner and tomorrow's cars more connected. With more than 100 TE products in the Andretti Formula E car, TE has an opportunity to push the boundaries of our products and test new products in harsh environments. Learn more at [te.com/racing](http://te.com/racing).



SpaceX, Hyperloop, Andretti Formula E and Andretti Technologies are trademarks of their respective owners.



## DRIVING FUTURE PROGRESS

We already see revolutionary applications, such as 3D printing, and how they impact our manufacturing process and material consumption. We will continue to conduct cutting-edge research in our advanced technology labs and co-create with our customers to bring innovations and products to market that will enable a more connected world.

### **What's Challenged Us?**

As our customers continue to innovate and evolve, it is imperative that TE stay one step ahead. The ever-evolving digital landscape has fundamentally changed the way companies operate and interact with customers. At TE, we know firsthand how an increasingly connected world leads more and more business-to-business companies to interact directly with their end-market customers. Thus, we have made it a priority to understand how these digital environments are changing our customers' businesses and how we can best serve them.

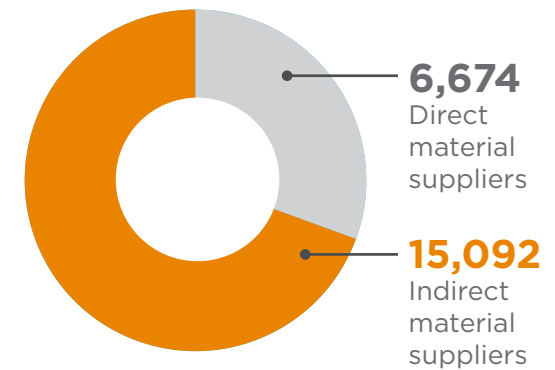




# OUR SUPPLIERS



TE's more than 20,000 suppliers play an integral role in ensuring our ability to source materials responsibly for our products and to transport them safely and efficiently to our facilities and customers around the world. Our teams are trained to understand the key areas of human rights, conflict minerals, environmental sustainability and zero-tolerance conditions related to our supplier requirements, and have worked to adopt best practices throughout our supply chain.

**SUPPLY CHAIN****21,766****TOTAL DIRECT AND  
INDIRECT SUPPLIERS\*****SUPPLIER MONITORING  
AND AUDITING****4,202** **175,000****ADDITIONAL CERTIFICATIONS  
TO TE'S GUIDE TO SUPPLIER  
SOCIAL RESPONSIBILITY IN  
FY2016****CONFLICT MINERAL SURVEY  
RESPONSES USED IN CONNECTION  
WITH OUR 2016 CONFLICT MINERALS  
REPORT†****SUPPLIER TRAININGS  
(HOURS)****100+** **200+****SOCIAL RESPONSIBILITY  
TOPICAL POLICY  
GUIDANCE TRAININGS****CONFLICT MINERALS  
TRAININGS**

\* The difference in total direct and indirect suppliers between FY2015 and FY2016 is due to the consolidation of suppliers as a result of divestitures of businesses and product lines in previous years, as well as other supplier consolidation and localization efforts.

† TE files an annual Conflict Minerals Report on a calendar year basis with the Securities and Exchange Commission (SEC) at [www.sec.gov](http://www.sec.gov) and [www.investors.te.com](http://www.investors.te.com).



# THE COURSE WE'VE SET

## TE Guide to Supplier Social Responsibility

Our Guide is the cornerstone of our approach to a responsible supply chain, outlining the expectations and ethical principles which our suppliers must meet to do business with us. Our Guide is regularly updated to reflect internationally recognized standards of human rights, sustainability and corporate responsibility, including the guiding principles of the Organization for Economic Co-Operation and Development and the U.N. Global Compact.

TE follows a multi-step process to inform suppliers of our guiding principles, drive alignment in their existing operations and encourage their ongoing compliance on a range of issues, including:

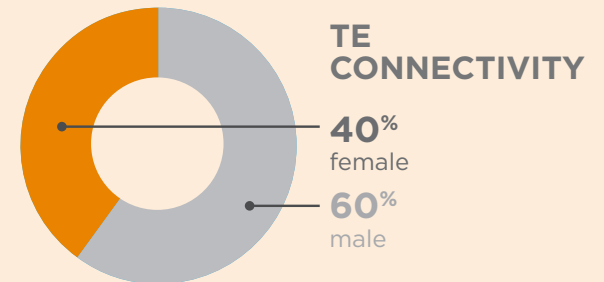
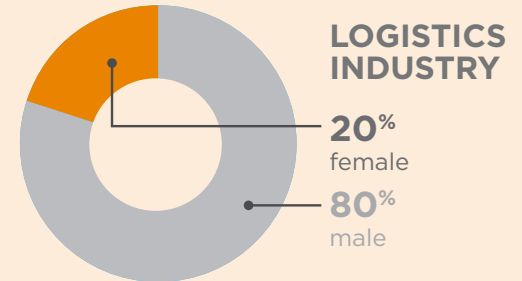
- Health and Human Safety
- Promotion of Favorable Working Conditions and Wages
- Emergency Preparedness
- Export/Import Controls
- Freedom of Employment and Association
- Robust Corporate Management Systems
- Product Environmental and Regulatory Compliance
- Proprietary and Confidential Information

TE has management systems in place to enforce our Guide which include third-party audits and corrective action plans, if needed. Every year, we ask certain suppliers to conduct a self-assessment, in which they must demonstrate alignment with TE's guide. These assessments are then verified to ensure that the supplier's operations align with our expectations. Because we've identified corporate responsibility as an integral part of our Guide, we also employ an independent third-party service provider to conduct rigorous on-site corporate social responsibility audits of select suppliers. Where applicable, suppliers receive recommendations for improvement along with an improvement plan timeline. Once corrective actions are communicated, suppliers receive two follow-up assessments: one after 60 days and one within nine months of the original assessment.

