



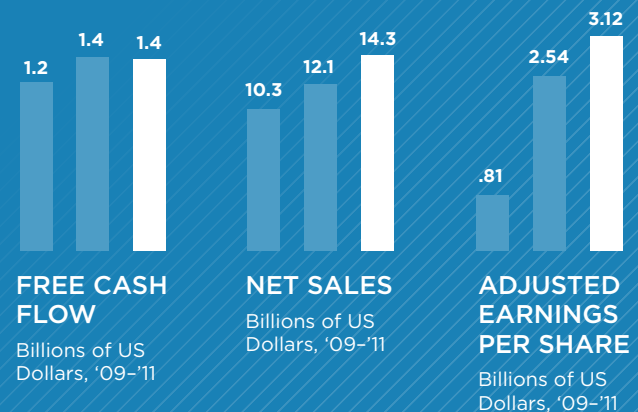
# ENABLING A MORE CONNECTED WORLD

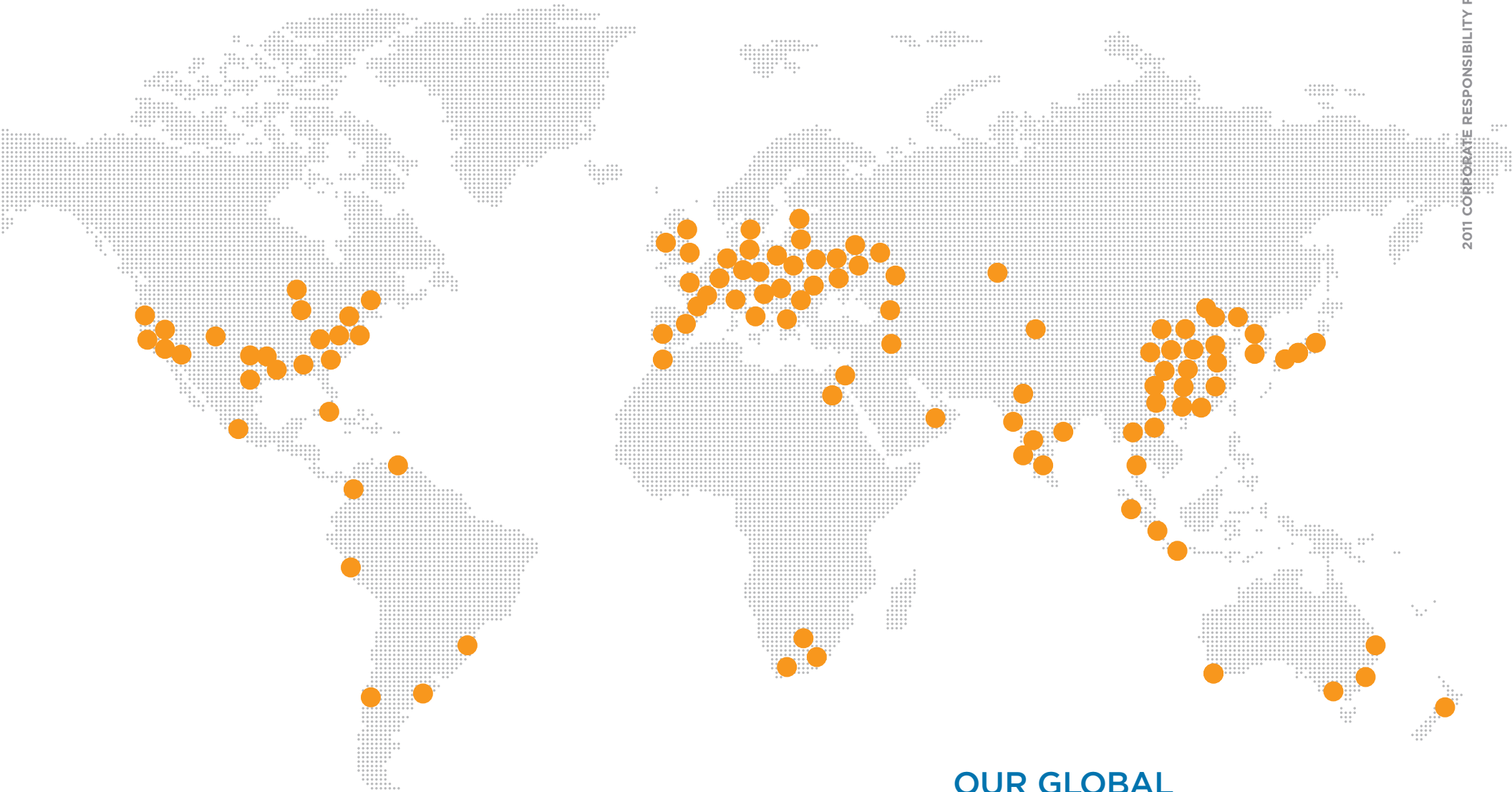
2011 CORPORATE RESPONSIBILITY REPORT

## TE CONNECTIVITY: ENABLING A MORE CONNECTED WORLD

At TE Connectivity, we design and manufacture highly engineered solutions that connect and protect data and power inside millions of products that touch every aspect of our lives. In a world where everything is connected, we believe...

Every Connection Counts.





## OUR GLOBAL PRESENCE

Our employees design, manufacture, and market our products in more than 50 countries around the world.



## SERVING ATTRACTIVE MARKETS



31%

### AUTOMOTIVE

TE products are in virtually every vehicle on the road today. With advanced technologies that are lighter and more efficient, we connect critical electronic functions in the car, from navigation and advanced safety systems to highly integrated engine controls and power management systems.



26%

### BROADBAND CONNECTIVITY

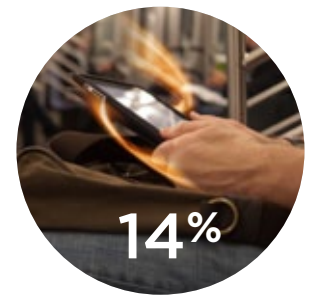
As the leader in broadband connectivity, we make it possible for massive volumes of data to move efficiently and reliably, so a whole world of information can move seamlessly from origination to destination—from the data center, to the desktop, the chip, and right to the device in the palm of your hand—and back.



29%

### ENERGY AND INDUSTRIAL

TE supplies over 90% of the world's largest industrial manufacturers and energy utilities with connectivity products that are reliable, trusted, and stand the test of time, even in the harshest environments and the world's most remote locations.



14%

### CONSUMER

TE's continuous drive for miniaturization and speed helps manufacturers create smaller, lighter, thinner, and more exciting products, including smartphones, gaming devices, computers, and tablets.

Figures shown are a percentage of fiscal year 2011 revenue.

## ABOUT THE CORPORATE RESPONSIBILITY REPORT

This is TE Connectivity's second annual corporate responsibility report. The report was published in March 2012 and covers our corporate responsibility performance for the Fiscal Year 2011, ending on September 30, 2011. All mentions of 2011 in this report refer to Fiscal Year 2011.

We used the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines—the world's most widely used sustainability reporting framework. GRI's Reporting Principles of materiality, sustainability context, stakeholder inclusiveness, and completeness helped us select and organize the content for the report. We are self-declaring this report at a GRI Application Level B. All data in this report cover our global operations, unless stated otherwise. We are utilizing our Corporate Responsibility Report and website to communicate the progress on maintaining our promise to the Global Compact.

This report was also reviewed by an external group of stakeholders, including customers, suppliers, and corporate responsibility executives from other industries to provide insight on our key opportunities for growth.

More details about our corporate responsibility policies, activities, and performance are available [www.te.com/responsibility](http://www.te.com/responsibility). We did not use an external agency to audit the content of this report; however, the data contained in this report was generated by our internal management systems.

## TE CORPORATE SOCIAL RESPONSIBILITY

Our business strategy is built on three ideas:

1. Being a premium partner for our customers
2. Delivering superior returns to our shareholders
3. Attracting and retaining highly engaged employees

We believe corporate responsibility is a critical part of the foundation for our strategy.

With products and customers in nearly every industry, TE touches the lives of millions around the globe. To help us map the corporate responsibility issues most significant to our business and stakeholders—and where we can have the greatest impact—we worked with BSR, a leading mission-driven sustainability organization, to conduct a materiality assessment.

A materiality assessment is a rigorous process that helps us prioritize sustainability issues and opportunities. It takes internal, external, and industry issues into account and draws an explicit link to our business goals. The results of this assessment are reflected in the contents covered in this report and include:

- |                                   |                                          |
|-----------------------------------|------------------------------------------|
| ■ Community Engagement            | ■ Labor Practices                        |
| ■ Corporate Governance            | ■ Legal Compliance                       |
| ■ Employee Health and Wellness    | ■ Philanthropy                           |
| ■ Energy Conservation             | ■ Product Stewardship                    |
| ■ Enterprise Risk Management      | ■ Supplier Diversity                     |
| ■ Environmental Compliance        | ■ Supply Chain Management                |
| ■ Injury-Free & Healthy Workplace | ■ Talent Acquisition and Retention       |
| ■ Innovation Leadership           | ■ Talent Diversity                       |
|                                   | ■ Water, Wastewater, and Waste Reduction |

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## MESSAGE FROM OUR CEO

The past 12 months have been a remarkable time of change and growth for TE Connectivity: We acquired new businesses, entered new markets, and exceeded \$14 billion in revenue.

Our growth is supported by our core values of accountability, integrity, teamwork, and innovation, and our commitment to TE Responsible Advantage (TERA)—the program that supports and expands our environmental, social, and governance efforts.

As a company that enables connectivity, we understand the importance of our links to the environment, our people, and the places where we do business. Now in its second year, TERA is an important part of our strategy to deliver the best results to all our stakeholders: our employees, shareholders, customers, and communities.

In 2011, we became a signatory of the United Nations Global Compact, further reinforcing our dedication to corporate responsibility and ethical business practices. We updated and expanded our values-based, anti-corruption policy to ensure our adherence to the highest standards of ethics and integrity. We also rolled out a global health and wellness campaign and expanded

our Employee Assistance Program to cover all countries where we operate, in order to support the well-being of our employees.

Our focus for TERA for the coming year includes meeting our goal of a 10% reduction of our environmental impacts in greenhouse gas emissions, energy, water, wastewater, and waste by 2012. Additionally, we are expanding our diversity and inclusion efforts to better reflect and engage the vibrant cultures and communities where we work.

These are just some of the significant accomplishments at TE Connectivity, and we are excited to offer you a deeper look at our global efforts in this report. We welcome your feedback on our progress and your ideas for how we can improve our performance, as we continue to make Every Connection Count.

