2015 Corporate Citizenship Report

Engineering a better tomorrow

Texas Instruments

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Engineering a better future has been an integral part of our company since our founding 85 years ago.

Through the years, we have collaborated with our employees, customers, suppliers and communities to make great products, continually improve operations, inspire the next generation of innovators, and make where we live and work better for everyone.

We published our first Corporate Citizenship Report 10 years ago. Since then, we have invested $17.1 billion in R&D, secured more than 13,000 new patents, and refined our strategies to make great analog and embedded processing semiconductors. We've made remarkable gains in manufacturing efficiencies as we transitioned some production from 200-mm to 300-mm wafer technology, and we've conserved 7.7 billion gallons of water and 11.1 million MMBtu of energy. Around the world, we've invested more than $250 million in education, with an emphasis on students who are underrepresented in science, technology, engineering and math careers. And throughout, we remained unwavering in our dedication to do what's right, making decisions guided by our core values of integrity, innovation and commitment.

In 2015, we:

- Achieved a 12 percent reduction in total annual water use.
- Ensured that 100 percent of the metals we use to manufacture integrated circuits are from certified conflict-free sources.
- Completed compliance training with 99.9 percent of employees, including annual courses on our Code of Conduct and core values.
- Achieved exemplary safety performance - among the best in our history, and in the industry.

- Increased global volunteerism by 40 percent.
- Grew philanthropic and employee giving to $33 million, with two-thirds invested in education.

As we look to the next decade, we will continue to do what we do best – innovate, create and help our customers push the boundaries of what is technologically possible. These solutions will help make automotive and industrial equipment safer, reduce energy consumption, and enable machines to be more connected and smarter. Our ambition is not to be just a good company. Our ambition is to be the best semiconductor company in the world for our customers, our shareholders, our employees and our neighbors.

Along the way, you can count on our continued commitment to innovation and to the core values upon which we've long operated as we work to engineer a better tomorrow.

Rich Templeton
Chairman, president and CEO
[G4-1]

Welcome to Texas Instruments' (TI) 10th annual Corporate Citizenship Report.

- Click the section links (shown at left) for a comprehensive overview of our citizenship performance in 2015.
- Use our Global Reporting Initiative (GRI) index to locate specific interest areas. This report includes GRI indicators throughout for easy reference. [Example: G4-1]
- See a summary of our progress measured against goals and collated performance data.

Citizenship

Citizenship is our commitment to hold ourselves accountable for our social, environmental and economic impact around the world. We strive to measure and learn from our performance annually. Operating responsibly is the way we do business. Learn more about our citizenship philosophy and practices on our citizenship website.

TI evaluates its factories' operations in the context of citizenship annually through a standardized self-assessment with third-party criteria. By looking at performance indicators such as labor, ethics, environment, safety and health, we assess our own management systems in those areas and identify areas for improvement. While all of our operations have historically been low risk, factories in Asia and Japan had been slightly higher in comparison. We have seen continuous improvement in our performance since we began conducting these self-assessments in 2012. In 2015, the assessment characterized TI operations in all regions as low risk.

Report scope

TI's 2015 Corporate Citizenship Report provides a comprehensive overview of the company's social and environmental performance in fiscal year 2015.

The report uses terms such as "TI," "the company," "we," "our" and "us" interchangeably to refer to TI operations and presents all currency in U.S. dollars.

The scope of this report is based on the performance of TI and its worldwide subsidiaries unless stated otherwise. Environmental data comes from leased and owned nonmanufacturing sites that are 50,000 square feet or larger, in addition to all manufacturing sites. These sites account for more than 99 percent of our environmental footprint worldwide. [G4-20]

TI developed this report in accordance with GRI's G4 Sustainability Reporting Guidelines at the Core level. [G4-32]

TI's Citizenship Executive Committee determined the focus of this report with stakeholders' input. As part of this process, we conducted a formal stakeholder assessment. See stakeholder engagement for additional details. [G4-18]

Significant reporting changes

We have no restatements nor significant reporting changes from 2014. We continued to use GRI G4 for our disclosures in 2015, with a focus on relevant issues and the omission of programs and results that are not relevant. [G4-22] [G4-23]

Assurance

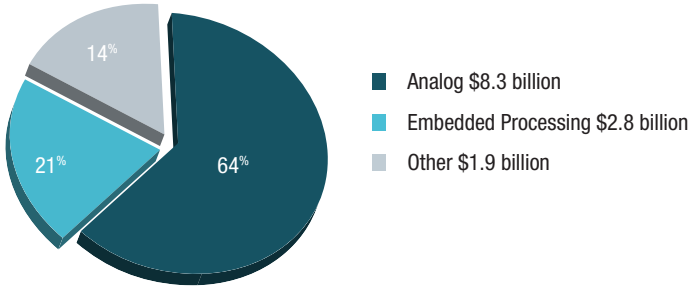
In 2015, we continued to refine this report's development processes to further ensure the accuracy and auditability of the information presented. We do not currently seek independent assurance for the report, but instead focus on addressing issues of greatest importance to stakeholders. [G4-33]

Company profile

Texas Instruments Incorporated (NASDAQ: TXN) is a global semiconductor company. We design and make semiconductors that we sell to electronics designers and manufacturers all over the world. [G4-3] [G4-4]

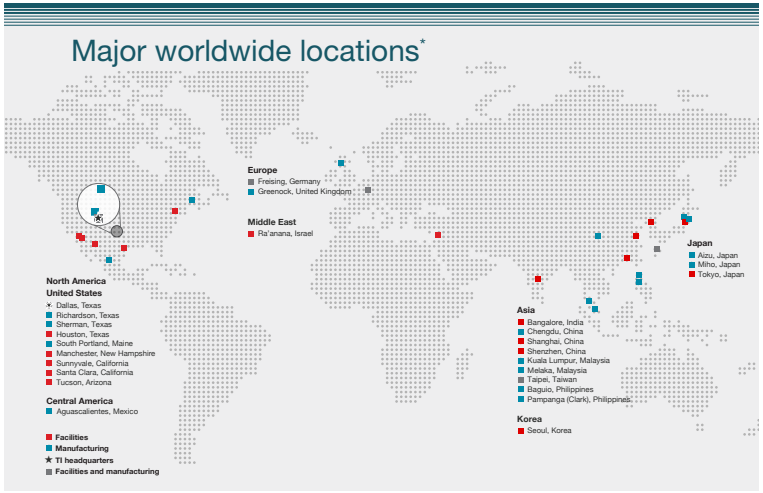
In 2015, we offered a diverse portfolio of tens of thousands of analog and embedded processing products used by more than 100,000 companies. We serve customers worldwide in six markets: industrial, automotive, personal electronics, communications equipment, enterprise systems and other (which includes calculators).

Revenue by segment



Due to rounding differences, the total does not add up to 100 percent.

We are headquartered in Dallas, Texas, and have design, manufacturing or sales operations in more than 30 countries. We are incorporated in Delaware. Learn more about our ownership structure and legal proceedings in our Securities and Exchange Commission (SEC) Form 10-K. [G4-7] [SO7]

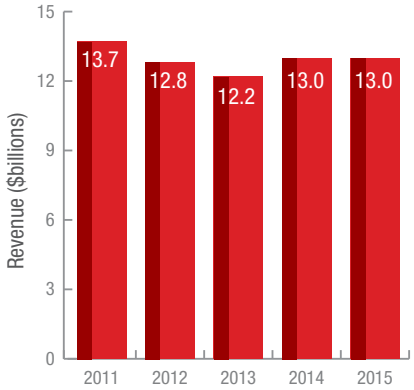


* TI has manufacturing, design and sales operations in more than 30 countries worldwide. For the purposes of this report, we define major locations (significant operations) as 1. all manufacturing facilities and 2. design and sales offices 50,000 square feet or larger and/or with employee populations greater than 100 as of Dec. 31, 2015.

[G4-5] [G4-6] [G4-9]

TI earned $13 billion in revenue in 2015. (For details about our financial performance, see our SEC Form 10-K.)

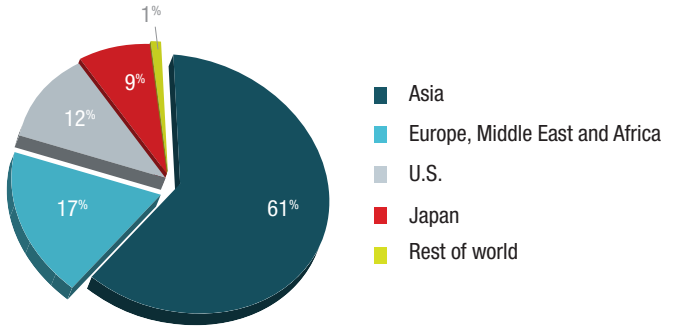
Revenue history



TI received tax-benefit incentives from federal, state and local governments around the world. These incentives are commonly available to manufacturing companies with investments in equipment and facilities, employment, and R&D. See our SEC Form 10-K and tax policy for additional details. [G4-EC4]

The following geographic area information includes revenue, based on product shipment destination and royalty payor location. The revenue information is not necessarily indicative of the geographic area in which the end applications containing our products are ultimately consumed because our products tend to be shipped to the locations where our customers manufacture their products. Specifically, many of our products are shipped to our customers in China who may include these parts in the manufacture of their own end products, which they may in turn export to their customers around the world.

Revenue by region



[G4-8]

Highlights and significant changes

It was a good year and our financial results speak well of our company. Gross margin was 58.2 percent of revenue and operating margin was 32.9 percent, both new records. For more, see our Annual Report. [EC1]

TI made no significant changes to its size, structure, ownership or supply chain during the year. [G4-13]

Recognition

In 2015, TI achieved broad recognition for its ethical practices and commitment to citizenship, including:

- Fortune Magazine, “World’s Most Admired Companies” (second in our industry).
- Ethisphere Institute, “World’s Most Ethical Companies” (ninth consecutive year).
- CR Magazine, “100 Best Corporate Citizens” (13th year).
- CR Magazine, “10 Best Corporate Citizens,” Information Technology sector (fifth consecutive year).
- Dow Jones Sustainability Indices, “North America Component” (ninth year).

2015 WORLD’S MOST ETHICAL COMPANIES® WWW.ETHISPHERE.COM

CR’s 100 Best Corporate Citizens 2015

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Feature story

Headquarters renovation: a catalyst for innovation

Bring teams together. Build a stronger sense of community. Foster collaboration. Reduce environmental impact and increase cost efficiency. These are just a few of the goals of a holistic makeover underway at our South Campus in Dallas, Texas – our headquarters and the creative workspace for about 4,000 employees.

"Our vision is to provide an environment that inspires creativity and innovation, enables the well-being of our people, fosters a sense of community, and encourages knowledge-sharing and collaboration," said Kevin Badgett, who is managing the massive project.

The renovation, which began in 2015 and is scheduled to be complete by the end of 2016, affects about 80 percent of the building's 1 million square feet. The building houses office space, laboratories and amenities such as a cafeteria and concierge service.

A design team representing each of the business groups at South Campus researched the latest trends in work environments and consulted with leading architects who specialize in creating spaces that incite innovation. The result: a design based on the concept of neighborhoods – areas where teams can work together easily – with a fresh, open layout optimized for collaboration and efficiency.

The design also incorporates green building principles, including the use of more natural light, high-efficiency light-emitting diode (LED) lighting, new carpet and ceiling tiles largely made of recycled materials, and low volatile organic compound (VOC) materials.

"The modernization of our headquarters building will enhance efficiency and productivity while providing a greater sense of community," Kevin said.

Stakeholder engagement

TI regularly engages its internal and external stakeholders and implements a formal stakeholder assessment as part of its reporting process.