More information can be found in the full Guide at <http://www.te.com/usa-en/about-te/corporateresponsibility/supply-chain.html>.

## SUPPLIER MONITORING AND AUDITING

**192** **63**  
**SCREENINGS** **SITE AUDITS**



## Gender Diversity in Logistics

Recent research shows that women represent only 20 percent of management within the logistics industry and male graduates earning logistics degrees far outnumber women. At TE, we have taken a proactive approach to ensure we are a leader in the industry in terms of gender equality in the logistics space. The Global Logistics Organization (GLOG) is a diversified organization that is fully promoting and practicing the strong diversity mentality within TE. We have worked to increase the representation of women in both management positions and in more operational roles. The efforts of the GLOG have resulted in TE achieving a ratio of 40/60 between women and men in logistics roles.





### TE Reducing CO<sub>2</sub> through Intra-Asian Rail Transport

TE has saved 88.6 tons of CO<sub>2</sub> by using the “Iron Silk Road” to transport containers by rail in Asia. The Trans-Asian Railway (TAR) was established 50 years ago to boost the operational efficiency, economic relevance and commercial use of the railway transport infrastructure in Asia. The TAR network extends over 80,000 km and crosses 27 countries of Asia, providing a connection between Asia and Europe, as well as improved access to ports in Asian countries without sea access.

TE is at the forefront of realizing the benefits that can be delivered by this mode of transportation. TE is using the TAR for container transport on block-trains along different routes of the corridor that links Europe and the Pacific via Germany, Poland, Belarus, Russia, Kazakhstan, Mongolia and China, as well as South Korea. Intra-Asian transport activities between Europe and China are now more reliable and secure.

### Increased Localization

With a global supply chain spanning six continents, we recognize that TE’s scale and reach impacts local communities around the world. Through our plants, warehouses, IPO offices, supply chain and logistics partners, our business supports the development of local economies with added infrastructure, job creation and business growth opportunities. These localized activities benefit both TE and the communities in which we work and live.

### Procurement of materials close to the facilities has multiple benefits:

	<b>Business</b> Reduction of lead times, inventory & cost		<b>Environment</b> Reduction of transportation & fuel consumption
	<b>Financial Institutions</b> Banks offer more robust services, industry enjoys the benefit of cheap credit facilities		<b>Market Development</b> The reputation of a locality for particular goods widens the market, generating steady growth
	<b>Labor</b> A large body of trained labor is developed in the locality		<b>Communities</b> Support of local commerce
	<b>Infrastructure</b> Suitable means of communication & transport are developed		





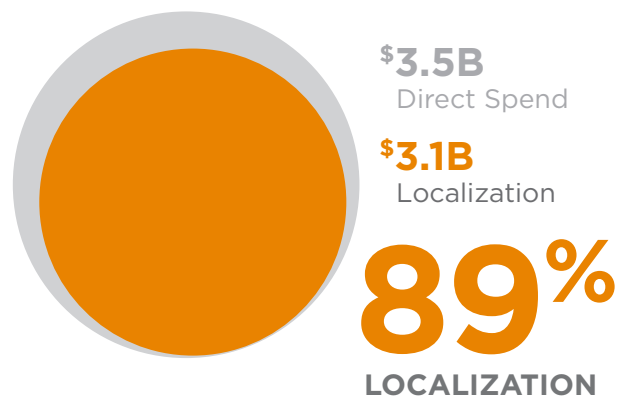
# WHAT WE'VE ACHIEVED

## TE Guide to Supplier Social Responsibility and Other Commitments

Between the end of 2015 and the end of 2016, an additional 4,202 suppliers affirmed their compliance with the TE Guide to Supplier Social Responsibility, and we continue to take steps to drive compliance.

In 2016, 63 of our initial audits included follow-up audits, in which we developed remediation plans and timelines for the supplier to address areas of concern ranging from workplace safety to emergency preparedness and business continuity.

TE also released a public statement on Slavery and Human Trafficking, which can be found at [www.te.com/responsibility](http://www.te.com/responsibility).



## Increased Localization

In 2016, our global localization percentage was 89 percent, translating into TE contributing more than \$3 billion to the regional economies in which we operate. And also:

- Developed 25+ new suppliers in Mexico, China, India and Eastern Europe to support localization
- Increased our share of local supplier content in products to be sold in India, China, Eastern Europe and Mexico, such as molding, machining, fiber optic cables and die casting resulting in lower manufacturing costs
- Involved suppliers early in the product development process in all regions of operations
- Conducted more than 50 hours of training to suppliers across regions to meet global TE standards

## Leveraging Technology to Create a Culture of Product Compliance

Managing product compliance data from our suppliers is of critical importance to TE. Recognizing the growing need for enhanced information gathering and due diligence across our vast network of global suppliers and partners, we formed a partnership with Assent, a Canada-based compliance network company. Assent provides TE with a combination of software, compliance data and regulatory expertise giving us greater insight into our supply chain's product compliance data. In 2017 and beyond, we plan to leverage Assent's capabilities to gather additional conflict minerals data and regulatory compliance information from our suppliers.