Tom Lynch  
Chief Executive Officer



## MESSAGE FROM OUR GENERAL COUNSEL

We made big strides in 2011, and as the executive sponsor of TERA, I'm proud to share them with you in our second annual corporate responsibility report.

This year was about expanding our TERA program within TE. When we launched TERA last year, our focus was on a broad range of corporate responsibility issues impacting our employees, customers, shareholders, and communities. Over the past year, I have been impressed by the commitment of all our stakeholders to the advancement of these issues. We are clearly operating in a world where our impact on labor conditions, ethical behavior, and the environment are mainstream business concerns, receiving the attention they deserve.

TE Connectivity is increasingly focused on these areas because we understand that they are important both to our stakeholders and to our long-term vitality as a business leader. We are striving to better align ourselves with our customers and their social and environmental responsibility goals. In turn, we are working with our supply chain partners to ensure we all comply with the same set of principles and behavior.

In accordance with our goal of continuous improvement, we have assembled a panel of corporate social responsibility experts from our

customer companies, as well as leading global companies for their review and insights. We strive to be transparent and to encourage constructive feedback.

As a signatory to the United Nations Global Compact, an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, TE supports the 10 principles of the Global Compact with respect to human rights, labor, environmental protection, and anti-corruption. Our commitment to these principles is consistent with our foundation of uncompromising values.

Around the world, TERA is making progress, whether it is improving labor standards or using innovative ideas to reduce energy consumption and greenhouse gas emissions. We not only employ nearly 95,000 people worldwide, we give back to the communities in which they live—an important goal for TE. I am pleased that we are focused on improving the environment and society for our business and for our future.

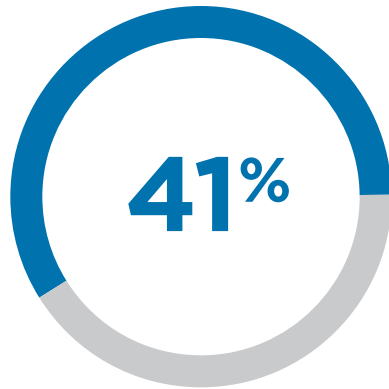


Robert Scott,  
Executive Vice President and General Counsel



# RESPONSIBILITY IN GOVERNANCE

01.



In 2011, the Ombudsman Office received 685 reports. In 41% of the cases, we took corrective actions or otherwise made improvements to benefit the company and our employees.

Unwavering commitment to our core values wherever we operate

We believe that promoting high-integrity standards and good corporate citizenship across our global enterprise is critical to our growth and the continued success for all stakeholders, including our employees and shareholders. We are committed to maintaining the highest standards of ethics and corporate governance wherever we operate in the world, and we diligently work to comply with local, national, and international regulations and laws.

## UNITED NATIONS GLOBAL COMPACT

This year, we joined more than 7,700 other companies and stakeholders in more than 130 countries in supporting the 10 principles of the Global Compact with respect to human rights, labor, environmental protection, and anti-corruption.





## AN ETHICAL FOUNDATION

At TE, we understand that in order to be a great company, we need a strong foundation of ethical behavior. Our foundation is built on our core values of integrity, accountability, teamwork, and innovation. From these values, we demand the highest ethical standards of individual corporate integrity from both ourselves and each other.

### OUR VALUES

At TE Connectivity, we believe that it takes more than strong performance to build a great company. It also requires an unwavering commitment to our core values and the highest standards of ethics and integrity.

#### Integrity

We must demand of ourselves and of each other the highest standards of individual and corporate integrity. We safeguard company assets. We comply with all laws and company policies. We are dedicated to diversity, fair treatment, mutual respect, and trust.

#### Accountability

We honor the commitments we make, and we take personal responsibility for all actions and results. We create an operating discipline of conscious improvement that is an integral part of our culture.

#### Teamwork

We foster an environment that encourages innovation, creativity, excellence, and results through teamwork. We practice leadership that teaches, inspires, and promotes full participation and career development. We encourage open and effective communication and interaction.

#### Innovation

We recognize that innovation is the foundation of our business. We challenge ourselves to develop new and improved ideas for all that we do. We encourage, expect, and value creativity, openness to change, and fresh approaches.

### OUR GUIDE TO ETHICAL CONDUCT

Our Guide to Ethical Conduct is the cornerstone of our compliance program. As a multinational company, our employees have different backgrounds, life experiences, training, and perspectives. Our Guide sets forth TE's values and promotes a common understanding among all employees of how our core values relate to their jobs. Localization is important to promote awareness and compliance, so the Guide is available in 17 languages, and our quarterly ethics newsletter is translated into eight languages.

All employees and onsite contractors are trained annually on the Guide and are asked to certify on an annual basis their compliance with our policies and principles. This year, 99% of employees and contractors and 100% of senior management certified their compliance with the Guide. Our certification rate has increased from 94% in FY2010 and from 88% in FY2009.

### TRAINING OUR PEOPLE

We promote training as core to TE's value of innovation. For existing employees, we have a robust training program focused on job-related responsibilities, as well as additional elective courses. We also conducted more than 15,720 live trainings and over 125,000 online trainings on topics including ethics and compliance-related issues.

As we continue to grow around the world, we continue to increase our focus on providing localized trainings in native languages.



## FOCUS ON ANTI-CORRUPTION

This year, TE released a revised anti-corruption policy, which formally denounced bribery in all forms, in both the public and private sectors. In step with our worldwide presence, the policy also reinforced the company's expectation of compliance with all applicable global anti-bribery and anti-corruption laws, including the U.K. Bribery Act and the Criminal Code of the People's Republic of China. Annually, we also ask our third-party representatives to support our commitment against corruption by certifying compliance with all applicable anti-corruption laws. This annual process is just one way we promote integrity in our company and business relationships.

## BOARD OF DIRECTORS

Our commitment to the highest standards of integrity and ethics starts at the top. Our Board of Directors, led by a non-executive chairman and nine independent directors, provides our senior management with direction and oversight in adopting and implementing policies that promote legal compliance and integrity.

## MANAGING RISKS

Our approach to risk management is based on a rigorous assessment process that addresses a broad range of issues, from production and operations to sales and supply chain. This comprehensive approach enables us to make better decisions when considering the impacts on our company, stakeholders, and communities.



I appreciate the opportunity to comment on TE Connectivity's 2011 Corporate Responsibility Report. TE has done a good job canvassing the important areas of its governance structure and impacts. I particularly like hearing directly from TE's CEO, General Counsel, and Chief Ethics and Compliance Officer in the "My Perspective" areas. Going forward, I would like to hear from even more voices throughout the company and from outside stakeholders. In addition, I would encourage TE to go into even further detail about the challenges it is facing and the specific ways they are being addressed.

### **CECILY JOSEPH**

Senior Director, Corporate Responsibility & Compliance  
Symantec Corporation,  
Stakeholder Panelist



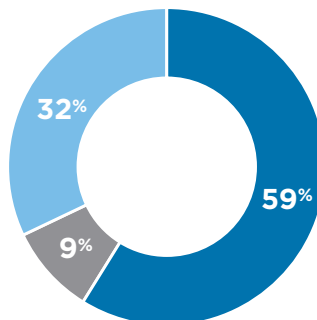
## EMPOWERING EMPLOYEES TO ADDRESS NON-COMPLIANCE

Employees are the safe keepers of our values, so we want them to ask questions about compliance issues, especially when an answer may not be clear. We also support timely reporting of non-compliance with our Guide or policies. Employees are strongly encouraged to report issues to their supervisor, human resources, law department, or the Office of the Ombudsman.

### OFFICE OF THE OMBUDSMAN

#### OMBUDS REPORTS

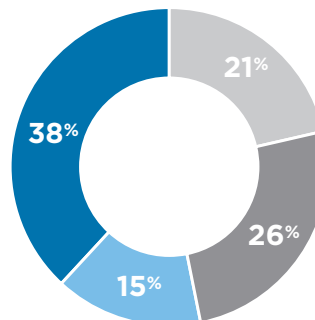
By Region, FY2011



■ Americas  
■ Asia Pacific  
■ Europe, Middle East, Africa

#### INDIVIDUAL ACTIONS TAKEN

By Type, FY2011



■ Action Plans  
■ Counseling  
■ Termination  
■ Disciplinary Warnings

All reports of possible violations are taken seriously and investigated with the oversight of the Office of the Ombudsman. The Ombudsman is a TE employee who acts as an independent, impartial, and confidential resource with whom employees, suppliers, investors, customers, and other third parties can ask questions or address concerns about potential violations of the Guide, laws, policies, regulations, safety, or ethics.

Reporting directly to the Board of Director's Audit Committee, the Ombudsman ensures that all reported issues are thoroughly investigated and resolved. In addition, the Ombudsman and Chief Ethics and Compliance Officer regularly meet with the Compliance Committee, which includes members from TE's Senior Management team, to review relevant issues and trends.

We encourage concerned people or groups to contact the Office of the Ombudsman by telephone, via the toll-free global ConcernLINE, or through the ConcernNET website. Reports can also be made anonymously.

In FY2011, the Office of the Ombudsman received 685 reports—the majority of which dealt with company policies, conflicts of interest, and general employment questions. In 41% of the cases, we took corrective actions or otherwise made improvements to benefit the company and our employees. Even when cases are unsubstantiated, the reporting process provides us with valuable insights and opportunities to innovate.

## LOOKING FORWARD

In 2012, we will continue to drive our commitment to governance, ethics, and compliance by:

- Releasing a new values-based guide to ethical conduct and refreshing our annual training
- Increasing the use of social media to reinforce values in everyday decision making
- Creating a new Ombudsman and compliance website to clearly communicate with our stakeholders our values and ethical standards



### DISCOVER MORE

[www.te.com/governance](http://www.te.com/governance)

- ▶ [How TERA Works](#)
- ▶ [Board of Directors](#)
- ▶ [Guide to Ethical Conduct](#)
- ▶ [ConcernNet Website](#)
- ▶ [Ombudsman Office](#)



## MY PERSPECTIVE

**CHRISTINE STICKLER** Assistant General Counsel and Chief Ethics and Compliance Officer

In today's interconnected world, corruption is a global issue and a serious threat to free markets, fair competition, and, in some instances, our own workplace. As we strive to be better, smarter, and faster, our global footprint and overall business presence is also expanding in emerging markets. As a company, we must have a comprehensive governance structure in place to support our employees and growth around the world.

At TE, we are proud that we compete fairly to win and retain business and that we conduct business with other companies and individuals who also stand against corruption. Releasing our revised anti-corruption policy this year was an important step in our efforts to empower our employees to make the right decision in difficult situations.