We engage with stakeholders who directly influence or have an interest in our operations. Our stakeholders include employees, customers, shareholders, communities where we have operations, academia, public officials, trade associations, regulatory agencies, nongovernmental organizations, the media, analysts, suppliers, contractors, TI retirees and potential employees. [G4-24] [G4-25]

In 2015, we completed our second formal stakeholder assessment to identify and better understand environmental, social and governance topics that are most important to these groups. The assessment was a four-part process:

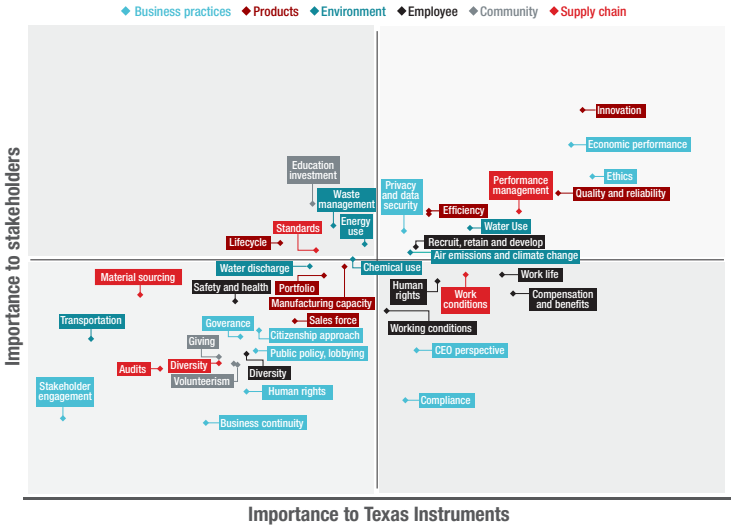
1. **Identification**: established a universe of 43 important issues based on applicability to TI, the results of peer benchmarking, and knowledge of industry and sustainability trends.

2. **Prioritization**: conducted stakeholder interviews as well as customer and employee surveys. We asked participants to discuss or rank the 43 issues from greatest to least in the context of what they care about and what we should report. We used the results to determine issues of top importance.

3. **Validation**: reviewed, discussed and verified the results, a process led by TI's Citizenship Executive Committee.

4. **Review**: aligned our activities and resources, where applicable, to provide greater transparency on issues that matter most. [G4-26]

Top citizenship issues matrix*



* This table lists the top areas or topics identified in our annual stakeholder assessment.

We are already actively engaged in the top areas that our stakeholders identified. We will continue to monitor and respond to developments in each issue.

Top issues by stakeholder group

Top issues*		Stakeholders					
		Employees	Customers	Investors	Community	Suppliers	Trade associations
1	Innovation	X	X	X			X
2	Economic performance	X		X	X	X	
3	Ethics	X	X		X		
4	**Quality and reliability**	X	X		X		
5	Supply-chain performance management	X	X	X	X	X	X
6	**Water use**			X	X		X
7	Product efficiency		X	X			X
8	Privacy and data security	X	X				
9	Employee recruitment, retention and development**	X	X	X	X		
10	Air emissions and climate change**	X	X	X	X	X	X

* Top 10 issues in order of importance to TI and its stakeholders. Although some groups do not select specific issues, this does not mean that the issue is not important; it simply wasn't of top importance among the universe of topics.

** Closely related and ranked, and subsequently grouped, issues.

Bolded items indicate their debut on the top issues list in 2015.

[G4-19] [G4-27]

Important issues outside of TI's direct operations include community, supply chain and product use. [G4-21]

Here are some examples of engagement activities with individual stakeholder groups, topics discussed and how we addressed them.

Employees

- More than tripled the size of our Employee Advisory Panel (EAP) and created a method of collecting feedback from our manufacturing group (a large portion of our employee population) to better gather perspectives from global employees. We surveyed employees on issues ranging from benefits communications to perceptions of company priorities.
- Surveyed the EAP and a broader random sample of employees on TI's culture of citizenship. Since the last survey in 2012, we found an overall increase of interest in and commitment to citizenship. We are using the latest feedback to align employee interests and programs.

Investors

- Launched a new Investor Relations site, which included a design overhaul and is also mobile friendly. The site features in-depth content about the company's business model, strategies and capital-management strategy; compelling infographics; and fresh imagery to better deliver resources to current and prospective stakeholders.
- Featured 2015 performance against stated metrics at an annual webcast update of the company's capital management strategy in early 2016, highlighting why and how the company has allocated capital over the last several years.

Customers

- Helped thousands of customers monthly through TI's global customer support centers by responding to phone, email, online support forums and chat inquiries about TI products and operations, including more than 2,200 inquiries the company received about citizenship-related issues.
- Continued, as we have for more than a decade, to survey customers on their satisfaction levels and address any areas of concern. In 2015, we scored 95 percent or better on the professionalism of team members with whom customers interacted for support.

Other sections of this report outline additional engagement efforts in 2015 and plans for 2016.

Governance

TI's governance structure is designed to facilitate company decision-making and oversight. Our leaders are responsible for supporting and driving ethical business practices globally.

Our directors are experienced and diverse in their backgrounds and skills. They elect our executive officers, including our CEO, chief financial officer, business-unit leaders and chief compliance officer.

We have three board committees: Audit, Compensation, and Governance and Stockholder Relations. Each committee receives updates on various aspects of our citizenship programs at least annually. Learn more about these committees on our governance website. [G4-34]

In 2015, we welcomed a new member to our board: Janet F. Clark, retired executive vice president and chief financial officer of Marathon Oil Corp. Janet is currently one of five women serving among our 12 board members.

Governance practices	2015
Total board size	12
Board system	Unitary
Independent directors	92%
Male	58%
Female	42%
Age: 30-50 years	8%
Age: >50+ years	92%
Minority	25%
Board age limit	70
· Number of board meetings annually	TI proxy statement
· Audit committee meetings	
· Board member attendance (%)	
· Board duration (years)	
· Total CEO compensation	
· Average compensation of members on board of directors fixed portion (%)	
· Variable/performance based (%)	
· Option-based compensation	
Number of board nominees with required proxy statement disclosures of legal proceedings	None
· Fees paid to executive compensation consultants	TI proxy statement
· Number of years of current auditor's employment	
Taxes paid to governments	SEC Form 10-K
Is there a board committee specifically to address sustainability/environmental, safety and health/corporate social responsibility issues?	Governance and Stockholder Relations
· Has a "say on pay" (includes nonbinding) provision been adopted?	Yes
· Bylaws/statutes include blank-check preferred authorization?	
· Appoint outside executive compensation adviser(s)?	
· Auditor been ratified in a recent annual shareholder meeting?	
· Have a classified/staggered board system?	No
· Dual/multiple share classes with different voting rights? (excludes preferred, nonvoting shares for executives/directors/employees)	
· Dual/multiple share classes with different voting rights? (includes preferred, but excludes nonvoting shares for executives/directors/employees)	
· Signatory of the United Nations Principles for Responsible Investment?	
· Executive compensation linked to environmental, social and governance goals?	
· Board compensation linked to environmental, social and governance goals?	

Citizenship

Applicable sections of this report include details on the oversight of our citizenship efforts. More broadly, senior TI leaders oversee the company's citizenship performance. They appoint individuals to two teams that manage our citizenship strategy, performance and related activities: the Citizenship Executive Committee (CEC) and Citizenship Stakeholders Team (CST).

In 2015, we:

- Updated the company's Citizenship Principles to integrate with existing policies and help guide evolving practices.
- Completed the first full year of CEC oversight of TI's citizenship performance, which included formal review of stakeholder assessment results and benchmarking analyses. The CEC guided TI's citizenship strategy and performance.
- Further strengthened the CST with new member appointments.
- Aligned the CEC and CST on their respective roles and responsibilities for managing and advancing TI's citizenship performance through annual training.

Looking ahead

In 2016, we will continue to identify opportunities for improvement and lead efforts to become even more valuable, responsible and competitive.

Public policy

TI advocates for policies that support growth, innovation and competitiveness. We educate and engage policymakers about critical issues affecting our company, the semiconductor industry and the broader business community. Our board of directors' Governance and Stockholder Relations Committee oversees our public policy activity.

Policy accomplishments

In 2015, we advanced a number of key policy issues affecting the company.

- **Growth**: In trade, we successfully advocated for the passage of trade promotion authority to enable prompt consideration of new trade agreements. We supported efforts by U.S. negotiators to conclude both the Trans-Pacific Partnership (TPP) trade agreement and the expanded Information Technology Agreement. Both will benefit TI. We also advocated for the Fixing America's Surface Transportation Act, which will help advance research in the deployment of safer and more autonomous and connected vehicles.
- **Innovation**: We successfully supported increases in research funding at the federal level and in Texas. The U.S. Congress also passed the Every Student Succeeds Act, which retained key accountability measures and included important science, technology, engineering and math education provisions we sought.

- **Competitiveness**: We helped secure a permanent extension of the R&D tax credit. We also worked to protect Maine's business equipment tax rebate and to avoid harmful structural changes to the Texas tax code. In addition, we tracked the successful enactment of cybersecurity legislation that would facilitate information sharing of cyberthreats and breaches, and provide liability protection to companies seeking to act responsibly to such threats.

We continued to pay close attention to various issues that affect our company, our operations, and our ability to innovate and grow sustainably and competitively.

Feature story

Enacting a permanent R&D credit

For decades, TI and others in the business community advocated for a permanent federal R&D tax credit to enhance U.S. competitiveness. The credit had been extended temporarily 17 times since it was first established in the 1980s, often at the last minute or retroactively, complicating the preparation of financial reports and undermining the credit's purpose of incentivizing R&D in the U.S.

TI's Tax department and Government Relations team worked with other companies to lobby actively in support of the tax package, which was ultimately passed in the omnibus funding bill at the end of 2015. The provisions made the R&D tax credit permanent and provided a five-year extension of the controlled foreign corporation look-through provision. Combined, these provisions make TI more competitive and reduce the company's tax burden. A permanent R&D credit provides predictability and certainty for companies making investments in R&D in the United States.

"Securing a permanent R&D tax credit is important for both TI and the U.S. technology industry," said Kevin March, TI's chief financial officer. "A permanent credit provides much-needed predictability and represents an important step for America's global leadership in R&D."

Memberships

In the U.S., TI participates in several national and regional trade associations such as the Semiconductor Industry Association, the Information Technology Industry Council, the Texas Association of Manufacturers, the Portland (Maine) Regional Chamber of Commerce and the Silicon Valley Leadership Group. We also collaborate with other groups and coalitions to advance policies that drive growth, improve competitiveness, and support our employees and communities. In addition, we belong to select associations in countries where we have a significant presence.

We disclose the amount that we spend on trade association memberships in the aggregate and the amount of dues associated with lobbying activities. In 2015, TI paid a total of $1,660,595 in dues to membership organizations. Those organizations received $5,000 or more in dues, are involved in lobbying activities, or both. The portion of dues used for lobbying and/or political activities that are nondeductible under Section 162(e)(1) of the Internal Revenue Code amounted to $387,936. [G4-16]

Contributions

TI does not use corporate resources to support individual candidates or multicandidate campaign committees; to support federal, state or local political parties; or to make independent expenditures. In 2015, TI contributed $12,500 in support of local ballot initiatives. The TI political action committee (PAC) makes contributions only within the United States, is highly transparent, and complies with relevant federal and state laws. The TI PAC supported various federal, state and local candidates in 2015 with $99,000. [SO6]

Looking ahead

In 2016, we will focus on issues such as congressional passage of the TPP, broader federal tax reform, high-skilled immigration, and cybersecurity and privacy regulations.

For a full description of our 2016 policy priorities, see our public policy website.