## Driving Responsible Logistics

TE's global footprint is supported by our network of logistics suppliers. Our GLOG works closely with our logistics partners to understand the unique transportation challenges of each region in which we operate. In addition, we work together to identify opportunities to reduce our environmental impact through alternative fuels, intermodal means of transportation and unnecessary travel.



## DRIVING FUTURE PROGRESS

As TE continues to grow, we are working to become more seamlessly integrated so that every part of our business delivers value to our employees and customers. By making richer, deeper supplier compliance information available to more people across our business units, we are enabling our people to make more informed decisions about material sourcing and sustainable product development.

### **What's Challenged Us?**

We continue to work with our suppliers to ensure they follow best practices, remain compliant with our TE Guide to Supplier Social Responsibility and react quickly when natural disasters and other crises arise.



# ENVIRONMENTAL MANAGEMENT

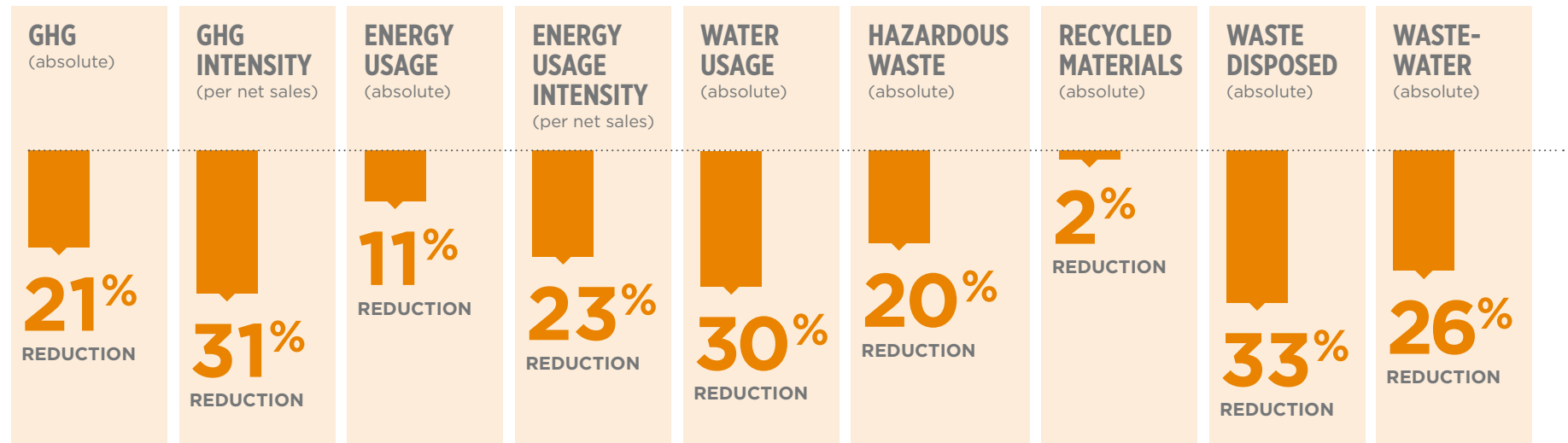




We are committed to environmental sustainability in all aspects of our business, including our products, facilities and operations. TE strives to reduce the environmental impact of our business through technological improvements to our products and operations, streamlining operations at our facilities and encouraging our employees to join us in creating a culture of continuous improvement and efficiency.

## ENVIRONMENTAL MANAGEMENT ACHIEVEMENTS

FY2016 VS FY2010







## Tracking our Key Environmental Metrics

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
GHG emissions (metric tons CO2 equivalent, absolute)	759,746	658,254	634,821	624,532	563,426	580,492	598,755
GHG emissions intensity (metric tons of CO2/net sales in millions)	71	56	56	55	47	47	49
Energy usage (electricity, heat, steam, cooling in Mwh, absolute)	1,688,839	1,519,154	1,467,663	1,410,588	1,286,396	1,394,750	1,495,584
Energy usage intensity (Mwh/net sales in millions)	158	129	130	124	107	114	122
Water usage (millions of gallons, absolute)	1,225	1,141	1,069	1,028	950	920	863
Wastewater (millions of gallons, absolute)	1,027	978	884	844	768	778	762
Hazardous waste generated (metric tons, absolute)	7,002	5,125	4,186	4,204	4,882	5,306	5,568
Materials recycled/reused (metric tons, absolute)	73,686	69,255	64,382	66,887	68,138	74,875	72,511
Other waste disposed (metric tons, absolute)	22,107	19,349	16,887	16,141	16,138	13,989	14,783

Environmental data in this report for all periods presented excludes facilities associated with our divested Broadband Network Solutions business which was sold in August 2015 and also excludes facilities associated with our acquisition of AdvancedCath in FY2015 and four companies we acquired during FY2016. FY2015 data has been restated from our 2015 Corporate Responsibility Report to include facilities associated with our acquisition of American Sensor Technologies in September 2014 and Measurement Specialties in October 2014.

Our manufacturing footprint has changed over the last few years due to acquisitions and changes to product mix. This has resulted in an increase in our absolute GHG emissions from FY2015 to FY2016. While these changes have yielded a slight increase in our absolute GHG emissions, the GHG intensity in our manufacturing facilities has actually decreased by 4.8 percent from FY2015 to FY2016.



## THE COURSE WE'VE SET

Our most significant environmental impacts are associated with our energy usage, GHG and water use in water-stressed areas. These are the areas in which we have focused the majority of our environmental management.