I believe that by taking ethics and integrity out of the abstract and bringing them into everyday teachable moments, we can solidify our foundation for success. Over the next year, the Ethics and Compliance team will focus its efforts on expanding the use of social media to further reinforce our values and commitment to integrity.





# RESPONSIBILITY IN THE ENVIRONMENT

## 02.

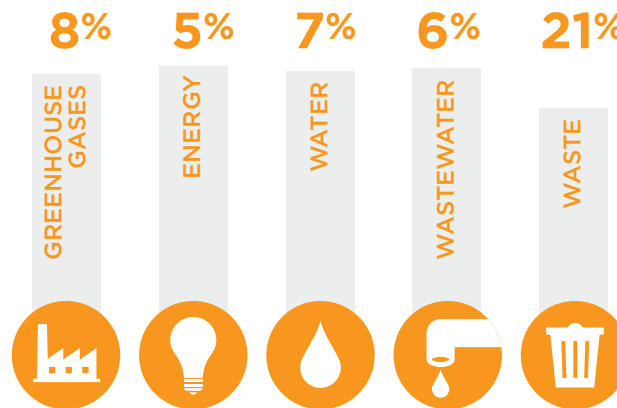
### Managing Our Environmental Impacts for a Greener TE and World

TE is committed to protecting the environment by reducing our greenhouse gas emissions, energy usage, and other resources used across the entire company.

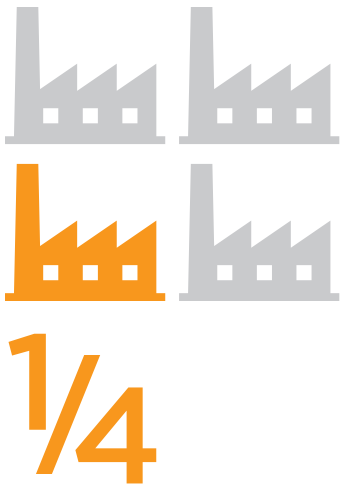
Our efforts to reduce our environmental impact reflect our core values of taking responsibility and doing the right thing, which underscores our commitment to the communities where we do business.

#### TE ENVIRONMENTAL ACCOMPLISHMENTS

We are on track to meet most of our 2012 goals. Compared to our baseline year of 2010, we achieved reductions (per unit of production) in 2011 in five key areas.



improvement over 2010



About one in four of plating facilities incorporate zero-wastewater technology.

## ENVIRONMENTAL MANAGEMENT

In all of the countries where we operate, we hold ourselves to a high standard—often above local requirements and practice—and we are committed to continuous improvement.

To meet our goal of reducing our environmental impacts by 10% by 2012 we will:

- Measure and report our progress as part of our regular monthly review of operational performance
- Use operational improvement tools and programs to reduce the amount of resources we use and the amount of waste we generate
- Identify and apply best practices for reducing environmental impacts in common processes at TE

### IN ACTION

#### Certified Environmental Management

More than 60 of TE's sites have their environmental management systems (EMS) certified to ISO 14001 by third parties. To achieve certification, a facility must demonstrate that it has an EMS in place that identifies significant environmental impacts, sets goals and targets, and has a robust system for evaluating performance, taking corrective actions where needed, checking statuses on an ongoing basis, and continually improving performance.

## GREENHOUSE GAS EMISSIONS AND ENERGY USE

TE is committed to addressing the global challenge of climate change by reducing greenhouse gas emissions (GHG) and energy consumption in our operations.

Our absolute greenhouse gas emissions decreased by 6% in 2011, and on a normalized basis (per unit of production) our emissions decreased by 8%. We reduced our absolute and normalized energy consumption by 5%.

To support continued improvement and progress toward our 2012 goal, we:

- Continued to conduct energy audits at our sites to help us identify and implement changes that yield electricity and fuel savings
- Formed a company-wide, cross-functional energy steering committee
- Added an energy focus to teams responsible for each of our major processes, such as plating, electron beams, molding, stamping, and assembly

Going forward, we are planning to utilize a new energy conservation website in order to better deploy tools, resources, and best practices across all of TE, and we will enhance our energy audit process. With all of these efforts, we expect to gain additional momentum in our energy and GHG reduction efforts and progress.



## IN ACTION

### Reducing SF<sub>6</sub> Releases

Most of TE's greenhouse gas emissions result from our purchase of electricity and, to a lesser extent, our use of fuel. We also generate GHG emissions in connection with our use of sulfur hexafluoride (SF<sub>6</sub>) in our electron beams. SF<sub>6</sub> is a very effective electrical insulator that is also a potent greenhouse gas. To reduce our SF<sub>6</sub> emissions, our Electron-Beam Center of Excellence is focusing on ways to reduce release of SF<sub>6</sub>, such as reducing the leakage that can occur during beam maintenance. With TE's focus on GHG reduction and the team's focused measurement and management of our electronic beam processes, we reduced our SF<sub>6</sub>-related GHG emissions in 2011 by about 26,500 metric tons (MT) CO<sub>2</sub>, compared to 2010.

### Using Nature to Save Energy

At our engineering center in Kawasaki, Japan, we installed rooftop plots of Sunagoke moss, a plant that tolerates heat, drought, strong winds, and humidity; it also does not require soil or maintenance. The moss protects the facility's rooftop from the sun's heat and ultraviolet rays, keeping the rooms below cooler in the summer and requiring less air conditioning. Combined with other energy efficiency initiatives—including removing or replacing lighting with

LED and encouraging employees to use the elevator less—the center has seen an 11% energy savings from the same time last year.

### By Sea Rather Than Air

Ocean freight significantly reduces fuel use and resulting GHG and other emissions from air transportation. Since the launch of our freight-savings program in October 2010 covering the Southeast Asia region, our Automotive team succeeded in shipping more than 80% of its product, in terms of weight, by sea rather than by air. The group is exploring a similar approach to transport product from Europe to Singapore.

### Carbon Disclosure Project

We report our progress through the Carbon Disclosure Project (CDP), the most widely used and recognized global database for corporate GHG reporting. By joining more than 3,000 organizations in 60 countries that measure and disclose their greenhouse gas emissions strategies and performance through CDP, we can better set our own reduction targets, make performance improvements, and encourage comparability between companies at a global level. TE's report in the CDP can be found at [www.te.com/CDP](http://www.te.com/CDP).

First, let me compliment TE for delivering another strong corporate responsibility report this year on the heels of a solid first effort in 2010. Reporting is a significant undertaking, and TE offers substantive content around the opportunities and challenges they face. They have impressive goals around zero waste and have made significant progress in reducing their greenhouse gas emissions. It is also great to see that they are looking at product innovation to help address global sustainability issues.

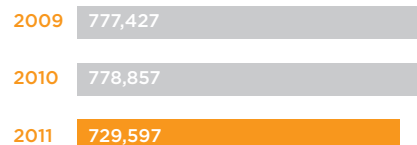
Overall, I would like to see greater context around impacts and comparability. For example, it would be useful to have a comprehensive data table that shows trends against stated goals. I'd also like to understand more about TE's long-term vision for product innovation as it relates to sustainability. Greater insight into TE's potential role as an enabler of a sustainable future would augment the impact of this report.

#### BRUCE KLAFTER

Managing Director, Corporate Responsibility and Sustainability at Applied Materials, Stakeholder Panelist

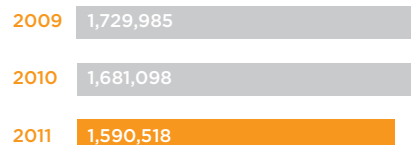
### GREENHOUSE GAS EMISSIONS

Metric tons CO<sub>2</sub> equivalent



### ENERGY CONSUMPTION

Electricity, heat, steam, cooling in Mwh



## WATER, WASTEWATER, AND WASTE

TE is constantly seeking ways to reduce our water usage and the amount of wastewater and waste generated from our operations. Doing so benefits the environment, simplifies our processes, and reduces our materials usage and costs. Our plants around the world are regularly finding innovative ways to use less water and create less waste.

WATER USAGE	HAZARDOUS WASTE GENERATED	MATERIALS RECYCLED/REUSED
Millions of gallons	Metric tons	Metric tons
2009 1,212	2009 5,293	2009 55,187
2010 1,258	2010 7,252	2010 69,206
2011 1,220	2011 4,691	2011 64,294

### WATER AND WASTEWATER

TE uses water for our manufacturing processes and sanitary uses; we have wastewater discharge associated with both types of usage. Our operations used approximately 1.2 billion gallons of water and discharged 1.0 billion gallons of wastewater in 2011. This is a 3% decrease for both measures over 2010, and when we adjust for increased production volume, we saw a 7% decrease in water use and a 6% decrease in wastewater discharge.

About one quarter of our 26 plating facilities incorporate a zero wastewater technology, and in those that do not, we use wastewater treatment systems. All wastewater is treated to meet applicable discharge limits, and we often go beyond regulatory requirements. In particular, we have modified plating equipment to significantly reduce wastewater volume, chemical usage, and hazardous waste generation.

### Reducing Water, Wastewater, and Waste in Plating

One of TE's core manufacturing processes is plating of metal, which improves corrosion resistance or imparts other critical performance properties. Plating historically has involved large quantities of water and the subsequent discharge of wastewater. TE has been working for more than 20 years to reduce the environmental impacts from plating, and our teams and plants have developed systems that completely eliminate plating process wastewater discharge. These "zero process wastewater discharge" plants use advanced rinsing and recycling processes to reduce the amount of water used and the amount of process wastewater discharged. Additionally, these processes enhance recycling and reclamation of the plating process metals, thereby reducing hazardous waste.



## MY PERSPECTIVE

**CARL SCHULTZ** Senior Director,  
Environment, Health & Safety

I'm proud to lead TE's environment, health, and safety program because we hold ourselves to a high standard everywhere we operate around the world. In many of our locations, our standards go beyond local requirements and practices. Around the world, TE is helping to lead the way in places where environmental performance expectations are still in development.

Our environmental goals are an important part of our business strategy, and the reverse is true as well. Our business goals and environmental goals are one and the same—using less material, creating less waste, consuming less energy, and being a good neighbor—it's a perfect fit.

It's great to be able to support TE's commitment to the environment and to help TE be a good corporate citizen, and it's a great place to work.