Ethics

Our core values of integrity, innovation and commitment define how we evaluate our decisions and actions and how we conduct our business. These values have been at the heart of who we are and how we've behaved for decades, dating back to our founders and their vision for the company at its inception in 1930. [G4-56]

We published our first ethics brochure, signed by our CEO, in 1961. In 2015, we updated our Code of Conduct and core values, which continue to guide our culture and practices. TI subscribes to select other guidelines for corporate environmental, social and governance practices but does not advocate one set of standards over another. For more, see voluntary standards on our citizenship website. [G4-15]

Annually, we present performance results to the board of directors' Audit Committee, our internal Ethics and Compliance Committee, and all top leadership teams across TI. In 2015, TI expanded investigation capabilities in Asia, enabling greater response efficiency and oversight regarding ethics.

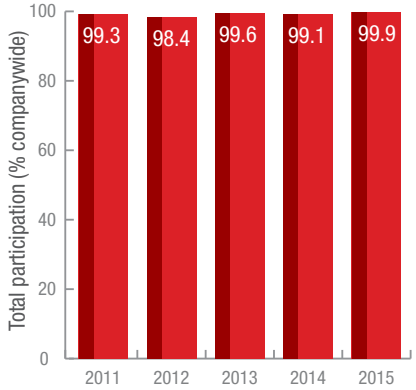
Training and communication

We engage our top managers on ethics and provide tools for them to promote ethics and compliance within their respective organizations.

We address ethics at roundtables and in team and one-on-one meetings. In addition, we have 12 channels for employees, suppliers and other stakeholders to contact the TI Ethics Office. Our communications to employees encourage them to contact our Ethics Office and highlight our confidentiality and nonretaliation practices.

Every employee must take annual training on ethics and compliance. In 2015, 99.9 percent of employees completed compliance training, which included ethics, core values and confidential information protection. In addition, specific employee groups also completed training on environmental, safety and health; fraud prevention; export compliance; and the Electronic Industry Citizenship Coalition (EICC) code. [HR2] [HR7] [SO4]

Ethics and compliance training participation



We received no material fines and no material nonmonetary sanctions in 2015 for noncompliance with laws and regulations. [SO7] [SO8]

Looking ahead

In 2016, we will:

- Continue to train employees, contractors and suppliers on responsible business practices relevant to them.
- Train all employees on preventing workplace harassment.
- Provide anticorruption, antibribery, antitrust and insider trading courses to specific employees.

Feature story

A culture of ethics: led from the top

Ethics is foundational at TI – the starting place for every decision our employees make every day. Ethical responsibility is led and supported by our Chairman, President and CEO, Rich Templeton, and it's a point he drives home in nearly every company address he makes, including the Leadership Conference where TI's top few hundred leaders gather annually.

"We can never take ethics for granted. We have 30,000 employees, and if they see something that doesn't look right, they say so," Rich has regularly said. "As for the leaders of this company, when you hear somebody say that something doesn't look right, it is your responsibility to do something about it."

TI employees, managers and leaders are given the training and tools to help them make the right decisions about how they should conduct themselves and their businesses. They also have access to a variety of mechanisms to report concerns, including the option to do so anonymously. Our web-accessible Ethics Quick Test, a set of questions and statements, is an easy means of identifying almost any ethical problem:

- Is the action legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in a news story?
- If you know it's wrong, don't do it!
- If you're not sure, ask.
- Keep asking until you get an answer.

In addition, our core values and Ethics Office contact information is posted in every conference room and break area around TI. This office is responsive to reports and requests, and supports employees toward achieving expedient and appropriate resolutions.

"The responsibility to maintain a culture founded in ethics is ours – as leaders and as employees. It is the core of who we are, and it makes a huge difference in how we feel about our work," says Rich.

Human rights

It is important to us that we protect the rights of our employees. Our concern for human rights extends throughout our supply chain.

In 2015, a third party audited three of our manufacturing facilities for social responsibility practices, including human rights, with no significant findings. In addition, all of our worldwide manufacturing sites completed third-party self-assessment questionnaires, which include a focus on human rights practices, and which we share with interested customers. The assessments characterized our operations in all regions as low risk. [HR9]

When initiating relationships with suppliers, we educate them about our standards and expectations for safe, humane and ethical labor practices. Our Supply Chain Management team assists with identifying and addressing issues that are inconsistent with our ethics and values. If suppliers prefer, they can contact our Ethics Office to anonymously ask questions or discuss issues. See more on our policies and practices in supplier performance management.

Looking ahead

We used our newly revised Code of Conduct throughout 2015 and will continue to leverage the Supplier Code of Conduct to assess and manage human rights risks in our company and supply chain.

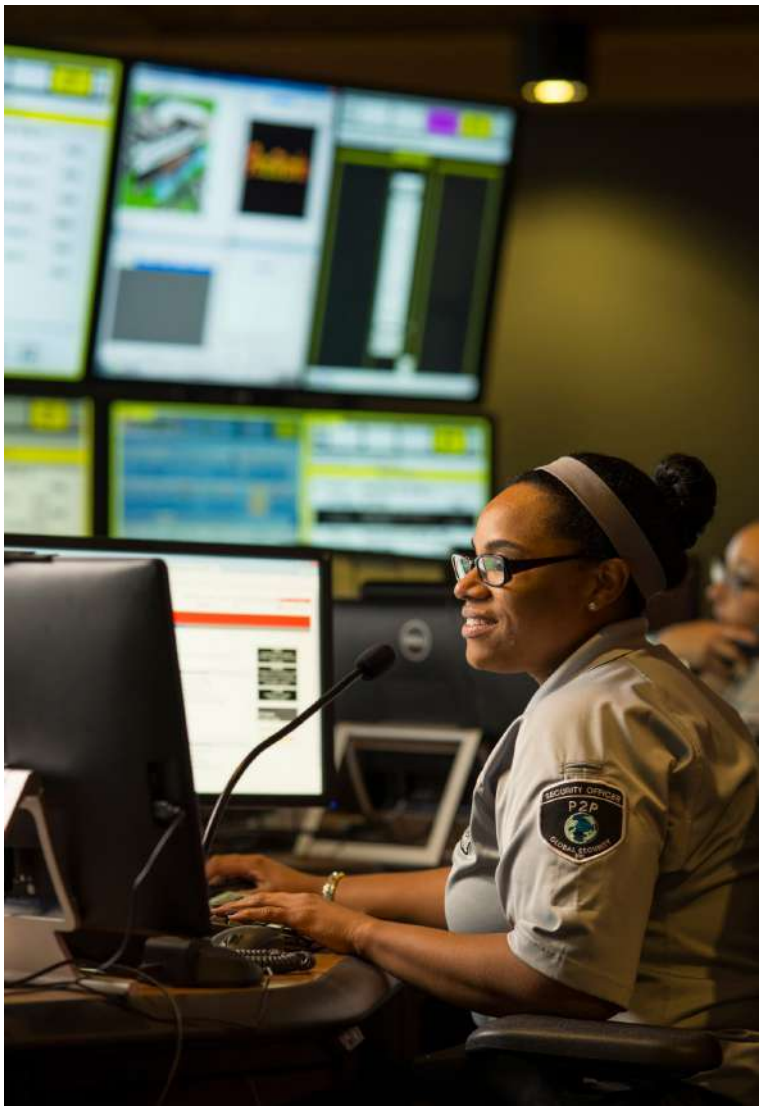
Business continuity

The purpose of TI's business continuity program is to minimize interruption to TI's operations and supply chain by identifying risks and preparing for potential business impacts. Our ability to operate continuously reassures customers of our reliability, preserves our revenue and reputation, and demonstrates to our investors and other stakeholders that we can effectively manage business interruptions. The business continuity section of our citizenship website outlines our approach.

Our Business Continuity steering team oversees our business continuity strategy, policy, program and plans, and takes a lead role if disruptive events occur. Appointed by TI leaders, team members meet quarterly and provide an annual update to the company's chief financial officer.

At each of our locations, we monitor risks such as earthquakes, extreme weather events and water-related issues that could reduce or disrupt our supply chain and/or production. We conduct more formal risk assessments every two years or as major changes require, including the purchase of new facilities. This assessment process includes the identification of existing controls (for example, supplemental power generation) or the need for additional controls. Our facilities in Texas, China and Taiwan have become more vulnerable to prolonged droughts; however, this wasn't a concern in 2015. Our facilities in the U.S., Asia and Japan are also susceptible to earthquakes, hurricanes, tornadoes, typhoons and other extreme weather events. See more in climate change and water use. [EC2]

In 2015, we completed a enterprise risk-management survey. We conduct this survey every three years to identify and understand potential risks within the company, summarizing and sharing the results with the Audit Committee. We also disclose risks in our SEC Form 10-K.



During the year, we implemented a new company initiative called Readiness 2 Recover, which improves our ability to measure the effectiveness of and compliance with our own business continuity program requirements. In addition, we implemented response planning for significant events that could have human impact and affect operations. We will continue planning, communications and training for such events, specifically in the U.S. and Canada, in 2016.

Privacy and data protection

We have implemented a multilevel security program to manage data and reduce cyberattack risks. Important elements of data protection for TI include the protection of intellectual property and personally identifiable information.

Our Global Information Security team establishes policies, trains our employees, identifies and responds to threats, and works with our business units and support teams to continue to improve our security. In addition, the team leverages industry frameworks and standards and collaborates with expert resources and industry partners, exchanging information about threats, best practices and trends. We use the guidance from these resources, as well as our internal assessments, to identify and decrease our risk.

We also have cross-business governance and compliance councils that focus specifically on confidential information protection and personal data protection. Our management team is directly involved in our information security program and receives regular updates on steps we are taking to defend the company. In addition, we provide periodic training to all employees on both cybersecurity awareness and confidential information protection. [PR8]

Looking ahead

We will continue to strengthen our ability to detect, protect against and respond to cybersecurity threats in 2016. These improvements, identified using a risk-based prioritization model, are designed to help protect TI's confidential and personal information, avoid disruptions, and prevent theft of company financial and intellectual property.

Overview

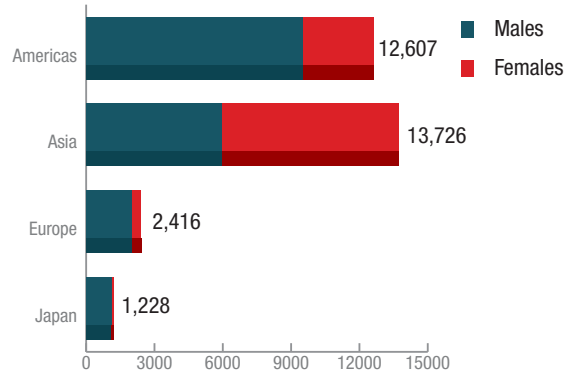
We refer to our 30,000 employees as TIers. They are the heart of our company, helping drive innovation and engineering a better tomorrow. Our future depends on recruiting and retaining the best talent. We offer the opportunity for each employee to change the world and love their job by providing compelling work, competitive compensation and benefits, professional development and growth opportunities, and a diverse and inclusive workplace.

We invest in education with a focus on science, technology, engineering and math (STEM). Our industry is working to increase student interest and skills in STEM subjects and ultimately increase the number of qualified applicants. These investments strengthen not only our future workforce but also the communities where we operate.

Global workforce

In 2015, we continued to focus on hiring and retaining the best and brightest employees. Our strategy is to recruit locally, particularly for entry-level positions, and then train employees for more advanced or senior roles. In major locations, we predominantly hire TI managers from the local community. Worldwide, 98.9 percent of TI's senior managers are from the local communities where they work. [EC6]

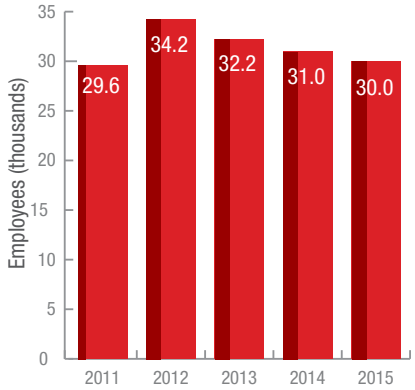
Workforce by region and gender



As of Dec. 31, 2015, we had 29,977 employees.
Gender breakdowns for these regions are approximations; however, the combined employee population totals are accurate. We do not include employment contracts, as they are not relevant.