A key aspect of our sustainability strategy is empowering employees to take greater ownership of the efficiency improvements in our plants. Our employee network allows us to better track and report on our progress, as well as implement new initiatives to address our footprint throughout the year. We share our employees' achievements through communications and company-wide competitions sponsored by our Energy Center of Excellence team.

We are also leveraging technological advances to help reduce our environmental impact. Our Tech Days examine potential ways to increase energy efficiency. We are also exploring how smart factories, which marry human insights with automation, can help drive improvements in energy efficiency. As we move towards increasingly digital factories, we are finding ways to shut off equipment automatically when it is not needed.

### Energy

Because 95 percent of our GHG emissions come from energy use, we are working to reduce our overall energy consumption and drive increased efficiency across our operations. We provide resources to energy teams, as well as our manufacturing engineers, to implement industrial processes that require less energy, and instruct our procurement officers to consider energy efficiency as a key criterion when replacing and upgrading equipment.

Our achievements in energy reduction are the result of thousands of projects, large and small, at our locations around the globe. Some examples of small changes that have made a big impact include adding LED lighting and automated lighting controls at most of our locations. We plan and measure a variety of site-specific projects that range from installing solar panels to purchasing energy produced from a neighboring waste-to-energy biomass plant.

On a larger scale, compressed air used in our manufacturing processes accounts for about 20 percent of energy use at our plants. We are making our systems more energy efficient through upgrades in our compressed air delivery systems, regularly repairing any system leaks and minimizing use by capturing and reusing the excess heat our air compressors generate.



## GHG Emissions

Since our baseline year of FY2010, we have reduced our energy use by 23 percent overall (intensity per net sales). Due mostly to these energy reduction efforts, we have also reduced our GHG emissions by 31 percent (intensity to net sales) between FY2010 and FY2016. Our current goal, set in FY2015, is to achieve an additional 10 percent reduction in energy usage and GHG emissions (intensity per unit of production) between FY2015 and FY2018.\*

A key emissions impact we must manage is fuel use in our SubCom business, which relies on specialized cable-laying vessels to install and service the undersea cables that make the internet a global network. We have reduced fuel usage where we can (while meeting customers' schedules) by adjusting shipping schedules to accommodate more fuel-efficient speeds, recalculating routes to take better advantage of ocean currents, upgrading bottom and propeller paint and more closely managing hull and propeller cleaning to reduce drag and hull resistance.

## Waste and Recycling

Waste reduction is another key objective that aligns with our sustainability goals and provides cost-reduction benefits. In addition to reducing the amount of materials we use, we recycle materials, such as metals and resins, after use in our manufacturing processes. TE embraces lean manufacturing and the elimination of waste as a key principle, such as reusing materials internally and segregating waste that cannot be recycled. For example, our plastic molding operations capture, grind and then reuse scrap plastic as much as possible while maintaining the integrity of the materials. Between FY2010 and FY2016, TE's waste management approach reduced our absolute waste disposed by 33 percent and our hazardous waste by 20 percent.

Scrap metal accounts for a large portion of our total recycled materials and carries with it significant cost incentives to recycle. Improvements in manufacturing processes have reduced the amount of scrap metal we generate initially, thereby decreasing the total amount of materials to be recycled. So, even as our manufacturing footprint has changed, our absolute recycled materials levels have remained relatively constant FY2010 to FY2016 due to this counter-effect.

## Water

For water and wastewater, our focus has been on reducing water consumption in water-stressed areas, as well as the reduction of water usage in our plating processes — advancing sustainability and environmental compliance. As a whole, our operations are not water-intensive. Nevertheless, we continue to reduce wastewater discharge and water use in our manufacturing process.

**“The objective of TE’s environmental sustainability programs is to foster an environment of engagement and continuous improvement. These programs are a way to invite new ideas and to encourage environmental benefits by saving energy and resources, reducing waste and pollutants and reusing and recycling materials”**

Crystal Zhou, Environmental, Health and Safety Manager at TE's Guangdong, China site

\* As previously noted, our manufacturing footprint has changed over the last few years due to acquisitions and changes to product mix. This has resulted in an increase in our absolute GHG emissions from FY2015 to FY2016. While these changes have yielded a slight increase in our absolute GHG emissions, the GHG intensity in our manufacturing facilities has actually decreased by 4.8 percent from FY2015 to FY2016. We currently measure our energy usage and GHG emissions at more than 175 of our facilities, and have comprehensively measured our GHG emissions since 2009. In FY2010, our baseline year, we set a goal of 10 percent reduction in energy usage and GHG emissions (intensity per unit of production) by FY2012. We achieved this goal against our FY2010 baseline, and set a goal for an additional 10 percent reduction in energy usage and GHG emissions (intensity per unit of production) by FY2015. We met the 10 percent reduction goal of FY2015 vs. FY2012.



# WHAT WE'VE ACHIEVED

Through a combination of interactive employee challenges and company-wide operational efficiencies we enhance the resource efficiency of our global operations.

## SF6 Gas reduction

Our customers rely on TE for heat-shrink materials that ensure safe electrical connections in a variety of critical conditions. Creating these materials requires high-voltage electron beaming for which TE uses an electric insulator to ensure that the process is safe. The only effective insulator for this is sulfur hexafluoride (SF6)—an excellent chemical insulator, but also a GHG emitter. We have worked to reduce the overall share of SF6 in our GHG emissions mix, and have successfully reduced this share from 15 percent in FY2010 to 4 percent in FY2016. Overall, we have successfully achieved a 77 percent reduction in our absolute SF6 emissions from FY2010 to FY2016.