## WASTE

Our long-term goal is zero waste, and we are constantly seeking to re-engineer our products and production processes to become waste-free. In 2011, we reduced the absolute amount of waste generated by 16% and by 21% when adjusted for increased volume. We also reduced our absolute and normalized hazardous waste by 35% and 38%, respectively. A significant portion of this reduction resulted from an upgrade to our wastewater treatment system at our plant in Qingdao, China, which allowed us to treat wastewater on-site.

## LOOKING FORWARD

We will continue to build on the programs and successes we've had over the past few years. We'll do this by:

- Continuing our work toward our 2012 goal of reducing environmental impacts by 10%
- Establishing new and more aggressive reduction goals in addition to the progress we've already made
- Staying focused on innovation in our core processes—to continue to reduce water use and wastewater discharge from plating and to innovate to reduce energy use in all our manufacturing processes
- Engaging teams at TE sites around the globe to participate in our energy reduction and other environmental initiatives
- Enhancing our energy auditing program and improving the tools and resources available to all of our sites

## DISCOVER MORE

[www.te.com/environment](http://www.te.com/environment)

- ▶ [Our Environmental Policy](#)
- ▶ [The Carbon Disclosure Project](#)
- ▶ [WEEE Compliance](#)
- ▶ [Awards](#)
- ▶ [ISO 14001 Sites](#)





A typical American home has 40 products constantly drawing power. Together, these amount to almost 10% of residential electricity use, according to the Lawrence Berkeley National Laboratory. TE's AXICOM relays are being used in zero-watt chargers that save energy by not consuming power when not actively powering a device.

From protecting the environment to aiding in the transition to a low-carbon economy to increasing access to technology, we face unprecedented challenges on a global scale. TE is committed to working with our customers to create products and solutions that enable a sustainable future.

# RESPONSIBILITY IN OUR PRODUCTS

03.









## PROTECTING THE ENVIRONMENT

We understand that the design and manufacturing choices we make for each product have a lasting impact long beyond life of their use, which is why the use of hazardous materials and how they impact the environment are an integrated part of our design reviews. These are considered when we select new materials. In 2011, we continued to broaden and strengthen our activities and performance in product stewardship.

### IN ACTION

#### Developing Sustainable Products

Nearly all of our global product lines are compliant to the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS). The remainder products are in industry segments such as military and aerospace where RoHS compliant products are currently neither required nor, in most cases, accepted. We are also focused on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH with dedicated programs and resources to deal with the increasing legislative requirements as well as business continuity concerns. Currently, less than 1% of our products contain any of REACH's 53 Substances of Very High Concern published through June 2011, and we continue to work with our customers to develop substitutions to ensure that those substances will be removed from TE products well before their respective sunset dates.

#### Working to Set Global Standards

TE actively participates in industry associations and standards organizations around the world, such as iNEMI, TechAmerica, and China RoHS Standard Working Groups, to provide input to the development of standards and regulations which address management and control of hazardous substances. TE also supports initiatives to develop an industry standard data exchange format and platform for product environmental compliance information. By adopting standards, we believe that industry can significantly lower the administrative burden of the multiple data exchanges needed throughout the supply chain.

#### Understanding the Lifecycle

TE has integrated its worldwide processes and activities to reduce environmental impacts through the lifecycle of our products in a Product Environmental Compliance Management System (PEC-MS). The management system is based on the IEC QC080000 industrial standard and integrated with key TE business processes. This system is a supplement to the TE Global Quality Management System framework, and it supports the TE Global Product Environmental Compliance Policy.

## REDUCING ENERGY CONSUMPTION

Climate change and its impacts are being felt around the world. Our customers intend to minimize their contribution to climate change by reducing their own energy consumption and look to us to partner in this effort. By developing lighter, more efficient products, we help our customers in a variety of industries to reduce emissions and to save energy.

### IN ACTION

#### Making Measurement Smarter

Our intelligent meters and sensors promote energy conservation through a system that enables a more detailed view of energy consumption at multiple sites, within a site, or down to a process.

#### Aircraft Efficiency through Lightweight Innovations

Working with the entire airline supply chain, we created weight-saving interconnection technologies for lighter aircraft. Our connector designs replace traditional heavy metal shells with lightweight composite materials, yielding a weight savings of 20% to 30%, which creates more efficient aircraft and brings down fuel consumption and emissions.

#### TE Relays Save Power

TE's AXICOM relays are used in zero-watt chargers, which save energy by not consuming power when the charger is plugged into a wall outlet but is not actively charging a device. Our relay isolates the electricity supply from the charger until a discharged device is connected. The amount of power wasted by a single charger might seem very small, but when one considers the billions of chargers used globally, the total is significant.

## ENABLING THE TRANSITION TO LOW-CARBON ECONOMY

Most electrical grid power comes from non-renewable sources. While the use of renewable energy is on the rise, the cost, output efficiency, and lack of grid infrastructure hamper mass adoption. TE enables the shift to sustainable resources through products that support the renewable energy industry and alternative energy products.

### IN ACTION

#### Next Generation Wind Energy Solutions

Wind is a clean energy solution that produces less emissions than fossil fuels, but the wind industry faces challenges on quality and system availability. We are enabling efficient growth through a full suite of products from blade to grid, including system monitoring, motion and drive solutions, and power and control interconnectivity.

#### Hybrid Ready to Accelerate

While hybrid and electric vehicles (EVs) are presently just a small part of the automotive market, there is no question that they are driving the development of new component technologies and are poised for huge growth potential. TE supports the EV industry by providing specialized relays and connectors that link battery packs with the high-voltage modules to vehicles.

## REDUCING THE USE OF MATERIAL GOODS

### TE Operations Launches Material Usage Productivity Challenge

While TE cannot control the price of copper, gold, silver or resin, we can to some degree control the amount of these commodities we use in our products and operations. To help combat higher raw commodity costs, TE Operations has launched a challenge to our 90+ plants in an attempt to generate \$25 million in incremental material productivity.

As part of the Productivity Challenge, plants will strive to:

- Minimize the amount of scrap generated in our operations
- Utilize the maximum amount of resin re-grind approved by customers
- Minimize the amount of precious metals in our plating processes
- Maximize the value of the scrap we sell
- Optimize balance between minimum order quantity and inventory costs

For every quarter in 2012, the best performing plant will be recognized in three categories:

- Most material usage productivity in the quarter in terms of dollars
- Most material usage productivity in the quarter in terms of percentage
- Most new incremental annualized dollars implemented in the quarter

Global plant leaders were provided details on the Challenge and plant nomination forms. Given the talent and creativity in our plants, we are sure to see some extraordinary results.

## CONNECTING THE DEVELOPING WORLD

Emerging markets depend on reliable electricity supply and access to today's wired world to foster growth and to attract foreign investment; yet, lack of infrastructure and prohibitive costs can restrict business development. Our products help emerging regions gain access to markets and develop reliable infrastructure.

### IN ACTION

#### Wiring for Access

TE SubCom laid more than 6,800 kilometers of cable between Portugal and the west coast of Africa and 10,700 kilometers of cable connecting eight countries and territories in Southeast Asia. Both projects delivered much-needed, high-capacity broadband connectivity, increased Internet access, and significantly reduced costs for individuals and businesses alike.

#### Lighter, Stronger Products to Connect Two Cities in China

To support a new ultra high-voltage power transmission line being built to connect the Chinese cities of Nanyang and Jingmen, TE Energy designed and manufactured special high-strength operating rods needed to activate the system's bypass circuit breakers. The new line will carry 1,100 kilovolts—the highest voltage ever transmitted by a commercial power system. Due to this extreme voltage, the operating rod had to be very long in order to prevent short-circuiting, so our engineers in Wohlen, Switzerland developed a 9.9-meter rod—the longest we've ever built.

## A Global Innovator

We believe that the relentless pursuit of new products and solutions that improve our own and our customers' impact on the world are critical to our long-term success. As a result, we are proud to be named one of Thomson Reuters' 2011 Top 100 Global Innovators. This honor recognizes companies that are working on developments that are acknowledged as innovative by patent offices across the world—and by their peers—and whose inventions are so important that they seek global protection for them.



## DISCOVER MORE

[www.te.com/products](http://www.te.com/products)

- ▶ Research and Development
- ▶ TE Wind
- ▶ Electric Vehicles
- ▶ RoHS
- ▶ Innovation Awards



## MY PERSPECTIVE

**ROB SHADDOCK** Executive Vice President & Chief Technology Officer

Our engineers can be found in places all around the globe, including Silicon Valley, China, Germany, and India to best meet our global customers' needs. With more than 20,000 patents pending or granted, innovation is truly a part of our core values. This year, we made substantial progress in our research and development in fiber optics, electrification of vehicles, and various energy reduction measures. It feels good to see TE grow and create products that are good for our business and have a positive impact on our society.

Our customers are also demanding more efficient products. To meet their demands, TE's businesses are developing smaller, lighter-weight products and products with higher recyclable content and energy saving solutions. Our 7,500 engineers are working on breakthroughs which will benefit our customers as they strive to bring environmentally friendly products to market.

In our world today, sustainability and innovation can no longer be an afterthought; it is critical to our business and a part of who we are. Whether we're making data centers more efficient or reducing the weight of the cabling in an airplane—we're motivated to help make our customers smarter, faster, and better.









Conducted more than 140 audits in more than 21 countries, a greater than 350% increase from 2008-2010 levels.

## RESPONSIBILITY WITH OUR SUPPLIERS

04.

Ensuring high standards of corporate responsibility throughout our supply chain

With an annual spend of approximately \$7 billion and more than 30,000 direct and indirect suppliers worldwide, we have a responsibility to ensure our suppliers share our core values and corporate responsibility commitments.

We work closely with our suppliers to assure they sustain a business environment that promotes ethical behavior, enables fair competition, and protects intellectual property.

## GUIDE TO SUPPLIER SOCIAL RESPONSIBILITY

The foundation of our supplier relationship program is our Guide to Supplier Social Responsibility (SSR), which outlines our objectives on:

- Rejecting corruption and unfair business practices
- Promoting environmental sustainability and a healthy work environment
- Improving working conditions by prohibiting forced, harsh, or inhumane treatment and discrimination of supplier employees
- Encouraging diversity through programs that enable socially and economically disadvantaged groups to become part of our supply chain

### A FRESH TAKE

In 2011, we significantly updated the SSR guidelines to better align with the TERA program and our commitment to the UN Global Compact. In particular, we shifted toward an SSR approach that requires suppliers to confirm strict compliance with TE principles. We also expanded our expectations for labor based on escalating global concerns, and we added new information on our efforts to address conflict minerals.