[G4-9] [G4-10]

Employment history



The 2011 total does not include former National Semiconductor employees, which were included in 2012.

Risks and opportunities

Each organization within TI creates and revises a multiyear resource plan annually that addresses critical needs for the company's existing and future workforce. The plan includes a skill-set plan (skills we need in our employees), a hiring plan and a plan to prepare people for critical roles (such as top leadership positions). With these plans, we can address our employment risks and opportunities.

Retaining our current workforce is imperative, and we work hard to ensure that we provide a diverse and inclusive workplace where each person can grow and succeed. We have strong retention rates as a result of these investments in our employees.

Top leadership teams across the company review information about our workforce regularly to assess our performance, identify risks and opportunities, and establish appropriate action plans.

Recognition

TI earned global recognition for its recruiting efforts and workplace culture in 2015, including:

- 51Job, "100 Best Human Resource Management Companies" in China (fourth consecutive year).
- 51Job, "Best Employee Development Plan Company."
- Alliance for Work-Life Progress, "Work-Life Seal of Distinction" (fourth consecutive year).
- Careers and the disABLED, "Top 50 Employers for People with Disabilities."
- CareerBliss, "50 Happiest Companies in America" (fourth year).
- Clevis Research, TI Germany named "hidden champion" of employer attractiveness for interns.
- Forbes, "America's Best Employers" (inaugural year for award).
- Fortune Magazine, "World's Most Admired Companies" (12th consecutive year).
- Human Rights Campaign, inclusion in the Corporate Equality Index rating for LGBT workplace equality (12th year).
- Minority Engineer magazine, "Top 50 Employers" (fourth consecutive year).
- National Association for Female Executives, "Top Companies for Executive Women" (10th consecutive year).
- Philippine Economic Zone Authority, Outstanding Employer Award.
- Professional Woman's Magazine, "Best of the Best" list for LGBT-friendly employers.
- Universum Global, "Most Attractive Employer in Malaysia."
- Workforce Management, "Workforce 100" top companies for human resources.

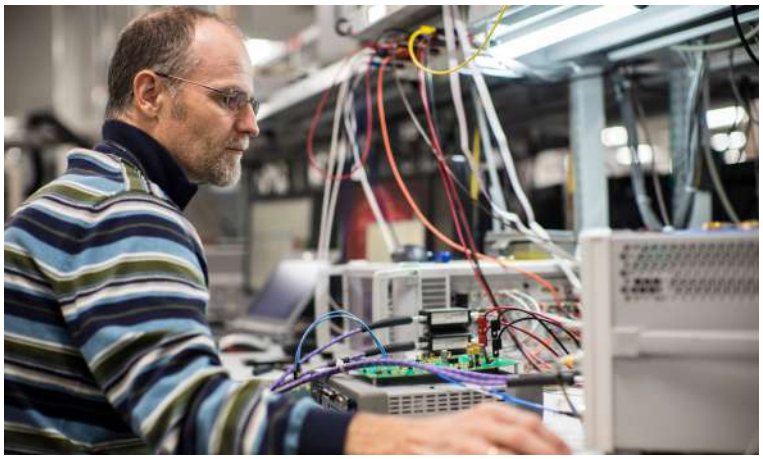
Recruit

Engineering is our lifeblood; having skilled engineers is critical to our operations both today and for our future. TI actively partners with universities and educates the communities where it operates to create a pipeline of future engineers.

In 2015, we reached out to students at more than 50 U.S. universities, as well as universities located near our major locations around the world. We offered technical talks about how engineering can change the world, hosted TI Innovation Days to give students opportunities to interact with us, and launched career-training programs. In 2015, TI expanded its global internship programs by almost 25 percent to provide more students around the world opportunities to explore careers with the company, with a specific focus in science, technology, engineering and math (STEM) fields.

In the U.S., we partnered with national organizations such as the National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers, Recruit-Military, Career Opportunities for Students with Disabilities and Out for Work to extend our outreach to historically underrepresented populations.

In 2015, we hired more than 3,000 people globally across all job types, including approximately 1,000 interns. [LA1]



See more about our hiring practices on our careers website.

Looking ahead

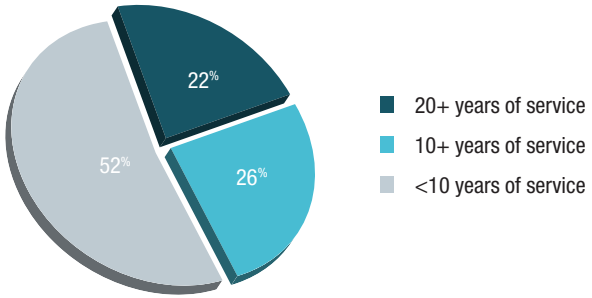
In 2016, we plan to:

- Maintain momentum in recruiting engineering talent around the world.
- Expand internship programs globally.
- Increase outreach activities in the U.S. to historically underrepresented populations.

Retain

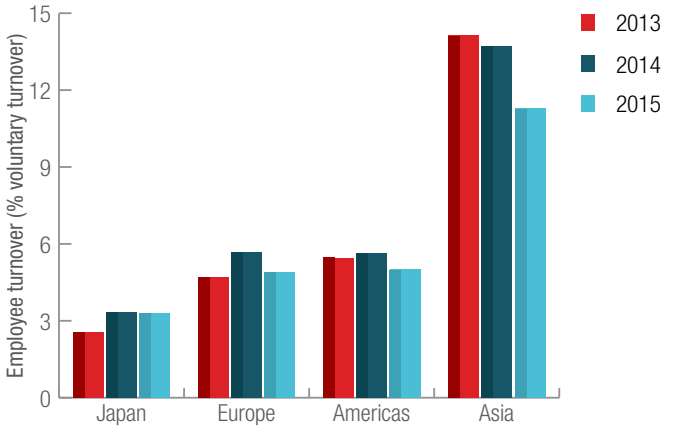
Our culture is as unique as the TIers who shape it. We strive for a diverse and inclusive environment that encourages innovation and growth and recognizes successes; a workplace that employees want to be a part of throughout their careers. Our global employee tenure, on average, is 12 years, which exceeds the national average by more than seven years according to the U.S. Bureau of Labor Statistics. [TI-LA17]

Employee tenure



Our employee engagement initiatives, ongoing development opportunities, competitive compensation and benefits, and focus on safety and wellness enable us to retain employees and minimize turnover. TI's worldwide turnover was 7.8 percent in 2015 (down from 9.2 percent in 2014). This turnover metric includes voluntary terminations and retirements of TI employees, but does not include interns. [LA1]

Employee turnover



We address potential areas for improvement with initiatives that consider the business, personal and geographic contexts of where our employees live and work. Employee turnover is a risk in the semiconductor industry as a whole, particularly in Asia. In order to address turnover challenges in Asia, we provide training for managers to develop “re-recruiting” skills and create environments where current employees can perform and grow.

We aim to continue improving our retention rates and will further analyze our retention and tenure by region and position so that we are better equipped to address specific retention issues as they arise.

Compensation and benefits

We offer competitive compensation as a tool to recruit and retain top talent globally. The compensation and benefits we provide exceed or are in accordance with local laws. Examples of benefits we may offer include profit sharing, paid vacation and holidays, health insurance, retirement plans, an employee stock purchase program, subsidized transportation, child care discounts, education assistance, and fitness center discounts.

We do not maintain a standard entry wage for every country; however, we have verified that we pay employees above the local minimum wage in every country where we operate. [EC5]

TI compensates each employee based on legitimate work-related factors regardless of gender, race, ethnicity or other protected characteristics. [LA13]

Full-time U.S.-based employees and those who work an alternative work schedule (20 to 39 hours per week) are eligible for all benefits, including medical, prescription, dental, vision, employee assistance and income protection. Interns and employees who work fewer than 20 hours per week are ineligible for most benefits. [LA2]

Looking ahead

In 2016, we will continue to provide a competitive compensation package as well as comprehensive benefits.

Health

Globally, our health benefits continue to include health and life insurance or supplemental insurance programs, as well as other programs common locally.

In 2015, we continued to provide health screenings and access to health and wellness resources to help U.S. employees better control health care costs and personal well-being. Taking preventive measures, we administered free on-site flu vaccinations to almost 4,600 employees, spouses and dependents.

We continued to partner with weight-management programs in 2015 to give employees and their spouses the option to attend meetings in their communities or at select TI sites, or to use an online self-paced program, at a discount. We also continued to provide on-site fitness centers at various locations in the U.S.

Looking ahead

In 2016, TI will:

- Make free preventive vaccinations such as flu shots available to employees in pharmacies near their homes.
- Continue to invest in improving employee health and wellness by providing relevant information and resources to employees.

Work-life flexibility

We understand that balancing personal and professional lives can be challenging, which is why we offer programs and resources to support our employees.

In 2015, some of these programs included resources for remote employees, support for new mothers, adoption benefits, access to child care facilities and parent education courses. We continued to provide an on-site concierge service to assist U.S. employees with personal matters such as event planning, gift purchases, reservations and more. The service helped employees fill more than 7,279 requests.

In addition, we continue to enable telecommuting for employees in roles that allow for it, which is about half of our global population.

Looking ahead

In 2016, we will continue to increase leader and employee awareness of work-life initiatives, offer flexible work options, and encourage employees to use these benefits and tools. For U.S. employees, we will implement broader family support programs, which include benefits such as expanded adoption programs and additional paid maternity leave.

Safety

We make employee safety a critical priority in all of our operations. Through routine safety programs, facility self-assessments and safety audits, we continuously assess potential employee safety risks and make corrections and improvements. The Audit Committee also exercises its oversight relating to the safety of TI employees and other visitors to our site. In 2015, 100 percent of our manufacturing and assembly/test sites worldwide were certified to Occupational Health and Safety Assessment standards (BS OHSAS 18001:2007).

TI has formal Environmental, Safety and Health (ESH) committees at all of its manufacturing sites. These committees include manufacturing managers, ESH specialists and employee representatives. [LA5]

In 2015, we introduced Safety Cardinal Rules. We posted these rules throughout our factories to align our efforts and remind our 18,000 manufacturing employees just how critical safety is in our operations.

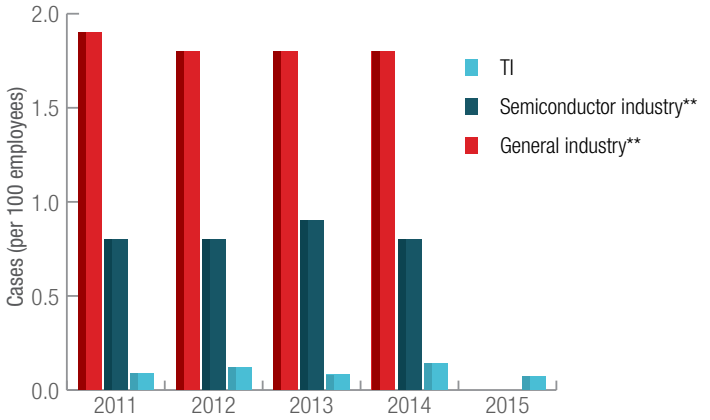
Safety Cardinal Rules:

- Correct or report unsafe behaviors and conditions.
- Report all injuries, discomfort and near misses immediately.
- Act safely, follow procedures and wear required personal protective equipment.
- Do not bypass safety systems or machine guards.
- Only perform tasks for which you are trained.