## Global Energy Savings Competition

TE recently partnered with the U.S. Department of Energy to introduce energy “treasure hunts.” Teams throughout TE have been finding unique value-added ways to reduce energy use in our operations. These low- or no-cost solutions have resulted in millions of dollars in savings.

TE's Energy Center of Excellence launched the TE Energy Savings Competition in March 2016. Forty-nine projects entered the competition from various business units and regions. The combined savings from the projects entered totaled more than \$2 million. Our Oostkamp, Belgium automotive plant received the grand prize for incorporating energy savings into automated systems that power a smart “digital factory.” They recognized that their many molding presses would sometimes be idle, but auxiliary equipment, such as grinders for recycling the scrap plastic, would stay on and continue to use energy. By connecting all of the components and programming the system, they ensured

that the auxiliary equipment automatically shut off when the main equipment powered down. The Flemish Government awarded our Oostkamp plant a 2016 Factory of the Future award for state-of-the-art manufacturing technology, digitization, innovation and sustainability.

The Steinach, Switzerland plant won the TE Energy Savings Competition's Most Creative award category for their project, which worked with local officials to use cold water from Lake Constance in the plant's production processes. By using the lake's water, the plant saved on energy that otherwise would have been purchased to manually cool the water needed in operations. The Steinach team also found a way to return the warmer water so the town could use it in its fish farm operation. Based on the competition's success, TE plans to repeat the competition for projects implemented between October 2016 and June 2018.





## DRIVING FUTURE PROGRESS

As part of TE's commitment to measuring and reporting our progress, we are using state-of-the-art techniques for measuring and reporting our carbon emissions data across all our sites. A trusted third party is conducting an external assurance process.

### **What's Challenged Us?**

As our company has evolved, so have the challenges associated with integrating sustainability at all TE sites and facilities around the globe. As we acquire companies, we work with them to integrate our environmental performance measurement protocols where appropriate. As part of this effort, we are often challenged to work with newly acquired companies to equip their sites with the resources and support they need to meet our sustainability standards.



# COMMUNITY IMPACT



Through our community engagement initiatives, TE's mission is to empower its employees around the world to make a positive impact by actively connecting with each other and their communities. We support our employees who donate their time to the causes and organizations that are important to the local communities where we operate.

**\$4.1M**

**FY2016 GLOBAL  
GIVING**

**21,000**

**HOURS VOLUNTEERED  
GLOBALLY BY TE EMPLOYEES**

**100+**

**COMMUNITIES RECEIVING  
TE CONTRIBUTIONS  
AROUND THE WORLD**

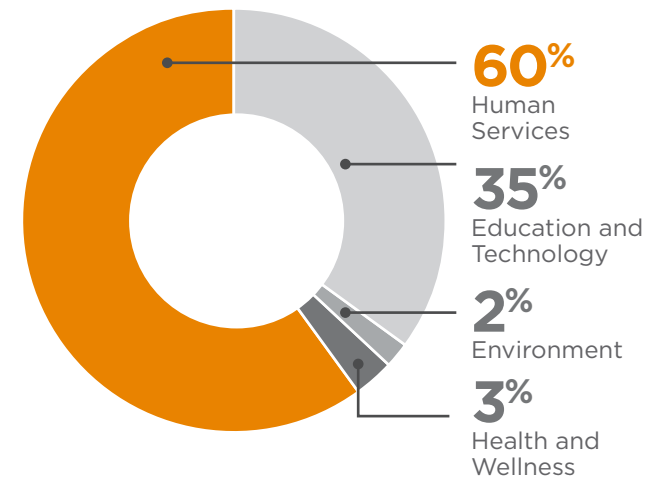
**\$1.2M**

**DONATED BY  
EMPLOYEES  
IN THE U.S. IN  
FY2016**

**\$1.1M**

**MATCHED BY TE  
IN THE U.S. IN  
FY2016**

**GLOBAL GIVING  
BREAKDOWN FY2016**







# THE COURSE WE'VE SET

## Corporate Giving and Partnerships

Across the world, TE donates to organizations and enters strategic partnerships in the four key focus areas that align with our corporate values:

- **Innovation:** Focusing on education and technology innovation through investments in academic institutions that emphasize science, technology, engineering and math (STEM)
- **Accountability:** Increasing environmental accountability investments in energy and the environment
- **Integrity:** Driving the highest standards of integrity through investments supporting human services
- **Teamwork:** Enhancing health and wellness by creating a sense of teamwork through investments in well-being

As part of our ongoing efforts to nurture the development of the engineers and technologists of tomorrow, STEM-related giving is an increasingly important priority for TE. In fact, many of our ERGs, business units and sponsorships now support STEM. Through public-private partnerships, TE has developed local career technical education training programs and collaborations in place with a variety of high schools, community colleges and universities. TE also has local apprenticeships in place. We also work with national, state and local governments and organizations to help raise awareness of the need for a more highly trained workforce. In addition, TE invests considerable resources in non-profit organizations and initiatives dedicated to developing key STEM skills among youth, including *FIRST*®, DiscoverE and Engineers and Technologists Week.