To support the roll out of the new guidelines, we reinvigorated our SSR program internally, including establishing metrics to measure our performance, updating our audit processes, and selecting an external auditing firm to support our auditing objectives. We also provided a series of global communications on TERA, goals and objectives for SSR, and plans to survey and audit our supply base, among other activities.

## TRACKING COMPLIANCE AND BUILDING CAPABILITIES

We ensure compliance with our SSR guide through a variety of initiatives and programs.

### SUPPLIER COMPLIANCE

We ask our suppliers to acknowledge compliance with our social responsibility policies through an online survey.

In 2011, we surveyed 623 suppliers who represent the top 80% of direct material spend, achieving an 87% response rate to the survey. Of our suppliers, 80% acknowledged compliance with our SSR Guide, and 7% requested that we consider their SSR program as a response rather than an acknowledgement of compliance. We are in the process of reviewing these requests, and we will work with our suppliers to achieve consensus on the intentions of both programs. We will also continue pursuing a response for the remaining 13% who have not yet completed our SSR Compliance survey.

In the upcoming years, we plan to extend this survey further into our supply base for both direct and indirect goods and services.

## AUDITING FOR ASSURANCE

We conduct audits of selected suppliers on issues of social responsibility. This year, we updated our audit program to align with the TERA program and selected a third-party audit firm that specializes in supplier social responsibility.

In 2011, we conducted more than 140 audits, 20 of which were through our third-party audit firm. Our audits covered both direct and indirect suppliers providing a diverse range of products and services in more than 21 countries. This is a 365% increase in auditing activity from our 2008 to 2010 activities combined.

## HOW WE AUDIT

Our audit process incorporates a screening audit and a more extensive workplace conditions assessment (WCA).

The screening audit is a short audit, performed by TE personnel, to verify the supplier's SSR compliance and maturity. The audit is intended to identify potential areas of concern that may require further investigation. This year, we trained more than 50% of TE procurement professionals on how to conduct an SSR screening audit.

The WCA is performed through a third-party firm by professional auditors, and it assesses a supplier's SSR compliance through a detailed, intensive onsite audit process.

## REMEDIATION AND DEVELOPMENT

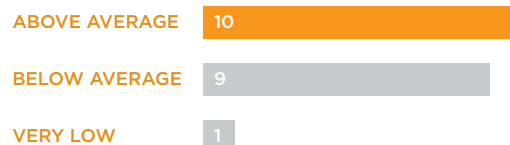
Our supply chain sustainability is maturing, so it is critical we take an approach that defines and incentivizes continuous improvement. We believe it is important to work in partnership with our suppliers to find solutions, including the remediation of instances of non-compliance as well as investment in suppliers' management capabilities.

Remediation can include, among other activities:

- TE and suppliers working together to create a corrective action plan
- Monitoring progress toward an implementation plan
- Termination of relationship when serious compliance issues are not remedied

## WHAT WE FOUND

TE's auditing program began in earnest in July 2011, so our analysis of data, trends, and remediation activities are in their early stages. However, initial findings show that of the 20 WCAs performed, half of our suppliers rated "above average." We are currently pursuing follow-up activities with the other 10 poor-performing suppliers to collaborate on corrective action plans.



## CONFLICT MINERALS

TE takes very seriously the possibility that conflict minerals may find their way into our supply chain. Conflict minerals or conflict metals are defined as gold (Au), tantalum (Ta), tungsten (W), and tin (Sn) sourced from mines in conflict areas controlled by armed groups, including but not limited to the Eastern region of Democratic Republic of Congo (DRC). We understand that the minerals trade has a role in financing the ongoing conflict in the DRC and the associated atrocities and human rights abuses. Accordingly, we support Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to discourage companies from using conflict minerals.

## SUPPORTING TRACEABILITY

As with all products we source, TE holds its suppliers to the company's high standards of integrity and responsibility. Once the mines associated with armed groups have been identified, suppliers can have a part in stopping the devastating humanitarian crisis by choosing to source from the conflict-free mines.

As such, we ask that suppliers identify the source of their gold, tantalum, tungsten, and tin to the greatest extent possible and use reasonable efforts to supply commodity metals to TE that are conflict-free. We also ask our suppliers to certify to such a designation if possible.

## BEYOND EMBARGO

Avoidance of sourcing from conflict mines is a very serious issue, but the pressure on smelters and suppliers to certify minerals as DRC conflict-free is creating a de facto embargo on all tin, tantalum, tungsten, and gold exported from the

DRC and surrounding region. In order to avoid an adverse impact to African economies, we are encouraging the SEC to adopt transition rules that will allow for construction of the proper infrastructure within the DRC region to trace conflict minerals back to the mines. We are also asking U.S. government officials to help identify the conflict mines, which would then allow certain mines to be certified as conflict-free.

We are also in active dialogue with our suppliers on what can reasonably be done to increase supply chain transparency despite these challenges. As information in the industry becomes more freely available and mine origin more discernible, we will expand our due diligence and tighten our compliance requirements accordingly.

## LOCALIZATION

We believe we can have a positive impact on the environment and local communities in which we do business by buying materials close to the facilities where they will be consumed. Localization shortens transportation distances, which in turn reduces fuel consumption and other transportation costs. It also bolsters the economic development in the local community.

Our goal is to achieve localized spending between 85% and 95% of our total direct material and to maintain that status as we grow our production and expand into new regions. In 2011, we achieved 89% localized spending.





## MY PERSPECTIVE

**KAREN LEGGIO** Chief Procurement Officer

We have more than 30,000 suppliers worldwide, so we have a tremendous opportunity to deliver positive global impact through the extension of TE's core values to our supplier base.

The procurement of goods and services impacts not only suppliers, but our customers, employees, and the communities where we do business. We seek to make these impacts positive ones through our commitment to localization, which allows us to not only develop the local economies, but

also to cut down on environmental impacts in transportation emissions.

I am very excited about the direction our SSR program has taken in support of our TERA goals. The foundation we created in 2010 will enable thoughtful expansion of our SSR program throughout our supply base in the years to come. We will continue to improve our SSR program with a goal of maximizing our impact on supply chain sustainability to ensure that working conditions in our supply base are safe, workers are treated with respect and dignity, and manufacturing processes are environmentally responsible.

## LOOKING FORWARD

Over the next five years, our goal is to:

- Extend our compliance survey to the remainder of our supply base as defined by spending and supplier classification
- Track results of our audit program in validating performance and sustaining accountability, as well as examine trends in remediation to yield successful compliance progress
- Continue to consolidate our supplier base to migrate our spending to our key suppliers, which will include those that align with our goals of localization, diversity, and social responsibility

## DISCOVER MORE

[www.te.com/suppliers](http://www.te.com/suppliers)



- ▶ Supplier Portal
- ▶ TE Guide to Supplier Responsibility
- ▶ TE Guide to Supplier Responsibility Survey
- ▶ Supplier Diversity

05.

## RESPONSIBILITY IN THE WORKPLACE

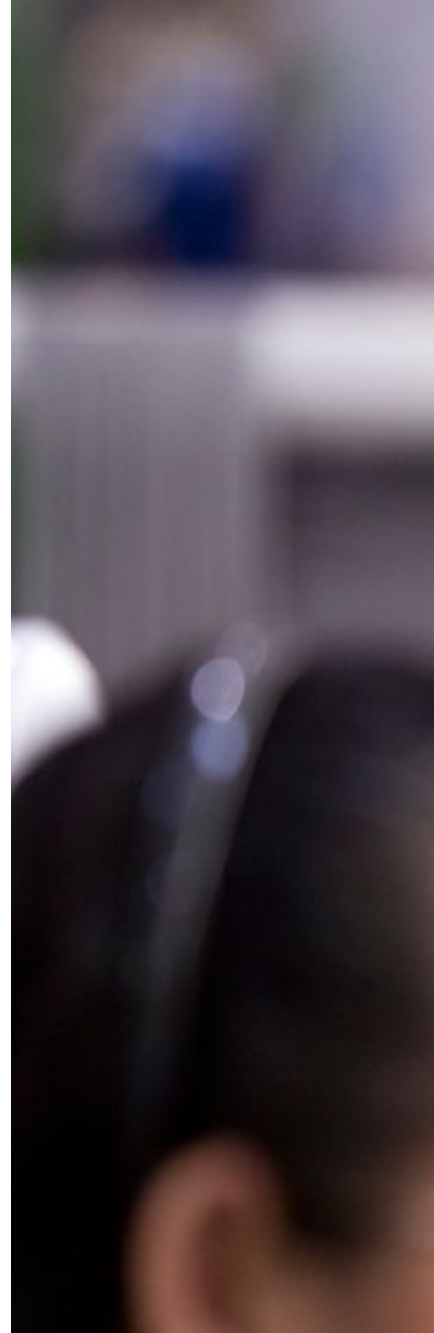


**\$75** MILLION

TE invested \$75 million in facility upgrades to improve work environments and morale.

Attracting, developing, protecting, & retaining our most valuable resource

At TE, our most important advantage is our people. Nearly 95,000 TE employees design, manufacture, and market our products in more than 50 countries around the world. We understand that our success as a business is directly linked to theirs. We are committed to supporting our employees—and making TE a great place to work—by emphasizing development and training, creating a safe work environment, and embracing diversity and inclusion.







## ENGAGING OUR EMPLOYEES

At TE, we believe employee engagement is critical to our long-term success. We see engagement as our ability to:

- Support professional and career development
- Effectively communicate with people at all levels in the company
- Create an environment that is safe and inclusive



In 2008, 2010, and January of 2012, we measured our employee engagement through a company-wide survey and follow-up pulse survey. Findings showed that employees wanted more opportunities for growth and development, increased communication from business leaders, and increased transparency. Results from the surveys have been shared with each business unit, and action-planning teams continue to address their respective areas of focus.

### IN ACTION

#### Revitalizing Our Workplace:

This year, we invested \$75 million in facility upgrades to improve work environment and boost morale and engagement. We redesigned work stations and interior walls to allow in as much natural light as possible throughout each floor. We also used sustainable materials and design in many of these upgrades, including carpeting, countertops, and furniture from recycled materials, solar-powered faucets and flush valves in bathrooms, LED lighting, low-VOC paints and adhesives, and native drought-tolerant plants to reduce landscaping water usage.



## HEALTH, WELLNESS, AND BENEFITS

### INJURY-FREE AND HEALTHY WORKPLACE

One of the fundamental building blocks of TE's strategy is our commitment to safety. Simply put, we must provide an injury-free workplace.