In addition, TI made investments to continue improvements to working environments. For example, our South Campus renovation project included the purchase and installation of motorized, height-adjustable sit-stand desks and adjustable monitor arms for all 4,200 offices. In addition, we equipped our revamped labs with ergonomic task chairs.

We strive to create an injury-free workplace for all employees. In 2015, we had an exemplary year for safety performance. We achieved a days away, restricted or job transfer (DART) case rate of 0.07, which was better than our goal of an 0.08 or less case rate and well below the 2014 industry average of 0.8.

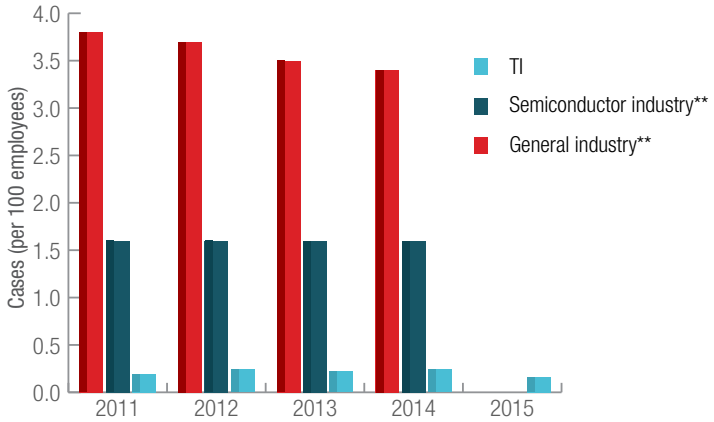
DART cases*



*Work-related injury (rate per 100 employee years) that results in days away from work, restricted work activity and/or job transfer.
**Industry data provided by the U.S. Occupational Safety and Health Administration (OSHA) and the U.S. Bureau of Labor Statistics (BLS). Statistics represent U.S. performance only. Semiconductor and general industry data for 2015 were not available during report development.

We also performed better than our 2015 target recordable injury case rate of 0.20 or less, with a rate of 0.16 for the year. This was below the 2014 semiconductor industry rate of 1.6.

Recordable injury cases*



*Work-related injury (rate per 100 employee-years) that results in DART, medical treatment beyond first aid, loss of consciousness, death or significant injury diagnosed by a physician or licensed health care professional, as defined by OSHA.
**Industry data provided by OSHA and BLS. Statistics represent U.S. performance only. Semiconductor and general industry data for 2015 were not available during report development.

We track employee absenteeism caused by occupational injuries and illnesses based on number of days lost. Our absentee rate was 2.4 days lost per 100 employees during the year (down from 4.65 in 2014). We had no work-related fatalities. [LA6]

Looking ahead

In 2016, we will continue efforts to minimize work-related injuries, better integrate worker safety and health programs, and work toward our target DART case rate of 0.08 or less and target recordable injury case rate of 0.20 or less.

Feature story

Safest of the safe

We have one of the best safety records in the semiconductor industry, and we had the best safety record in our history in 2015. But when it comes to safety, simply being one of the best isn't good enough.

"At the end of the day, we want every employee to go home safe and injury-free," said Patrice Tompkins-Everidge, vice president of environmental, safety and health. "We constantly focus on the importance of safety and how we can reduce any risk of injury."

At RFAB, our wafer fabrication plant in Richardson, Texas, a dedicated focus on safety inspired a thoughtful, practical approach to identifying injury risks in common tasks. In addition to mandating standard safety procedures and training, we asked the technicians and engineers who perform the tasks to share their work practices. Then we took highly tailored steps to further reduce any risks.

"We want to understand the tasks our employees perform that could lead to an injury; we have to fight the mentality of 'I'm strong enough to handle it'," said Jason McLaughlin, environmental, safety and health manager at RFAB. "So we ask individuals directly. We phrase questions like, 'What is the heaviest thing you have to lift?' or 'What is the most awkward position you have to lift in?' to elicit the responses we need."

After identifying tasks of concern, the team assessed and ranked associated risks, developed solutions, and drove them to completion. Since more pointedly engaging employees in safety risk management in 2012, RFAB has invested about $2 million to reduce the risk of injuries, including ergonomic improvements to manufacturing equipment. Other factories have adopted RFAB's approach globally, keeping our safety record among the best of the best.

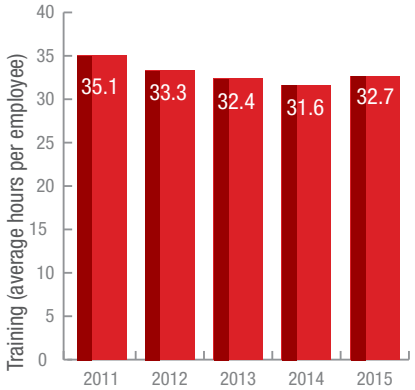
Develop

We strive to provide all employees opportunities that excite them and help them advance in their careers. For entry-level hires, we offer more structured programs, such as formal rotation programs and our Make an Impact program, to provide broad exposure to our company, roles and leaders. From there, the breadth of our product portfolio and culture of liberal internal movement give employees the chance to work on different types of technology and pursue a variety of career paths.

In 2015, employees globally received an average of 32.7 hours of training. [LA9]

We also helped more than 400 employees globally further their education by reimbursing tuition through our educational assistance program. [LA10]

Average hours of training



We encourage our employees and managers to regularly discuss performance and development. More than the tracking of performance reviews, we believe it is the quality of the conversation that improves employee performance and engagement and aligns employee goals with company priorities.

In 2015, we continued Performance Matters, a global performance-management campaign, to reinforce our expectations on quality discussions and to give employees and managers tools to help guide these conversations. As such, we do not track the number of individuals formally receiving performance reviews. We do monitor employees' understanding of their own goals and their managers' expectations with a variety of surveys throughout the year. [LA11]

Employees

Engineering development

TI offers technical training to continue to develop engineers throughout their careers. In 2015, we held more than 1,600 technical training classes, conferences and seminars worldwide to improve the foundational skills of our engineers and adapt their abilities to address changing needs.

We also hosted the first companywide Technical Leadership Conference in 2015, which more than 400 engineers attended globally. The focus was to share engineering best practices and to learn about recent technological advances by our employees.

We also promoted or re-elected 464 employees to TI's Technical Ladder. This prestigious program recognizes employees who are making key technical or production contributions.

Leadership

TI invests in developing its leaders. In 2015, we introduced our new LEADERSHIPmatters Training 1.0 program, which helps new supervisors and managers understand our expectations of leaders, learn important policies and procedures, and build essential leadership skills. Through this mandatory program, these employees learn how to effectively build and lead teams, including managing differences and diversity, and how to execute work effectively. More than 480 managers and supervisors participated in the program.

We also rolled out HR Basics, a mandatory compliance-related training for TI managers and supervisors, to ensure their knowledge and understanding of our policies and applicable labor laws. More than 3,000 managers in five countries where we have significant operations completed the training, which among other topics covers our global equal employment opportunity policy and working hours and conditions.

Looking ahead

In 2016, we will continue focusing on initiatives to drive company growth and sustainability. We plan to:

- Continue expanding our programs to develop engineering and functional capabilities through classroom and online training, as well as through internal conferences and symposia.
- Grow our leadership development offerings to include LEADERSHIPmatters Training 2.0, which will provide training for employees who are newly promoted to a role in which they manage other managers.
- Implement HR Basics training in all remaining countries.

Diversity

Fostering a diverse and inclusive work environment is essential for creativity, problem-solving and, ultimately, innovation. We are as focused on assembling a diverse candidate pool in our recruiting efforts as we are on building an environment that celebrates diversity. For more information, see recruit.

Senior leaders promote diversity and inclusiveness throughout our workforce and expect employees to do the same. To learn more about our diversity and inclusion approach and efforts, see our Diversity and Inclusion e-book, which highlights our diversity and inclusion commitments, initiatives and recognition.

In 2015, Cynthia Trochu was elected senior vice president, secretary, general counsel and chief compliance officer, replacing Joe Hubach, who retired from TI. In her new position, Cynthia plays an integral role in developing company policies, counseling on business strategies, and ensuring TI's global compliance. In addition, Cynthia joined TI's Management Committee.

Composition of governance bodies

Employee type	2014	2015
	Executive officers (%)	
Male	80	70
Female	20	30
Age: 30-50 years	20	30
Age: 50 + years	80	70
Minority		10

[LA12]

Employees

According to the Engineering Workforce Commission, of the roughly 23,000 electrical engineering degrees awarded by U.S. universities in 2014 – including bachelor's, master's and Ph.D. degrees – 4.2 percent went to black students, 5.9 percent went to Hispanic students and 15.9 percent went to women. The overall pool and demographic breakdown have remained essentially unchanged for over a decade. In 2015, TI invested in education programs to help encourage more young girls and underrepresented minority students to pursue science, technology, engineering and math (STEM) careers and to help ensure that they are engineering-ready when they enter higher education.

We continually seek to improve both gender and minority diversity in the U.S. through our recruiting, development and retention efforts. We regularly review our progress with senior leaders. We take work inquiries or concerns related to discrimination seriously, and work diligently to investigate each incident and take action when necessary. [HR3]

In 2015, we incorporated training on managing differences and diversity into our LEADERSHIPmatters Training 1.0 for newly promoted managers. We also conducted workshops with senior leaders on how to create an inclusive work environment.

Looking ahead

In 2016, TI will:

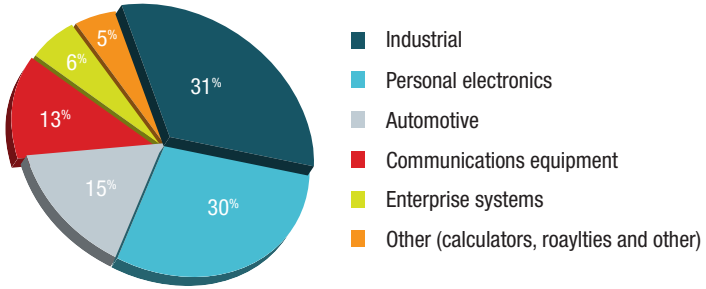
- Continue investing in education programs that encourage more young girls and underrepresented minorities to pursue engineering careers.
- Increase recruitment outreach activities in the U.S. to women, military veterans, people with disabilities, underrepresented minorities and LGBT individuals.
- Further educate leaders on how to build an inclusive work environment.

Overview

TI aspires to responsibly design and manufacture products that help solve some of the world's greatest social and environmental challenges. TI leaders direct and set expectations across the company to design, develop and deliver exceptional products.

Our R&D expense was $1.28 billion in 2015. Our primary areas of R&D investment are in analog and embedded processing products, which among other important issues help address energy conservation, health care access, safety and education. We provide customers around the world with a vast array of technology, detailed in TI products on our website.

Markets for our products*



*Estimated percentage of our 2015 revenue that the market represented.

[G4-8]

Innovation

At TI, innovation is the result of employee inspiration, made possible through an open culture, well-equipped labs and work-spaces, and the support and resources to incubate new ideas.

Culture of innovation

Innovation lies at the heart of who we are and what we do, and has since our founding in 1930. Our deep commitment to innovation is embodied in our people, our products and in the 42,000 patents we hold – 1,000 of which were issued in 2015 alone.

TIers are visionaries and game-changers, continually solving problems and creating transformative, differentiated products that change the world. Whether enabling smarter vehicles and factories of the future to creating efficient power solutions, we are constantly working to engineer a better tomorrow.