## Community Ambassador Program

Our Community Ambassador Program empowers our employees to give back to our local communities across the world. Community Ambassadors serve as liaisons between TE and the local community, engaging government leaders and supporting local nonprofit organizations. In fact, our employees make decisions on where more than 90 percent of TE's corporate philanthropy dollars can make the most positive impact in their communities on behalf of TE. Localizing our program aligns with our company goals of unleashing our people's potential and empowering our employees for social good. Today, we have more than 100 Community Ambassadors and local councils making decisions about their facility's investments in the local community and volunteering initiatives.





## WHAT WE'VE ACHIEVED

In 2016, our network of Community Ambassadors organized more than 400 local projects. We doubled the number of communities we serve through our employee volunteer efforts. More than 21,000 TE employee hours were volunteered to local causes in total, a 20 percent increase, compared to FY2015.

### Engineers and Technologists Week

Every year, TE participates with DiscoverE in a weeklong celebration of engineers and technologists with programs and events around the world. DiscoverE brings together companies, universities, associations and individuals to advance the field of engineering and technology careers. In 2016, we engaged TE engineers, technologists and local area students interested in STEM-related fields to share their knowledge, experience and enthusiasm for their careers and contributions to the field. Activities included providing students with tours of TE's state-of-the-art facilities, lectures and discussions with TE employees and in-classroom sessions exploring the basics of engineering.

### *FIRST*®

TE Connectivity has sponsored *FIRST*® for nearly 20 years. *FIRST*® encourages students from kindergarten through twelfth grade to gain hands-on experience with engineering by designing and building robots to solve real-world problems. Over the course of a *FIRST*® season, students learn a wide variety of lessons as they raise funds, brand their teams and work together to design and craft the best possible robot to complete the tasks each division is assigned in competition.

As part of our partnership, TE supports 60 teams across the U.S., sponsors the championship and donates TE products to *FIRST*® teams. Additionally, 45 TE employee volunteers around the world serve as mentors, event support and judges.





## 2016 Community Volunteer Awards

Every year, our employees, customers, suppliers and community partners nominate TE employees who have made exceptional volunteer contributions in areas ranging from fundraisers for cancer research and community beautification projects to serving as STEM mentors for underprivileged youth. TE selects winners from each of our global regions and makes a \$1,000 charitable contribution on their behalf to the charitable organization of their choice. This year we recognized:

### United States and Canada

#### Jennifer Prisco - Middletown, United States

Jennifer has served as a volunteer advocate for the pro bono legal services organization Philadelphia VIP. She provides free legal assistance to small businesses, nonprofits and individuals in Philadelphia, especially representing young children in guardianship proceedings. The first employee from TE to participate in the volunteer attorney program, Jennifer has since recruited more than 20 of her colleagues to join VIP's mission.

#### Gary Tyranski - Baltimore, United States

Gary received an award for his work with Believe in Tomorrow Children's Foundation, a respite housing service for critically ill children and their families. In 2016, Gary organized a donation drive and multiple TE days of service, in which TE employees from our Baltimore facility served meals to ill children and their families and cleaned the common areas of the center.

### Latin America

#### Alejandra Carolina Acuna, Tereza Padilla and Cecilia Corrales - Hermosillo, Mexico

Alejandra, Tereza and Cecilia were nominated as a group for their work with charities in Hermosillo. Alejandra, Tereza and Cecilia have jointly organized projects to provide free health services to community members, collect money and food to provide underprivileged families with Christmas dinner and presents, donate books to children affected by domestic violence and organize parties for terminally ill children.



**EMEA****Sheila Reynolds - Swindon, United Kingdom**

Sheila regularly volunteers at Prospect Hospice, a hospice charity that serves more than 6,000 patients and family members each year. For six and a half years, Sheila has spent approximately 125 hours per year providing meals and emotional support to hospice patients and their families, and offering comfort to patients, families and friends.

**Greater China****Zhemeng Liu - Qingdao, China**

In 2016, Zhemeng organized a volunteer-driven, long-term tree planting program. He and other volunteers have planted 2,500 trees to date and plan to match that number every year. He has involved more than 300 TE employees in these community beautification projects. Zhemeng also works with a local school for handicapped children, where he volunteers his time and organizes donation drives for books and other essential school items.

**India****Sugirtha Udayakumar - Bangalore, India**

Sugirtha volunteers for Enable India, a nonprofit organization that empowers people with disabilities to live successful independent lives. Sugirtha developed a customized training and internship program that builds the capacity of hearing- and speech-impaired individuals to work in the fields of engineering

and design. Sugirtha also encouraged the involvement of her TE coworkers in the program, creating opportunities for TE staff members to train people with disabilities and guide them through internships at TE's Bangalore facility.



## DRIVING FUTURE PROGRESS

TE identifies programs and investments through which we can maximize our impact within and outside our organization. By supporting our communities, engaging our employees and training the next generation of STEM leaders, we aim to make a lasting positive impact while also ensuring the future success of our business.

### **What's Challenged Us?**

The success of our Community Ambassador Program has also brought to light several opportunities to measure the impact of our community investments. As our community programs continue to grow and mature, we are working to design programs with embedded measurement and reporting processes, so we can better understand the value and impact of these initiatives.

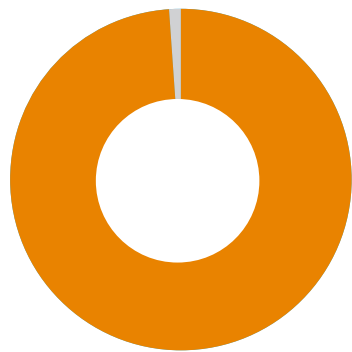




# COMPLIANCE, ETHICS & RISK MANAGEMENT



At TE, we believe that the foundation for long-term success is adherence to a strong set of core values and ethics. We have taken great care in identifying the standards to which we hold ourselves accountable and have created the infrastructure to ensure that we live by those commitments. Our four core values — Integrity, Accountability, Teamwork and Innovation — define how we lead and grow our business. These values are essential to the success of our bottom line, but also to our long-term partnership with our customers and our continuing engagement with our employees and communities.