We ensure the safety of our employees by:

- Adhering to TE's own stringent safety rules and practices at all our facilities
- Requiring each location to use TE's safety management system, which involves all levels of the organization
- Requiring each facility to comply with all applicable regulations

Safety performance is a key operational indicator and is regularly reviewed at the company, business unit, and plant level. A network of trained safety personnel and third-party audits ensures compliance with our high safety standards.

In 2011, we made progress toward our goal of zero injuries. Our total recordable incident rate across all TE manufacturing plants was 0.47 incidents per 100 employees, a 13% decrease over our rate in 2010 of 0.54.

#### INCIDENT RATE

Per 100 employees



## HEALTH AND WELLNESS

TE is committed to helping our employees and their families evaluate, maintain, and improve their physical, mental, and financial health through a wide variety of programs everywhere we operate.

### Employee Assistance Program (EAP):

EAP is a resource that provides professional, confidential assistance for all employees and their family members to deal with mental health issues, family and parenting concerns, and financial needs. In 2011, we expanded EAP to all countries where we operate. We also extended our EAP in China to include employees (and their family members) directly hired by TE, as well as through our agents, to ensure the program reaches our entire workforce.

### Global Wellness Campaign:

Our diverse employees can have very different health and wellness needs. By examining and understanding their needs at the local level and developing networks of peer volunteer Wellness Champions, we are able to offer more focused programs and inspire and empower our employees to lead healthier lives.

### Educational Support:

A benefit we offer to employees is education reimbursement. We spent more than \$2 million annually to support employees in achieving educational degrees or certifications.

It is great to see TE's continued commitment to corporate responsibility in their second annual report. In particular, I am encouraged that their engagement in sustainability starts at the top with leadership from CEO Tom Lynch. In addition, having their efforts unified under the TE Responsible Advantage (TERA) program and a global environment, health and safety program shows a strong global focus and management system. Using the Global Reporting Index and United Nations Global Compact as guiding principles for their reporting also aligns them with best practices.

Going forward, TE's programs and report could be strengthened by greater depth in reporting on their employee engagement. For example, how specifically is TE addressing the findings from their 2008 and 2010 engagement surveys? How does their health and safety compare to industry average and are there goals beyond being injury free? It would also be good to have more information on their diversity data and efforts.

**TIM MOHIN** Director of Corporate Responsibility, Advanced Micro Devices, Stakeholder Panelist

## DEVELOPING TALENT

Over the past four years, we have expanded our talent development and training programs beyond basic on-the-job skill training, and we included career-building programs in the areas of operations, engineering, and leadership. We are also expanding our internal development opportunities, such as rotational and short-term assignments.

### IN ACTION

#### Leadership Development:

In 2011, we extended our leadership development in various ways around the world, including supervisor training to more than 1,600 individuals across 18 facilities in China, and training to more than 1,000 leaders through our cornerstone program, “TE Leadership Way”. The Leadership Way program develops the skills needed for leadership at TE and focuses on strategy, execution, and talent development. It is open to all existing and newly appointed leaders in every region.

#### Talent Mobility:

We encourage employees to take new positions in other departments across the company to share expertise across functions, roles, and geographies. In 2011, we increased the number of employees in long-term international assignments by 18%.

#### Lean Operations:

Through our TE Operating Advantage program (TEOA)—a company-wide effort to improve productivity, reduce costs, deliver greater satisfaction to our customers, and value to our shareholders—we provide various levels of Lean training at all of our manufacturing sites. In the past three years, more than 4,000 employees have been trained in Lean principles and over 1,500 employees have completed advanced training and are certified as Lean practitioners.

#### Online Trainings:

We offer more than 12,500 professional classes covering a wide variety of topics; many are available in up to 19 languages. This year more than 16,000 employees participated in 187,000 hours of classes worldwide.

## WORKFORCE

Fiscal Year 2011 was a significant year in our history as we completed the acquisition of ADC, and successfully integrated 9,000 ADC employees into TE.

We had roughly the same number of new employee hires as departures in the fiscal year. We added thousands of jobs to better meet the growing demand of certain industries and countries. Excluding China, India, and Mexico, we had a positive net hire rate of 2%.

Our overall turnover rate was 13% (voluntary turnover was 8%), excluding China, India, and Mexico where our workforce is mainly in manufacturing. In China, India, and Mexico, the combined turnover rate was 50% due to the competitive labor market conditions in China and the high-turnover nature of manufacturing jobs.

	Turnovers	Hires
TE China, India, and Mexico	16,559	15,009
TE (w/o) China, India, and Mexico	5,039	5,674
TE Total:	21,598	20,683

\*Does not include agency and temporary employees

## DIVERSITY AND INCLUSION

We value our rich diversity and inclusion of cultures, experiences, and perspectives at TE. We adopt work practices that create an inclusive environment and employ methods to recruit a diverse workforce. We are committed to providing opportunities for everyone to contribute to their fullest potential.

We see diversity and inclusion as a key opportunity for TE and have identified two areas of focus moving forward:

### GENDER:

Our global workforce is 41% female, and women fill 11% of leadership positions worldwide. Understanding that gender diversity is an industry-wide challenge, we launched the TE Women's Network last year to support the development, retention, and recruitment of women in support of gender diversity at TE. By creating a network where women can collaborate, we hope to encourage professional growth and exchange of best practices that make women successful in the workplace. To date, the network has more than 540 members.

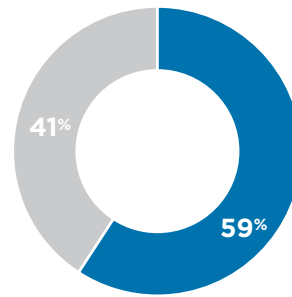
### GLOBAL DIVERSITY:

As a multinational company, it is crucial to have global leadership. Currently, 40% of our top managers are from countries outside of the United States.

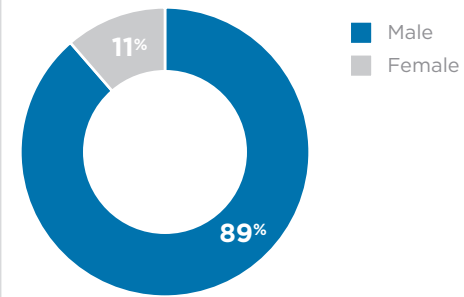
## GLOBAL GENDER DIVERSITY

By reporting category

WORKFORCE TOTAL



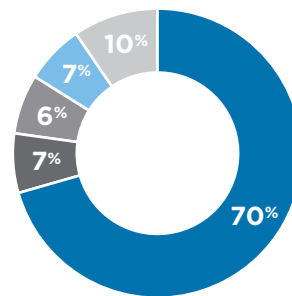
MANAGEMENT TOTAL



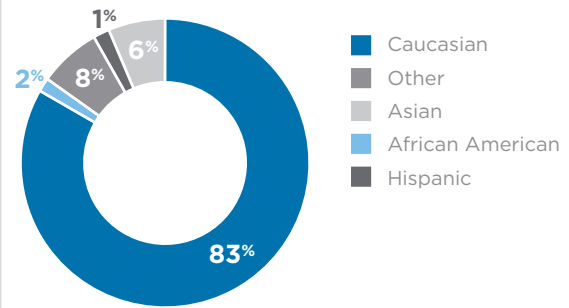
## ETHNIC DIVERSITY IN THE UNITED STATES

By reporting category

WORKFORCE TOTAL



MANAGEMENT TOTAL



## SPOTLIGHT: TE IN CHINA

At TE, we are not just a multinational company doing business in China; we are invested here. Our employees in China represent more than one third of our workforce, and we demonstrate our commitment to them by providing an environment that supports their health, wellness, and ongoing development.

### THE CHINESE CONTEXT

There are complexities and opportunities that come with the unique employment landscape in China. Our 37,000 employees work—and many live—at our 18 sites around the country. For most, this means working and living away from their hometown and local support networks. Under these circumstances, and due to other factors such as age and life experience, some may face difficulties adapting to work and dormitory life.

Our goal is to create a supportive and responsive culture. This year, we rebuilt our Chinese human resources management systems from the ground up. Here are a few of our new initiatives:

need to be effective leaders, we trained over 1,600 individuals across our 18 facilities in China. The training focused on the three key elements::

- Engaging supervisors in building a common corporate culture and set of expectations and standards
- Ensuring supervisors have a deep understanding of EAP and crisis awareness skills to identify the problems and issues and to respond quickly and appropriately
- Making supervisors stronger and more effective leaders through training on how to coach and give feedback, motivate employees, and communicate effectively

### WORKING WITH AGENCIES

Like many companies with manufacturing sites in China, we use agencies to help us recruit new members of our workforce. It is our responsibility to ensure that, as representatives of TE, they operate in a transparent and ethical manner on our behalf. We do this by having clear hiring policies and guidelines that are available to both agencies and prospective employees and by encouraging parties to report their concerns to our Ombudsman's Office.

### SUPERVISORS' SKILLS TRAINING

Supervisors and line leaders play a critical role in managing the efforts of our operators who manufacture TE products. To equip our supervisors and line leaders with the skills they

### BIG BROTHER, BIG SISTER PROGRAM

Our Big Brother, Big Sister program selects employee volunteers to provide an additional layer of care and support to new employees, particularly those living in dormitories. The “brothers” and “sisters” listen to their coworkers and bring any potential concerns to management's attention. So far, this program has been piloted at two sites, and we plan to expand it to all sites in 2012.

### GREAT PLACE TO WORK

We implemented the Great Place to Work initiative at every site to improve our employees' overall work environment, particularly the site canteens and dormitories. At many sites, we offer wireless access and internet cafés, and at all sites, we offer after-hours recreation programs.



## KUNSHAN CONTINUOUS EDUCATION PROGRAM

The Kunshan Continuous Education Program offers high-performing employees the opportunity to “go back to school” and learn management and technical skills to help accelerate their career. Production line workers and line leaders can study diploma programs in enterprise management and mechanical and electrical integration, while technicians can work toward degrees in industrial engineering, mechanical engineering, and automation. In 2011, we sponsored 18 employees, and we intend to extend this further in 2012. We are proud to have local universities, including Nanjing Agricultural University, Jiangsu University, Yangzhou University, and Nanjing University of Aeronautics and Astronautics, partnering with us in this initiative.