We expect innovation from every department and every person. From process innovations in our support organizations, to technological breakthroughs in our research development labs, to continuous advancements in our business units, TIers around the world work continually to solve customer problems and make our products smaller, smarter and more efficient.

We encourage innovation throughout the year within our business units and with companywide signature programs designed to inspire TIers around the globe.

Innovation Days

From Analog and Embedded Processing to Sales and Marketing, our business units around the globe host events throughout the year to give TIers a chance to collaborate and invent. These Innovation Days have inspired dozens of new projects, processes and ideas that save time and money, improve productivity, and lead to important technical innovations. Among the 26 ideas presented at Analog Innovation Days in 2015, three are funded and waiting to be developed into real products, and five others are slated to go into production in 2016 or early 2017.

Jack Kilby Day

Innovation isn't just something we do; it's something we celebrate. Each year, thousands of TIers worldwide celebrate TI's track record of innovation on Jack Kilby Day. On or about September 12, the day that TIer Jack Kilby unveiled the world's first integrated circuit (back in 1958), we honor how he helped shape our world today – and how we are now helping shape the future. More than 7,000 TIers from 28 sites around the globe participated in Jack Kilby Day in 2015.

In 2015, we announced five "Modern Day Jacks," TIers who embody the innovative spirit of Jack Kilby. These TIers are creating smaller and more efficient power supplies for our electronics; using sensors in ways never seen before; making coding easy and accessible; enabling us to see everything happening around our vehicles; and developing quick and precise measurement products for factory floors and heating, ventilation and air conditioning (HVAC) systems.

DIY with TI

Throughout the year, TIers innovate not only at work but at home, using TI parts to build do-it-yourself (DIY) projects that solve problems or just make life more fun. In 2015, several hundred TIers checked out dozens of creative innovations at DIY with TI events in Dallas, Texas, and Bangalore, India, from a tweeting popcorn maker to a digitally connected meat smoker to an irrigation system designed to grow chili peppers in the Texas heat dubbed "Chili-Gation." These DIY events provide opportunities for TIers to learn, collaborate and be inspired by their colleagues' inventions.

Awareness

We provide a variety of additional forums to increase innovation and collaboration. For example, TI's Technical Leadership Conference provides an opportunity for engineers to meet and share best practices. In 2015, we continued to build awareness of innovation inside and out by featuring a compelling series of stories about innovation on our company blog.

Recognition

We recognize the innovations of our employees in multiple ways, including election to TI's Technical Ladder; innovation awards within specific business units; and through our top technical innovation honor each year, the Jack Kilby Award of Innovation.

The prestigious Technical Ladder represents TI's strongest technical contributors. Titleholders are peer-elected based on their demonstration of leadership, innovation and initiative to contribute to the organization's goals. The Technical Ladder offers progressive levels of leadership, corresponding to greater influence over TI's technical direction.

At the end of each year, we hold an Innovation Ceremony to recognize newly elected and re-elected Technical Ladder fellows and the winners of the Jack Kilby Award of Innovation, who worked on the year's biggest ground-breaking innovation. We announced the 2015 winning team and project to employees in December. The product should be released to market later in 2016.

Technology labs

TI has dedicated Kilby Labs facilities that are all about breakthrough innovation. Staffed with a select group of innovators, Kilby Labs has transferred 34 projects to our business units since 2011.

Products developed at Kilby Labs must be technically feasible, address a market need, and provide a compelling business case for return on investment. Kilby researchers work with senior technologists, marketing and business unit leaders to propose and agree on new projects that meet future needs. Kilby Labs continues to support each project through first design, and sometimes all the way through a product's release to market. In 2015, we released a number of products made possible by Kilby Labs innovations, including a continuous time analog-to-digital converter and a multimodal smart sensor analog front end.

Kilby Labs has locations at our Dallas, Texas, headquarters as well as Santa Clara, California; Bangalore, India; and Milan, Italy.

Manufacturing

We encourage innovation in manufacturing as well. For example, since 2005, we've reduced the energy required, water extracted and emissions-per-chip-produced by 7 percent or more (on average), despite increased production and additional manufacturing capacity. We were the first semiconductor manufacturer to build manufacturing sites that meet the U.S. Green Building Council's stringent Leadership in Energy and Environmental Design (LEED) standards for environmental sustainability in Texas and the Philippines, certifying that TI is building the future of technology while also conserving energy and resources.

Increasingly, this conservation trend is due to advancements in our production technology. We were the first analog company to move to 300-mm wafer sizes in manufacturing, and we increased manufacturing at this wafer size in 2015. These wafers require fewer chemicals and gases, and use water and electricity more efficiently to produce more chips.

Packaging

We opened a packaging development lab in 2015, a space in which we cultivate and test game-changing packaging innovations that help distinguish us from competitors. The lab allows innovators from across the company to test new ideas, with the resources of an assembly/test site at their disposal, to make our packaging smaller without compromising performance or reliability.

External research partnerships

TI works closely with top engineering universities to provide research support, guidance and funding. This includes the opportunity for Ph.D. engineering students to collaborate on semiconductor projects that are improving the world in which we live. Our university research work leads to academic progress, as students gain real-world industry insight and turn academic concepts into products.

In 2015, TI gave $10 million to the Semiconductor Research Consortium (SRC) to fund university research. We also provided $11.5 million in direct funding toward select university research, and attracted Ph.D.-level research students to intern or work for us.

TI continued supporting the Texas Analog Center of Excellence (TxACE), located at the University of Texas at Dallas. TxACE is the largest international analog research center based at an academic institution and aims to create circuits and systems driven by societal and industry needs.

Looking ahead

In 2016, we will:

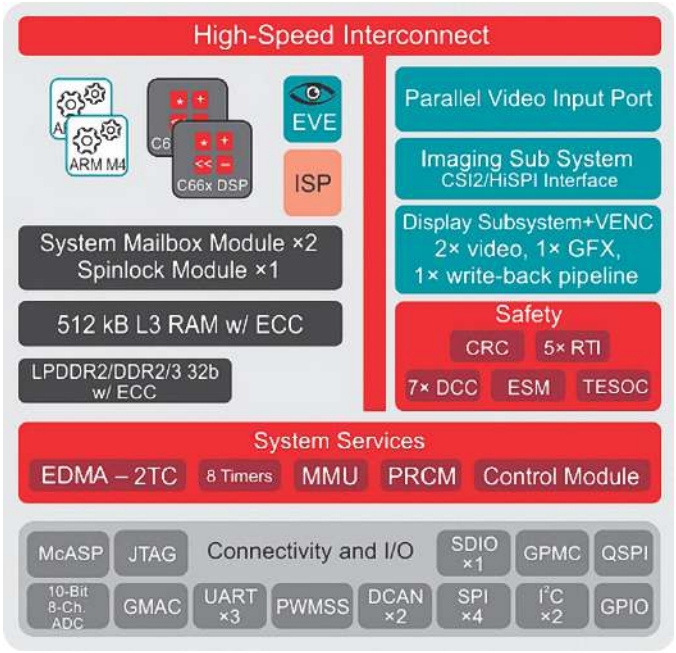
- Continue investing in both breakthrough and incremental innovation that will address some of our planet's most pressing challenges, from energy harvesting to climate change to safety and security.
- Contribute more than $11 million to sponsor basic and applied university-conducted research.
- Contribute an additional $10 million through the SRC to fund university research, including focus areas that cover applied advancements in analog and system-level solutions.

Product portfolio

TI has established itself as a leader in low-power solutions by designing chips that require minimal energy to operate. Our low-power solutions enable customers to create end applications that use energy more efficiently and creatively. [EN7]

We expect that government actions will continue to require increased energy efficiency and the availability of renewable energy, along with mandates to use energy-efficient products and reduce emissions. Widespread investments in smart grid and other efficiency projects will continue to increase demand for our energy-efficient technologies. [EC2]

TI announced new and innovative solutions in 2015 in four major areas: industrial, automotive, power management and emerging technologies. Our contributions in each area help reduce environmental impact and contribute to a better quality of life.



Industrial

Our technology enables safer and more efficient factories. The ability to sense and manage electrical current and power improves system efficiency, detects faults to enhance protection, and provides accurate feedback and data logging for enhanced performance. In 2015, TI launched a first-of-its-kind current-measurement device with a precision integrated sense element, the INA250.

In industrial applications such as test and measurement or factory automation, the INA250 can reduce system-calibration requirements through its high accuracy over a broad temperature range. High accuracy allows designers to improve power efficiency and resource utilization in their systems because they don't need to design the extra tolerances typically required. The device can also reduce system cost and board size, making it suitable for more systems. A current-monitoring feature can alert systems to initiate the shutdown of a faulty machine, to keep it from overheating or starting a fire. Current monitoring also provides feedback to the controller of an electronic system to help extend battery life in products ranging from self-guided robots and laptop computers to electric vehicles (EVs).

In late 2015, the INA250 was among a handful of analog and sensor integrated circuits selected by EDN.com editors and readers for its EDN Hot 100 products list. In early 2016, it received Electronic Products magazine's Product of the Year Award.

Automotive

TI technology is enabling a safer driving experience for drivers, passengers and pedestrians. As governments around the world encourage consumers to buy safer vehicles, automobile manufacturers are striving to build vehicles that consistently

achieve higher New Car Assessment Program (NCAP) ratings. In 2015, TI began sampling the newest member of its automotive system-on-chip (SoC) family, the TDA3x processor, designed to help automotive manufacturers develop sophisticated advanced driver assistance system (ADAS) applications that meet or exceed NCAP requirements, reduce collisions on the road, and enable a more autonomous driving experience in entry- to mid-level automobiles.

The TDA3x SoC extends TI's highly integrated and scalable family of automotive processors that support ADAS customer algorithms such as lane-keeping assist, adaptive cruise control, traffic-sign recognition, pedestrian and object detection, forward collision warning, and back-over prevention. These algorithms are critical to the effective use of a broad range of ADAS applications including front cameras, surround view, fusion, radar and smart rear cameras. Designers can use TDA3x processors to develop ADAS applications that address cost-sensitive NCAP programs such as autonomous emergency braking for pedestrians and cyclists.

In 2015, the automotive industry recognized the TDAx SoC family with two prestigious awards. The first was the Consumer Electronics Show Innovation Awards Honoree in the newly introduced Safe Driving product category. Like the INA250, the TDA3x was also named an Electronic Products magazine Product of the Year. According to Jim Harrison, editor of Electronic Products, "ADAS technologies pose some tough challenges for design engineers. The TDAx's unique features will be instrumental in enabling advanced safety – and, one day soon, an autonomous vehicle."

Power management

Energy efficiency and conservation-enabling technologies are at the core of nearly all TI semiconductor advancements. This includes TI's latest gallium nitride (GaN) power solutions, an energy-efficient technology that offers superior levels of performance and density compared to silicon-based designs for switching power supplies and converters.

In 2015, TI introduced the LMG5200, the industry's first 80-V, 10-A integrated GaN transistor and gate driver, which will help accelerate increased power density and efficiency in space-constrained industrial and telecommunication applications. With the introduction of the LMG5200, TI continues to work toward a more energy-efficient future; after all, increasing worldwide energy efficiency by just 1 percent could shutter about 45 coal power plants.

Although a recent innovation, designers are incorporating GaN into power-supply solutions ranging from wireless charging devices to server farms – even light-emitting diode (LED) applications. By leveraging our existing manufacturing infrastructure and capabilities, we continue to move GaN into power electronics, paving the way for a bright and efficient future.

Emerging technologies

We're investing in many emerging technologies; one example is EVs. As EVs and hybrid concept cars become increasingly popular in the automotive market, semiconductor technology advancements are expected to be key drivers of this growth. Battery-management technology, for example, can increase mileage per charge in EVs through products like the bq76pl445a-Q1, a battery monitor and protector, introduced in 2015. This device features active and passive battery cell-monitoring technology, which balances each cell in the battery pack and helps minimize lost cell voltage, which enables drivers to travel farther on one charge.