**99%**

PERCENTAGE OF EMPLOYEES  
WHO CERTIFIED THEIR  
COMPLIANCE TO THE TE  
GUIDE TO ETHICAL CONDUCT

**148,745**

TOTAL NUMBER OF ETHICS & COMPLIANCE  
TRAINING SESSIONS COMPLETED



## THE COURSE WE'VE SET

We bring our four values to life through our commitment to ethics and compliance, as well as through sound risk management. Our values govern our conduct, engage our employees and emphasize that everyone at TE has a role to play to ensure we live our values in every part of our business, from sourcing materials for our products, to interacting with our colleagues, suppliers and customers.

TE promotes a values-based culture of compliance across the company to enable our business to thrive. While this strategy also helps protect TE and our stakeholders from unnecessary risk, our core values are one of the main ways we engage our employees to make TE the industry leader it is today. TE has implemented several programs to drive that strategy, including:

- **Risk Assessments:** TE's Enterprise Risk Management & Security team identifies legal, regulatory or compliance risks and ensures action plans are in place and executed to manage, mitigate or eliminate those risks.

- **Policies and Standards:** TE's Ethics and Compliance team partners with the relevant function or subject matter expert to provide clear guidance and internal controls to ensure employees and valued business partners know and follow our high expectations for ethical business conduct.
- **Training and Education:** TE's Ethics and Compliance team collaborates with compliance program partners and other key functions across the company to provide online and live training that promotes employee awareness and understanding of TE's values, policies, Guide to Ethical Conduct, relevant laws and expected business conduct.
- **Reporting and Investigations:** The Office of the Ombudsman works with Legal, HR, Audit and other teams to monitor employee and third party conduct and to identify and correct improper business conduct, simplify policies, enhance controls and deliver training and communications to prevent future issues and misconduct.

### Guide to Ethical Conduct

Our annual Guide to Ethical Conduct training and certification campaign is a key resource for employees to help them understand the important role they play in bringing our core values to life. The Guide is translated into 21 languages and spans topics such as:

- Anti-corruption
- Fair treatment and mutual respect
- Protection of confidential information
- Fair competition
- Import and export compliance laws
- Environment, health and safety
- Resources for questions and reporting potential concerns or misconduct

The Manager's Guide is a companion to our Guide to Ethical Conduct and is designed to help managers better understand and carry out their responsibilities of promoting an ethical culture at TE.

### The Office of the Ombudsman

TE's Office of the Ombudsman serves as an independent, impartial and confidential resource for employees, suppliers, investors, customers and other third parties who are concerned about potential violations of the Guide to Ethical Conduct, our policies, laws and regulations, or have other ethics or compliance-related concerns. The Office of Ombudsman reports directly to the Audit Committee of the Board of Directors. The Ombudsman and Chief Compliance Officer meet regularly with the Compliance Committee, which includes members from TE's senior management team, to discuss compliance issues and program response.



# WHAT WE'VE ACHIEVED

## Guide to Ethical Conduct

In 2016, we introduced an updated Guide that includes three new topic areas: anti-money laundering, data privacy and workplace violence and bullying. Annually, all of our employees receive training on the Guide—delivered either live or online—and sign their commitment to uphold our values each and every day. Overall in 2016, we conducted 148,745 compliance trainings and 99 percent of employees certified their compliance to the TE Guide to Ethical Conduct.

## Office of the Ombudsman

In 2016, the Office of the Ombudsman received approximately 800 cases, of which 40 percent were substantiated. Of the unsubstantiated allegations, 35 percent were actionable, that is, enabling TE to change a business process, rectify an inefficiency, or clarify a policy or process expectation. This allowed us to address issues of non-compliance, as well as issues of business inefficiency that could potentially improve profitability.

## Integrated Risk Management

In 2016, we strengthened our risk management posture by establishing an integrated risk assurance committee, bringing together multiple stakeholders to enhance our practices, processes and collaboration across the organization. The committee, led by the General Counsel, is comprised of leaders from key functions who manage risk assessment and oversight, as well as support mitigation efforts. The committee regularly provides reports to the Board of Directors. Additionally, we have enhanced our crisis management and business continuity training, testing and compliance requirements to ensure our operations around the world are positioned to quickly identify, respond to and recover from catastrophic events.

## A more efficient business partner

Improvements to TE's Business Partner Management (BPM) program in 2016 generated significant cost savings—estimated at \$1.3 million for FY2017 and \$1.9 million in each subsequent year. The BPM program focuses on the onboarding of in-scope third-party business partners globally. The program proactively meets the requirements of anti-corruption laws across the globe and ensures that TE conducts business with only those who share its commitment to strong ethical business principles.

Several key metrics demonstrate the BPM team's success:

- **Cycle Times:** Cycle times for fully onboarding third-party partners improved from more than 220 days in 2014 to fewer than 45 days in 2017.
- **Quality:** Third-party data quality has improved after implementing post-approval audits to verify data accuracy and completeness.
- **Productivity:** Centralizing the process workflow has enabled a shift from non-value-added tasks to value-added tasks for both the BPM support team and TE businesses and functions.
- **Customer Satisfaction:** Partnering with our internal stakeholders has allowed the BPM team to assume a greater role in the onboarding process, enabling TE businesses and functions to focus on more important tasks.