## LOOKING FORWARD

A positive employee experience is important to us, and we will continue our efforts to make TE a great place to work by:

- Expanding our programs and initiatives to support our diversity efforts
- Investing in facility upgrades and initiative expansion in China and worldwide
- Continuing to train leaders at all levels in our sites to ensure they create a positive and motivating work environment



### DISCOVER MORE

[www.te.com/employees](http://www.te.com/employees)

- ▶ Environment, Health, & Safety Policy
- ▶ TE Employee Handbook
- ▶ Careers at TE Connectivity



## MY PERSPECTIVE

**JANE LEIPOLD** Senior Vice President, Global Human Resources

TE is at the forefront of technology, and our people are at the center of creating a more connected world. Challenging work, amazing people, and a chance to engage in a dynamic global organization, inspire people to choose and stay with TE every day. To that end, this was a significant year as we successfully integrated ADC and made important progress toward making TE a great place to work. I am proud of the

advances we made in elevating the importance of an integrated HR approach, which focuses on enabling employees to realize their potential by embracing ideas, providing opportunities, and rewarding results.

Going forward, we will continue to increase our training, development, and career opportunities for our employees, advance country specific health and well-being programs, provide a safe and engaging work environment, and develop and initiate an enterprise-wide inclusion and diversity program.







# RESPONSIBILITY IN OUR COMMUNITIES

06.

Supporting and developing  
the communities where we  
do business

A strong community provides the foundation for business to grow and prosper. By supporting community projects and interests through charitable grants, volunteering, and donations, TE is building stronger local and global communities and creating a positive work environment for our employees.



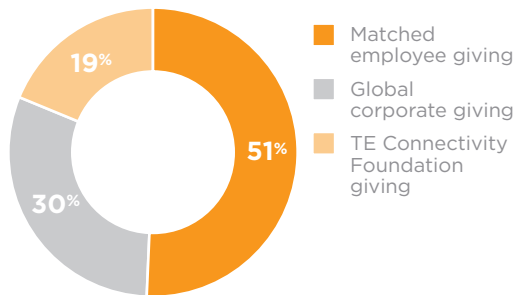
x32

As part of a six-week walking challenge, employees walked more than 430 million steps combined, or 346,009 kilometers (215,000 miles). That's 32 round trips from Miami to Seattle.

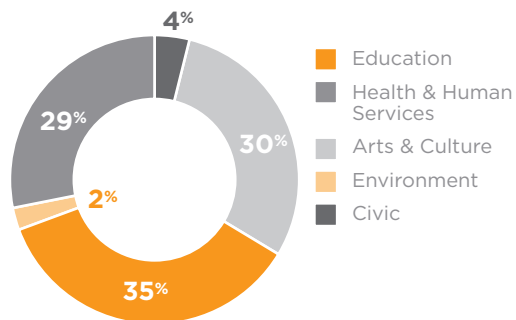
## GLOBAL GIVING

At TE we believe strong communities bring about expanded benefits for every person and business located within them. We support our communities and employees through our global giving program and employee volunteerism. In 2011, more than \$4 million was donated by TE, TE employees, and the TE Foundation to more than 1,400 organizations worldwide.

### TE CONNECTIVITY GIVING

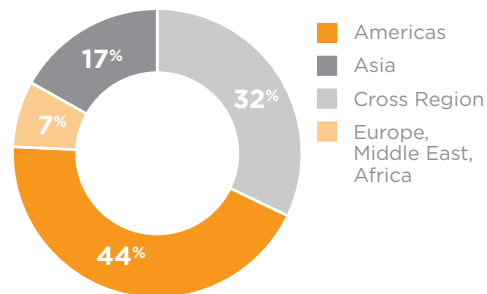


### MATCHED EMPLOYEE GIVING



### GLOBAL CORPORATE GIVING

By region



## CORPORATE GIVING

Corporate giving is primarily focused in areas with the largest number of TE employees, as well as where our financial support can have the greatest impact. Our corporate giving is based on our Global Philanthropy Guidelines, which align with our core values:

- Driving the highest standards of integrity through investments supporting ethical business practices and conduct
- Increasing accountability through investments in energy and the environment
- Creating a sense of teamwork through investments in community development
- Fostering innovation through investments in education, with emphasis on math, science, and engineering

## MATCHED EMPLOYEE GIVING

For U.S. employees, TE matches dollar for dollar what an employee gives to approved 501(c)(3) nonprofit organizations. In 2011, we matched over \$900,000 of 1,400 employee's gifts to 1,360 organizations.

## IN ACTION

### Global Disaster Relief:

We provided more than \$260,000 in direct relief donations to employees and the Red Cross, and employees gave their time to support communities recovering from catastrophic disasters in Japan and New Zealand.



## TE CONNECTIVITY FOUNDATION

The TE Connectivity Foundation is dedicated to fostering a society that enhances the quality of life, in which all people can participate. The Foundation does this in three ways: our Dollars for Doers program, Team Volunteer Projects, and direct grants.

### DOLLARS FOR DOERS

The Dollars for Doers program was created to help support our communities and to recognize employee volunteers. Under the program, funds are distributed to the eligible nonprofit organization where a TE employee volunteers in his/her spare time.

### TEAM VOLUNTEER PROJECTS

Team Volunteer Projects are grants of up to \$5,000 to 501(c)(3) nonprofit organizations to support special projects involving a group of three or more TE employees.

### DIRECT GRANTS

The Foundation provides charitable grants to U.S. nonprofit organizations. In 2011, the Foundation funded over \$500,000 in grants to more than 34 organizations including:

- Junior Engineering Technical Society provides high school students an opportunity to discover real-world applications of science, technology, engineering, and mathematics (STEM).
- The MATHCOUNTS Foundation combines the efforts of volunteers, educators, industry partners, government, and the technology community to promote mathematics excellence among middle school students.
- California-based JobTrain helps people launch new careers and break out of the cycle of poverty, low-levels of education, homelessness, drugs, crime, and incarceration.



## AMERICAN HEART ASSOCIATION HEART WALK

At TE, we are committed to helping our employees and their families evaluate, maintain, and improve their physical and mental health through a wide variety of wellness programs at TE sites around the world. Our goal is to educate employees on how to lead healthy lives, so they can avoid more serious health problems.

As an extension of our wellness programs, we partnered with the American Heart Association (AHA) to help raise awareness about heart disease and to motivate our employees to make healthy choices. Our goal this year was to have TE employees engage in healthy behaviors and support the AHA by registering a walking team, tracking their steps, raising money for the AHA, and walking in a local Heart Walk.

### OUR IMPACT

In 2011, we had more than 1,200 employees come together to participate in fifteen AHA walks around the country. We contributed more than \$380,000 through sponsorship, employee fundraising, and company matches.

Clearly, TE and TE employees are doing a lot of good community work around the world. From participating in a charity mountain climb to building a community hall to donating backpacks to children in need, there is commitment from TE and its employees to support communities and causes. I'm also encouraged to see TE's forward-looking goal of in-country councils which will help them localize decision making and foster regional ownership.

However, with all of these activities, there doesn't appear to be an overarching strategy or defined mission for why TE is undertaking this work. Most large organizations have community engagement and philanthropy goals, which are clearly articulated to address a particular issue or objective. Funding of their projects—particularly on a corporate level—is focused on supporting organizations that can help them achieve those goals. In the absence of identified (and measurable) goals, it is hard to gauge the impact of TE's efforts. Going forward, I would encourage TE to channel the obvious enthusiasm of the company and its employees into a defined strategy that measures outcomes and impact.

#### **AKHTAR BADSHAH**

Senior Director, Citizenship and Public Affairs, Microsoft Corporation

## CONNECTING WITH OUR COMMUNITIES

All around the world, TE employees positively impact countless lives, businesses, and communities.

### **United States**

TE sponsored and donated products to eight teams of high school students in four states across the U.S. to compete in the FIRST® Robotics Competition.

### **Belgium**

TE sponsored the Umicore Solar Team, a team of 15 students from the Groep T engineering school in Leuven, as they designed, developed, built, and raced a solar car 3,000 kilometers (1,864 miles) from Darwin to Adelaide, Australia with the sun as their sole source of energy.

### **Portugal**

Over 250 global TE senior leaders took part in a bike build-a-thon and donated the 45 bikes to local underprivileged children in Lisbon.

### **Brazil**

TE Brazil donated 103 computers to a Penha and Toró community project, which offers education opportunities to children between the ages of 3 and 17.

### **Czech Republic**

TE Kurim hosted over 5,500 visitors at TE Day and raised \$1,500 for the Children's Care Home in Tisnov and for the Kurim Volunteer Firefighters Corps.

### **China**

Through TE China's backpacks donation project, TE donated 900 backpacks with school supplies to elementary school children in need in China, Taiwan, and Hong Kong.

### **India**

TE donated \$8,800 to help finish construction on a community hall in Shirwal Village. The hall will provide much-needed space for town meetings, education programs, and other community programs.

### **Japan**

Employees took five days of paid leave to assist with cleaning up and rebuilding areas devastated by the March 2011 tsunami, including a local science museum and many houses.

### **Taiwan**

In November 2010, employees raised more than NT\$246,000 to provide new reading corners, a science lab, and soccer equipment to Ci-Sian Elementary School in Yilan County, which was severely affected by a typhoon.

### **Malaysia**

Three employees waved the TE Connectivity flag at the summit of Mount Kinabalu after climbing 4,095 meters (13,435 feet) above sea level to support the children's organization Persatuan Kanak-Kanak Istimewa, which helps children who are mentally and physically challenged.

### **Australia**

TE provided products and support to the Swinburne University racing team in Melbourne to develop a pure electric, formula-spec race vehicle to compete in the first-ever Electric Formula Society of Automotive Engineers competition.

## TE CONNECTIVITY WALKING CHALLENGE

As part of our health and wellness program, we held a six-week walking challenge with employees in the United States. 2,700 employees walked more than 430 million steps, or 215,000 miles—that is 90% of the way to the moon or nine times around the globe!

## LOOKING FORWARD

Over the next five years, our goal is to:

- Develop global programs that focus on strategic issues facing TE and TE's stakeholders
- Encourage volunteerism and employee giving by tracking and matching time and money donated by employees
- Expand and develop in-country councils to better serve the needs of our local communities

## DISCOVER MORE

[www.te.com/communities](http://www.te.com/communities)



- ▶ TE Foundation
- ▶ Community Case Studies



## MY PERSPECTIVE

**KENZIE FERGUSON** Director,  
Corporate Responsibility

Everywhere I turn, I am amazed at the great things my colleagues are doing around the world to improve their communities.

I know colleagues who spent their own vacation and money to travel to Guatemala to build a medical clinic that services local villages. Another TE employee was so driven to help the people of Japan after the earthquake and tsunami, he collected donations and supplies from friends and family, took a week's worth of vacation, and traveled 9,000 miles to volunteer at the Iwanuma City Volunteer Center in Sendai, Japan. Our facility in Shunde, China has been honored by the local government for employee-coordinated blood drives for the past 10 years. These are the stories that inspire me and others at TE. That's why it's so important as a company that we support and encourage our employees' enthusiasm to volunteer and to continue doing what they are passionate about.