Advancements in EV technology have many more benefits. According to the U.S. Environmental Protection Agency (EPA), a gasoline-powered vehicle driving an average of 12,000 miles a year emits almost 11,000 pounds of carbon dioxide (CO_2, a greenhouse gas emission). An EV puts out around 5,300 pounds of CO_2 a year in comparison. The EPA estimates that the environmental impact of one person switching from a gas vehicle to an EV is equivalent to a decade's worth of growth for about 66 tree seedlings.

Feature story

Talking calculator helps break down barriers for visually impaired students

Lillie Pennington is a high-achieving, ambitious high school student from Cincinnati. She takes Advanced Placement classes in several subjects, but assumed her blindness would jeopardize any chance to use her gifts in advanced math classes, where graphs and other visual representations are common.

Then Pennington got her hands on the Orion TI-84 Plus talking graphing calculator, which enables her and about 2,200 other visually impaired students to continue learning and excelling in advanced math and science courses by using speech, audio and vibration feedback.

The calculator, which consists of a compact accessory that attaches to the top of the popular TI-84 Plus graphing calculator, came about through a collaboration between TI, the American Printing House for the Blind (APH) and Orbit Research.

“The Orion TI-84 Plus talking graphing calculator has changed my life,” Pennington said. “The calculator has definitely made me think more positively about math and increased my confidence.”

TI and its partners received the 2015 Access Award from the American Foundation for the Blind for developing the calculator. These annual awards honor individuals, corporations and organizations that eliminate or substantially reduce inequities faced by people with vision loss.

The collaboration with our partners extends beyond the graphing calculator. In September 2015, TI, APH and Orbit Research unveiled the Orion TI-30XS MultiView™ talking scientific calculator, the world’s first fully accessible multiline scientific calculator. Based on the popular TI-30XS MultiView™ scientific calculator, the device represents a breakthrough in science, technology, engineering and math education for students with impaired vision.

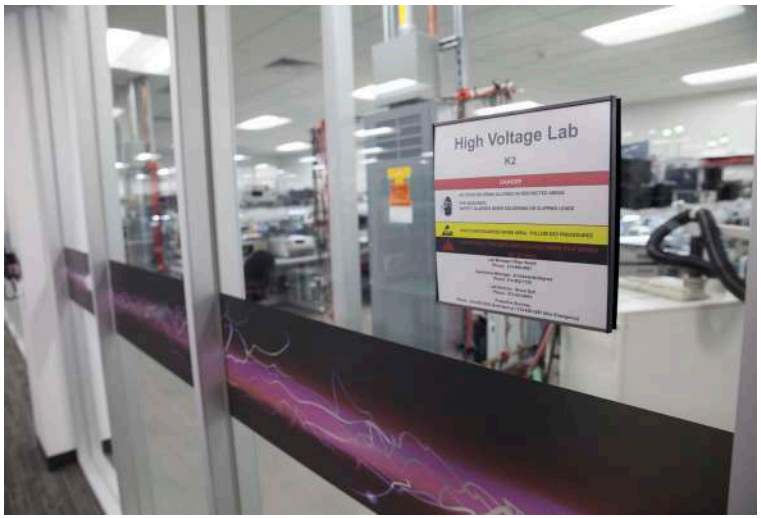
“For TI, this is about tearing down barriers for students with disabilities and empowering them to overcome challenges and do great things,” said Scott Sedberry, director of North American business development for TI Education Technology. “These innovations enable kids who are visually impaired to compete in class and be excellent in ways they couldn’t have before.”

Quality and reliability

The quality and reliability of our products and manufacturing processes are important – to us and to our customers. Through internal and external manufacturing processes and centralized materials purchasing, we control the quality of our products by closely monitoring and regulating their performance. TI's commitment to continuous improvement has resulted in a reduction of customer returns (parts per million) for seven consecutive years.

In 2015, we focused on strengthening how we engage with our customers. Given the complex nature of some end applications, like many of those in the automotive space, we launched an additional resource to aid in customer responsiveness: new quality and reliability web pages, with translations available in Chinese, Korean and German. Customers now have easy access to quality-related information, including certification status, materials and packaging used; performance details on reliability; and environmental impact. [PR3]

In addition to a stronger customer communication channel, we increased our focus on product safety. We formed a Product Safety advisory team to coordinate our product safety processes. This new team will help enable company growth, while conscientiously navigating product safety standards and trends.



Quality

One of our competitive advantages is our large and robust manufacturing footprint, and we focus on improving processes that enable product quality. We have expanded our capacity to manufacture next-generation 300-mm wafers. This involves production in automated manufacturing facilities that have greater tool stability, which in turn drives improved product quality.

We also continue to invest in bringing product-performance analysis capabilities closer to our regional customers. Recently, we installed a reliability lab within our newest manufacturing facility in Chengdu, China, to enable quicker response and support for local customers. This lab – in addition to dedicated analysis labs in Asia, Europe and the U.S. – helps minimize travel and additional product shipments, which ultimately helps reduce our carbon footprint.

In 2015, we invested in more infrastructure to support high-voltage isolation verification, which included new equipment and floor space at our headquarters in Dallas, Texas. This infrastructure will continue to enable reliability throughout our new product-development processes.

Materials

As part of our commitment to responsible and efficient manufacturing, we strive to use safe and effective materials for manufacturing our products.

TI has been a leader in the transition from gold wire to copper wire in semiconductor chip manufacturing. Gold is expensive and conflict-free sources are difficult to locate, whereas copper is more cost-effective and accessible, in addition to having other manufacturing and performance benefits. See more in material sourcing.

Chemical regulations influence our operations, product ingredients and supply-chain management: these include the European Union's (EU) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) substance of very high concern list; Restriction of Hazardous Substances (ROHS) regulations; and the U.S. California Proposition 65 hazardous chemical list. In 2015, we successfully stopped using REACH-exempted materials for all new products, including perfluorooctylsulfonate. To learn more about our approach to comply with these regulations, see our Statement on REACH and Statement on RoHS.

Increased concern about polyvinyl chloride (PVC) has prompted U.S. congressional discussions about banning its use in retail packaging. In response to these growing concerns, TI's Education Technology business surveyed suppliers for viable alternatives to PVC in USB cables and retail packaging, and is planning to phase out PVC in its retail packaging. By the end of 2016, we aim to remove PVC plastic from all Education Technology packaging and replace it with polyethylene terephthalate (PET), a lighter-weight plastic that is safer and recyclable.

Also in 2016, our Semiconductor Packaging team, which focuses on the materials used to protect and provide connections for each semiconductor we produce, will continue to look at qualifying new materials to improve package performance and reduce environmental impact.

Compliance

Customers can assess our products' compliance against national and international sustainability standards through our environmental information web page. The information supports compliance with global regulations as well as our customers' management of regulated and controlled substances.

Standards

Our quality management incorporates processes and systems that enable our product, support and manufacturing organizations to meet or exceed standards and criteria based on internationally recognized standards.

In 2015, TI continued to enhance its portfolio to address two new external power-supply regulations effective in 2016: the U.S. Department of Energy (DOE) Energy Efficiency Level VI and EU Code of Conduct Tier 2. These new regulations require higher efficiency and lower standby-mode power consumption and affect a wide variety of consumer products, including wall chargers for phones, tablets, and external adapters powering notebooks and TVs. TI has developed flyback and synchronous-rectifier controllers to enable compliance with current and future industry standards. In addition, our Education Technology business developed two products slated for production in 2016 that meet the DOE energy-efficiency regulation: a USB power adapter and alternating current (AC) power adapter.

TI recognizes and adheres to other standards for applicable products, including:

- The International Electrotechnical Commission's (IEC) QC 080000 Electrical and Electronic Components and Products Hazardous Substance Process Management System Requirements.
- The International Organization for Standardization (ISO) Quality Management Systems ISO 9001 and ISO 14001.
- The TS 16949 international quality system standard for the automotive industry.

TI holds its semiconductor manufacturing suppliers accountable for the same environmental and social considerations through cost, environmental and social responsibility, technology, responsiveness, assurance of supply, and quality (CETRAQ) assessments. Learn more about CETRAQ in supplier performance management.

Product life-cycle management

With nearly 100,000 products, conducting a life-cycle assessment on each is prohibitive. (See more about life-cycle assessments on our citizenship website.)

In 2015, given the importance of this issue to our stakeholders, we updated our initial assessment of the environmental impact of a representative TI semiconductor, or "chip," throughout its life cycle. This includes manufacturing efficiency, product efficiency and ultimately use in end applications. We also added information on raw materials sourcing for the first time. The culmination of this work is a one-page infographic, Chip Story. [EN27]

Overview

We take pride in the billions of chips we produce annually and in our ability to meet customer expectations and manage risks, while the majority of our competitors outsource manufacturing. We source and use raw materials responsibly and conscientiously manage the potential environmental impacts of our operations around the world. We foster sustainability at our sites through operational efficiency, quality and risk management, compliance, and transparency. Our expectation is 100 percent compliance with applicable environmental laws and regulations. We also establish goals and related programs, and aim for continuous improvement.

In 2015, TI spent about $9.7 million in environmental-protection-related capital, including a new chemical reclamation process at a Freising, Germany, factory (among other facilities worldwide); an upgraded general exhaust system in Kuala Lumpur, Malaysia; and a site wastewater reclamation project installation in the Philippines. In addition, TI spent about $37.4 million in environmental-protection-related operating expenses, including site decommissioning; controls and monitoring system improvements; remediation; and environmental, safety and health (ESH) personnel overhead. In 2015, we received no material ESH fines. [EN31] [EN29]

Management practices

Our ESH policy and principles, signed by our chairman, president and CEO, guide our efforts to operate sustainably; for example, by distributing our products efficiently, encouraging employees to commute together, and maintaining compliance with environmental regulatory requirements.

The Electronic Industry Citizenship Coalition (EICC) Code of Conduct aligns with our environmental management policies. As an EICC member in good standing, we work with others in our industry to align and adopt best practices, and encourage our first-line suppliers to do the same. The supply chain section of this report describes our environmental policies and what we expect from our suppliers.

Each of our manufacturing sites report their environmental performance using a scorecard that measures energy use, chemical reduction and water efficiency. We share scorecards internally for transparency and best-practice awareness, and use them as an accountability mechanism.

A dedicated Internal Audit team supports our robust ESH audit program. Corporate audits verify compliance with local laws and regulations, as well as TI's ESH standards. Audits occur at each facility at least every three years; in interim years, the facilities perform self-assessments. The Internal Audit team audited 12 facilities in 2015.

We also benchmark against our peers through activities within the Semiconductor Industry Association, European Semiconductor Industry Association and the Semiconductor Manufacturing Technology consortium.

In 1996, we began the process of obtaining certification from the International Organization for Standardization's (ISO) Quality Environmental Management System (ISO 14001) for our manufacturing sites. In 2015, all of our international manufacturing sites (15 total) maintained ISO 14001:2004 external certification. Learn more in the certifications web page on our quality website.

Risks and opportunities

A significant challenge for our operations is an increasing number of regulations and requirements, particularly in Asia. In 2015, there were 46 new applicable ESH regulations in Asia; 22 required us to take action. Some of the actions were minimal (such as conducting additional reporting), while others required more investment (such as modifying wastewater treatment systems).

Our priorities in 2016 and beyond are to continue operating in compliance with local laws and regulations, including in China where we are seeing significant regulatory activities, and to also continue meeting customer requests and inquiries while minimizing the impact to our factories.

Governance

TI's vice president of worldwide facilities (WWF), who reports directly to the chief financial officer, oversees the company's operational environmental policies and performance.