## DRIVING FUTURE PROGRESS

As the global landscape continues to evolve, so have the risks presented to our business. Since TE operates across borders and manages a considerable amount of data and information on our products, customers and suppliers, we are keeping a close eye on the changing demands of information privacy in an era of heightened cybersecurity. To underscore our commitment to data security and protection, we appointed our first Chief Information Security Officer, who now reports to our Chief Information Officer.

### What's Challenged Us?

TE currently supports customers in nearly 150 countries. With close to 75,000 employees globally, and almost 22,000 indirect and direct suppliers, one of our biggest challenges is cascading a “culture of compliance” throughout the company’s operations. While we have successfully implemented dedicated compliance training, communications, certifications and audits, we recognize the need to remain ever diligent in this increasingly complex regulatory environment.



# REPORT PARAMETERS

The reporting period for this report is TE Connectivity's fiscal year 2016. We have a 52 or 53-week fiscal year that ends on the last Friday of September. Fiscal 2016 was a 53 week year and ended on September 30, 2016. Fiscal 2015 was 52 weeks in length and ended on September 25, 2015.

All references to currency and valuations are in United States Dollar (USD).

## Forward-Looking Statements

This Corporate Responsibility Report contains certain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words

"anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this report include statements addressing our future financial condition and operating results and our environmental and sustainability goals. In addition, the actual conduct of our activities, including the development, implementation

or continuation of any program, policy or initiative discussed or forecast in this report, may differ materially in the future. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive and data and devices industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation. More detailed information about these and other factors is set forth in TE Connectivity Ltd.'s Annual Report on Form 10-K for the fiscal year ended Sept. 30, 2016 as well as in our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports filed by us with the U.S. Securities and Exchange Commission.



# PERFORMANCE SNAPSHOT

## Governance

	FY2013	FY2014	FY2015	FY2016
Percentage of employees certifying compliance with the TE Guide to Ethical Conduct	99%	99%	99%	99%
Total number of ethics and compliance training sessions completed	229,468	133,830	151,016	148,745
Total number of matters reported to the Ombudsman Office	710	775	795	800
Total number of matters closed by the Ombudsman Office	772	793	770	788

## Financial

Net Sales (in US millions)	\$11,390	\$11,973	\$12,233	\$12,238
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## Environment

Greenhouse gas emissions (metric tons CO2 equivalent, absolute)	624,532	563,426	580,492	598,755
Greenhouse gas emissions intensity (metric tons of CO2/net sales in millions)	55	47	47	49
Energy usage (electricity, heat, steam, cooling in Mwh, absolute)	1,410,588	1,286,396	1,394,750	1,495,584
Energy usage intensity (Mwh/net sales in millions)	124	107	114	122
Water usage (millions of gallons, absolute)	1,028	950	920	863
Wastewater (millions of gallons, absolute)	844	768	778	762
Hazardous waste generated (metric tons, absolute)	4,204	4,882	5,306	5,568
Materials recycled/reused (metric tons, absolute)	66,887	68,138	74,875	72,511
Other waste disposed (metric tons, absolute)	16,141	16,138	13,989	14,783

Environmental data in this report for all periods presented excludes facilities associated with our divested Broadband Network Solutions business which was sold in August 2015 and also excludes facilities associated with our acquisition of AdvancedCath in fiscal 2015 and four companies we acquired during fiscal 2016. Fiscal 2015 data has been restated from our 2015 Corporate Responsibility Report to include facilities associated with our acquisition of American Sensor Technologies in September 2014 and Measurement Specialties in October 2014.

As previously noted, our manufacturing footprint has changed over the last few years due to acquisitions and changes to product mix. This has resulted in an increase in our absolute GHG emissions from FY2015 to FY2016. While these changes have yielded a slight increase in our absolute GHG emissions, the GHG intensity in our manufacturing facilities has actually decreased by 4.8 percent from FY2015 to FY2016.



# PERFORMANCE SNAPSHOT

## Supply Chain

	FY2013	FY2014	FY2015	FY2016
Total direct and indirect suppliers	28,732	28,109	31,247	21,766
Total direct material suppliers	8,908	8,288	8,665	6,674
Total indirect suppliers	19,824	19,821	22,582	15,092
Number of supplier screenings and site audits	252	362	440	255

## Workplace

Number of engineers	6,900	7,500	7,200	7,000+
Employees active on Learning Management System	33,855	17,889	21,000+	32,500
Employee Safety: Total recordable incident rate (per 100 employees)	0.28	0.26	0.26	0.26
Employee Safety: Lost time recordable incident rate (per 100 employees)	0.14	0.11	0.13	0.13
Women in leadership positions worldwide (Employee Bands 0-3)	106	120	126	126

## Community and Philanthropy

Corporate charitable giving (in USD)	\$3,066,766	\$2,912,152	\$1,600,000	\$2,790,130
TE matches of employee donations (in USD, U.S. employees only)	\$1,388,430	\$1,500,000	\$1,100,000	\$1,100,000
TE Connectivity Foundation giving (in USD)	\$649,721	\$1,064,071	\$1,400,000	\$245,000





## GRI INDEX

We have used the Global Reporting Initiative Standards as a guide in preparing this report. The chart below includes the topics covered that align with the GRI Standards and where they are addressed in this report.

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