I am proud of the significant impact we've had on our local communities this year, but there is still much more we can accomplish. During the next year, we will work to develop programs to reach more TE employees to encourage them to volunteer and give to organizations close to their hearts. To take our corporate giving program to the next level and make an even larger impact, we will progress toward creating a signature global program that aligns with our core values and corporate strategy.

I'm inspired by what we are doing today, but I'm most excited about what we will do in the future.

# GRI INDEX

CONTENTS	PAGE(S)	GRI/UNGC REFERENCE	REMARKS/ADDITIONAL INFORMATION
About TE Connectivity		2.1, 2.4-2.9, EC1	<p>2.5-Please refer to our Annual Report 2011 at: <a href="http://www.te.com/annual report">http://www.te.com/annual report</a></p> <p>2.6-Please refer to our Annual Report 2011 at: <a href="http://www.te.com/annual report">http://www.te.com/annual report</a></p> <p>2.7-Our significant markets include:</p> <p>2.8-Please refer to our Annual Report 2011 at: <a href="http://www.te.com/annual report">http://www.te.com/annual report</a></p> <p>2.9-In 2011, TE Connectivity changed its name from Tyco Electronics and acquired ADC and XOL Technologies.</p> <p>2.10-Awards received for the environmental section can be found at <a href="http://www.te.com/environment">http://www.te.com/environment</a></p>
Serving Attractive Markets	2	2.2-2.3	
About the Corporate Responsibility Report	3	1.2, 2.5, 3.1-3.11, 4.13-4.17, LA1	<p>1.2-Key impacts, risks, and opportunities are in their respective sections</p> <p>3.2 Our previous report was published in January 2011. It can be accessed at: <a href="http://www.te.com/responsibility/pdfs/TERA-Report.pdf">http://www.te.com/responsibility/pdfs/TERA-Report.pdf</a></p> <p>3.3-Reporting cycle is annual</p> <p>3.4-Overview</p> <p>3.5-3.6-Overview:Report</p> <p>3.7-Limitations of particular performance indicators have been reported in detail in their sections</p> <p>3.8-We have reported on the manufacturing facilities where we have 100% control over operations</p> <p>3.9-Explanations have been provided in the individual section</p> <p>3.11-This report covers both TE and recently aquired ADC unless stated otherwise.</p>
Message from Our CEO	6	1.1	
Governance, Compliance, and Ethics	8 to 13	4.1-4.12, HR 3-4, SO2-SO5	<p>4.1-Please refer to our Annual Report 2011 at: <a href="http://www.te.com/annual report">http://www.te.com/annual report</a></p> <p>4.2-The Chairman of the TE Board in non-executive. For more information, see Governance: Corporate Governance</p> <p>4.3-The majority of Directors are independent. For more information, see Governance: Corporate Governance</p> <p>4.4-Governance: Corporate Governance</p> <p>4.5-Governance: Corporate Governance</p> <p>4.6-Governance: Corporate Governance</p> <p>4.7-Governance: Corporate Governance</p> <p>4.8-Additional information on values, codes, and principles can be found at Governance: Values; Environment: Policy; Supplier Relationships; Community</p> <p>4.9-Additional information of governance body can be found at <a href="http://www.te.com/aboutus/boardofdirectors.asp">http://www.te.com/aboutus/boardofdirectors.asp</a></p> <p>4.10-Additional information of governance body can be found at <a href="http://www.te.com/aboutus/boardofdirectors.asp">http://www.te.com/aboutus/boardofdirectors.asp</a></p> <p>4.13-TE is a member of a number of trade and industry associations around the world, and the company's employees are actively engaged as members of the boards or as chairs of committees relevant to TE. Memberships include but are not limited to: National Association of Manufacturers, Business Roundtable, U.S. Chamber of Commerce, U.S.-China Business Council, U.S.-India Business Council, U.S.-ASEAN Business Council, Council of the Americas, The American Chamber of Commerce Beijing, The American Chamber of Commerce in Shanghai, Swiss-American Chamber of Commerce, The American Chamber of Commerce in Singapore, The American Chamber of Commerce in Germany, U.S. Information Technology Office (USITO), Telecommunications Industry Association, Organization for International Investment, National Foreign Trade Council, Public Affairs Council, European-American Business Council, and BSR</p> <p>SO7-8-Please refer to our Annual Report 2011 at: <a href="http://www.te.com/annual report">http://www.te.com/annual report</a></p>

CONTENTS	PAGE(S)	GRI/UNGC REFERENCE	REMARKS/ADDITIONAL INFORMATION
Environment	14 to 19	EN3-8, EN16-18, EN21-22, EN27	<p>Additional information can be found at <a href="http://www.te.com/responsibility/environment.asp">http://www.te.com/responsibility/environment.asp</a></p> <p>EN3-Environment: Energy Use, which links to our Carbon Disclosure Project submission</p> <p>EN4-Environment: Energy Use</p> <p>EN5-Environment: Energy Use</p> <p>EN6-Environment: Energy Use; Products</p> <p>EN7-Environment: Energy Use</p> <p>EN8-Environment: Water Use</p> <p>EN16-Environment: Data; Environment: Climate, which links to our Carbon Disclosure Project submission</p> <p>EN17-Environment: Data; Environment: Climate, which links to our Carbon Disclosure Project submission</p> <p>EN18-Environment: Climate</p> <p>EN21-Environment: Water Use</p> <p>EN22-Environment: Waste</p> <p>EN27-Environment: Waste</p> <p>UNGC:</p> <p>Principle 7</p> <p>Principle 8</p>
Products		EC9, EN26	<p>Additional information can be found at <a href="http://www.te.com/responsibility/products.aspx">http://www.te.com/responsibility/products.aspx</a></p> <p>UNGC:</p> <p>Principle 9</p>
Supply Chain		EC6, HR2, HR6-7, HR10	<p>Additional information can be found at <a href="http://www.te.com/responsibility/workplace.aspx">http://www.te.com/responsibility/workplace.aspx</a></p> <p>EC7-Workplace</p> <p>LA1-Workplace</p> <p>LA2-Workplace</p> <p>LA4-5-Workplace: Engagement</p> <p>LA6-9-Workplace: Injury-free workplace</p>
Workforce		EC7, LA1, LA2, LA4-13, HR1, HR5	<p>EC7-Workplace</p> <p>LA1-Workplace</p> <p>LA2-Workplace</p> <p>LA4-5-Workplace: Engagement</p> <p>LA6-9-Workplace: Injury-free workplace</p> <p>UNGC:</p> <p>Principle 1</p> <p>Principle 2</p> <p>Principle 3</p> <p>Principle 4</p> <p>Principle 5</p> <p>Principle 6</p>
Communities		EC8	<p>Additional information can be found at <a href="http://www.te.com/responsibility/community.aspx">http://www.te.com/responsibility/community.aspx</a></p>
GRI Index	3.12		



# KEY PERFORMANCE INDICATORS

		FY2009	FY2010	FY2011
<b>FINANCIAL</b>	Net sales (in US Millions)	\$10,256	\$12,070	\$14,312
	Adjusted operating income (in US Millions)	\$598	\$1,651	\$1,950
	Free cash flow (in US Millions)	\$1,226	\$1,404	\$1,392
<b>GOVERNANCE</b>	Percentage of employees certifying compliance with the TE Guide to Ethical Conduct	88%	94%	99%
	Total number of ethics and compliance training sessions completed	89,542	100,818	144,537
	Total number of matters reported to the Ombudsman Office	538	588	685
	Total number of matters closed by the Ombudsman Office	566	515	669
	Individual corrective remedial actions and improvements	308	231	380
<b>ENVIRONMENT</b>	Greenhouse gas emissions (metric tons CO2 equivalent) <sup>1</sup>	777,427	778,857	729,597
	Greenhouse gas intensity (metric tons of CO2/net sales in millions)	76	65	51
	Energy consumption (electricity, heat, steam, cooling in Mwh)	1,729,985	1,681,098	1,590,518
	Energy usage intensity (Mwh/net sales in millions)	169	139	111
	Water usage (millions of gallons)	1,212	1,258	1,220
	Hazardous waste generated (metric tons)	5,293	7,252	4,691
	Materials recycled/reused (metric tons)	55,187	69,206	64,294
	Other waste disposed (metric tons)	11,109	12,874	12,226
<b>SUPPLY CHAIN</b>	Total direct & indirect suppliers	36,428	34,242	31,438
	Total direct material suppliers	11,645	10,946	9,485
	Total indirect suppliers	24,783	23,296	21,953
	Number of supplier audits undertaken	14	9	143
<b>WORKPLACE</b>	Employees at year end	78,000	89,000	94,199
	Employees who participate in development training	6,611	11,180	16,323
	Employee safety: Total recordable incident rate (per 100 employees) <sup>2</sup>	0.72	0.54	0.47
	Employee safety: Lost time recordable incident rate (per 100 employees) <sup>3</sup>	0.39	0.26	0.24
	Women in the US Workforce	see note <sup>4</sup>	see note <sup>4</sup>	3,804
	Women in leadership positions worldwide	see note <sup>4</sup>	see note <sup>4</sup>	64
	Employee turnover	see note <sup>4</sup>	see note <sup>4</sup>	29%
<b>COMMUNITY/ PHILANTHROPY</b>	Corporate charitable giving (in USD) <sup>5</sup>	\$1,153,107	\$1,427,332	\$2,200,045
	Employee donations (in USD)	\$896,446	\$942,179	\$986,007
	Employee donations to the United Way Foundation (in USD) <sup>6</sup>	\$206,045	\$305,862	\$484,329
	Total amount of grants made by the TE Foundation (in USD) <sup>6</sup>	\$638,822	\$604,534	\$529,046

1. The environmental performance indicators for 2009 and 2010 have been re-stated in comparison with our 2010 report. This has been done to incorporate revisions made by individual TE sites to improve data accuracy. Impacts arising from our recently acquired ADC operations will be included in our environmental performance data from FY2012 onward. 2. Work-related injuries or illnesses involving more than first aid per 100 employees per year. 3. Work-related injuries or illnesses involving lost time per 100 employees per year. 4. This data was not collected in 2009 and 2010. 5. Corporate charitable giving now includes product donations and donations directly from TE business units. 6. This data has been revised to be reported on our fiscal year rather than calendar year. The data does not include ADC contributions, which will be added for FY2012 onward. n/a = not available



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