In 2015, we elected a vice president of worldwide ESH who reports to the vice president of WWF. She is responsible for ensuring the safety and health of TIers globally while also ensuring that TI complies with environmental laws in the countries where it does business.

One of the primary functions of the TI board of directors Audit Committee is to assist the board in its oversight of TI's internal control systems, the company's compliance with legal and regulatory requirements, and the performance of TI's internal audit function and independent auditors. Where environmental matters may have significance for us, we include these impacts in reviews to help the Audit Committee make appropriate decisions and fulfill their oversight responsibilities.

We have teams comprising cross-functional experts who help address specific aspects of our operations and improve site efficiency. These teams – the Greenhouse Gas (GHG) Strategy team, Energy team and Water Strategy team – periodically brief our WWF leaders regarding status and progress.

TI offers several channels through which both internal and external stakeholders can submit environmental questions, concerns or grievances, including dedicated community email addresses and the TI Ethics Office, which also allows anonymous inquiries. We route questions to the appropriate experts to assess and respond. In 2015, TI did not receive any grievances about environmental impacts, nor were there any open grievances awaiting a response. [EN34]

Multiyear goals

The end of 2015 marked the summation of our multiyear sustainability goals, which began in 2010. These three aggressive goals aimed to reduce the energy use, water use and GHG emissions required to design, market and manufacture a semiconductor chip.

Significant changes in our operations affected our efforts to achieve these goals: between 2010 and 2015, we started up three new factories and acquired five additional factories. Despite these additions, we continued conservation and efficiency efforts and still made progress toward our goals.

In early 2016, TI announced its intention to phase out a small, older manufacturing facility in Greenock, Scotland, over the next three years. We plan to move production to more cost-effective and efficient TI fabrication facilities in Germany, Japan and the U.S.

Moving forward, we will set annual goals for sustainability performance. This will enable us to continue focusing on improving operations efficiency in areas where it matters most, and encourage individual sites to tailor programs based on local challenges and opportunities in the context of achieving companywide performance objectives. We also set a new multiyear goal to reduce GHG emissions.

Multiyear goals

Five-year goals (established 2010)	Final results (against 2010 baseline)
Reduce energy required per chip produced by 45%	Reduced 25%
Reduce extracted water required per chip produced by 45%	Reduced 9%
Reduce GHG emissions per chip produced by 30%	Reduced 9%

2020 goal	2015 results
Adopted U.S. Department of Energy's Better Buildings, Better Plants program goal: reduce energy intensity at U.S. manufacturing sites by 50% (from a 2010 baseline)	Reduced 39%
Reduce GHG emissions by 15% (from a 2015 baseline)	

Recognition

TI earned global recognition for its environmental efforts in 2015, including:

- Chengdu High-Tech Industrial Development Zone, Excellent Environmental, Safety and Health Practice Award.
- Confederation of Indian Industries, Southern Region, five-star rating for ESH practices.
- City of Dallas, Texas, Dallas Water Utilities Blue Thumb Award (fourth year).
- Malaysia, Prime Minister Hibiscus Award.
- Melaka Green Technology Department, Green Award.
- Newsweek, Green Rankings: "Greenest Companies" (sixth year).
- Taiwan Environmental Protection Administration, Enterprise Environmental Outstanding Bronze Award (second consecutive year).

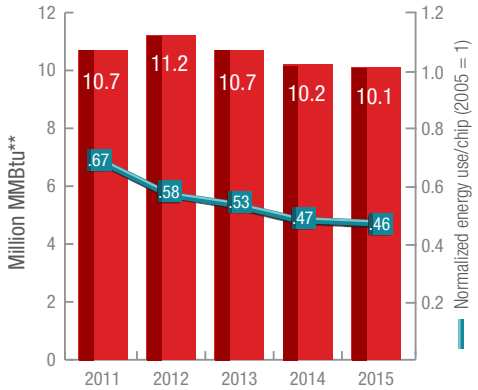
Energy use

Manufacturing the tens of billions of semiconductor chips TI produces annually requires critical resources such as energy, water and other materials. The majority of the energy we use is in semiconductor manufacturing, during which many tools operate 24 hours a day.

TI's energy use comprises sources characterized as direct (such as natural gas used on-site) and indirect (such as electricity purchased off-site). Our overall energy use globally was 10.1 million million British thermal units (million MMBtu) or 2,952 million kilowatt hours (kWh), which made up 55 percent of our carbon footprint. [EN3]

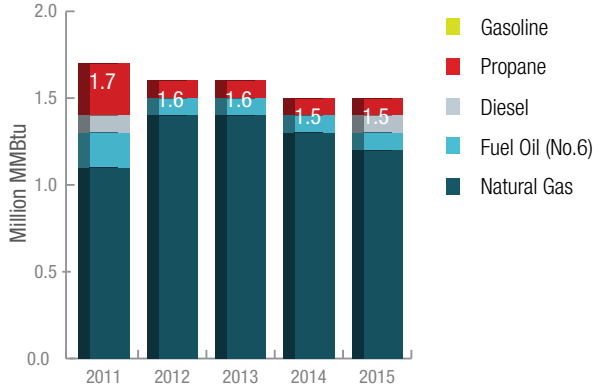
Although production increased slightly from 2014 to 2015, we decreased our total energy use by 1.4 percent. [EN6] [EN19]

Total energy use*



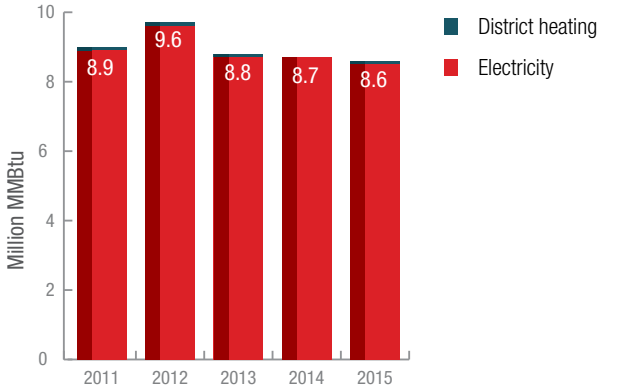
*The total of all energy resources TI consumed (direct and indirect). This includes gas plant energy use (provided by a third party) at our North Campus (Dallas, Texas).
**MMBtu is a measurement denoting the amount of heat energy in fuels.

Direct energy use*



* Energy TI consumed, such as the burning of gas, diesel and fuel oil, that results in GHG emissions.

Indirect energy use*



* Consumption of imported electricity by TI sites as well as heat (Freising, Germany, site only), GHG emissions resulting from the consumption of these resources does not result in GHG emissions directly from TI property.

We estimate that roughly 20 percent of total grid-supplied power came from renewable sources.

Energy efficiency

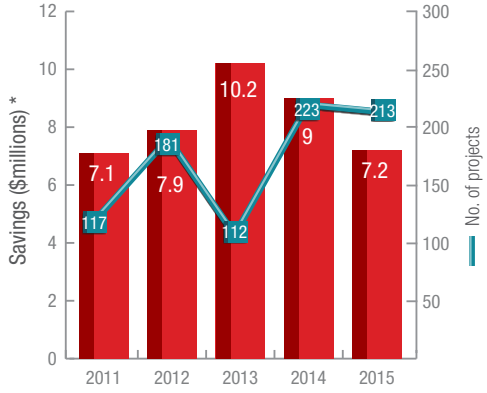
In 2010, we set multiyear sustainability goals focused on operations efficiency. One of our five-year goals was to reduce the energy required to design, market and manufacture a chip by 45 percent by 2015. At the completion of our timeline, we achieved a 25 percent reduction in normalized energy use from the 2010 baseline. [EN5]

Every TI facility has an energy champion, an engineer who interfaces with the corporate-level Energy team and leads energy-reduction projects. This global network shares best practices in energy management through email communications, monthly virtual meetings and a global database of energy-reduction projects. A master list of projects facilitates best-practice sharing and enables us to validate reductions at the corporate level.

We set a goal for 2015 to reduce utility (energy and water) costs by $9.5 million. We exceeded that goal and saved $11.1 million through utility-savings projects, including $7.2 million in energy savings.

We launched our utility savings capital fund in 2005, which earmarks funding for global conservation projects annually. The cumulative result of all projects implemented since that time is a $66 million savings, including $52 million in energy savings.

Energy conservation history



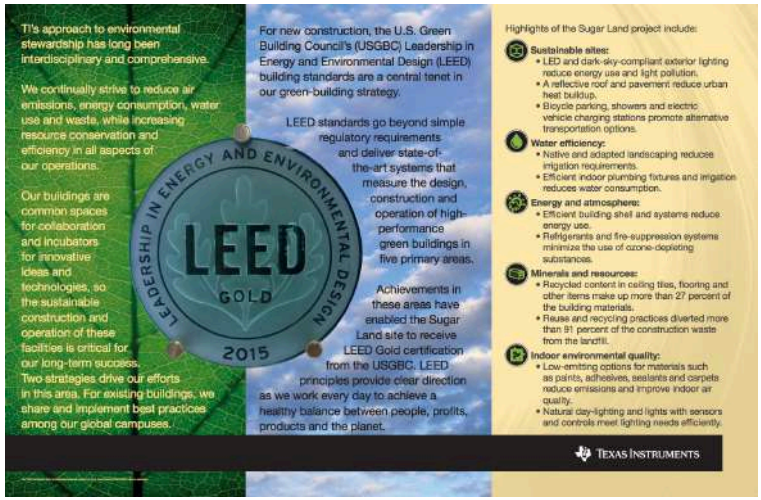
*Annualized.

Not all projects require significant capital but rather a change in process, which requires our experts' ingenuity and creative problem-solving capabilities. In 2015, for example, we began testing the reduction of air speed through high-efficiency

particulate arrestance (HEPA) filters in our factories to reduce overall energy use. The tests proved that the reduced speed did not impact our yield. In the end, we were able to achieve significant energy and costs savings at sites such as our facility in Miho, Japan, with little to no investment.

LEED

TI seeks U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) certification for all new buildings and adopts LEED practices in its existing buildings. In 2015, we received LEED Gold certification for our new office/laboratory complex in Sugar Land, Texas (near Houston). We also incorporated LEED-related sustainable practices in several large office-renovation projects during the year.



Better Buildings, Better Plants

In 2010, through the U.S. Department of Energy's Better Buildings, Better Plants program, we established a goal to reduce energy intensity at our U.S. manufacturing sites by 25 percent by 2020. By 2014, we had already achieved a 32 percent reduction, so we doubled our goal commitment to a 50 percent reduction by 2020. In 2015, we continued to make strides toward achieving this new goal, with a 39 percent reduction (from the 2010 baseline) by year-end.

Looking ahead

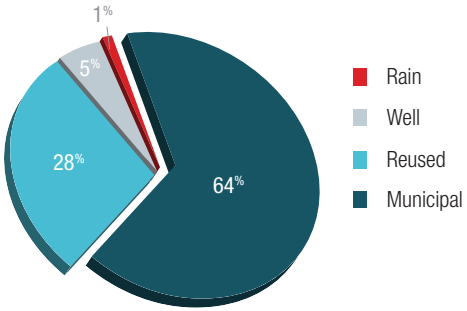
TI's energy-use plans for 2016 are to:

- Reduce utility costs by an additional $10 million through efficiency projects.
- Continue to use best practices, assessments and idea sharing to decrease utility use at all existing sites.
- Identify new opportunities to purchase affordable renewable energy.

Water use

Water is a key ingredient in semiconductor manufacturing: we use it to create deionized water, a critical component in our production processes. Our primary water supply at most of our manufacturing sites is local municipal water. Because water is so important to our operations and the communities where we operate, we take great care to use it responsibly and efficiently, focusing first on reducing overall consumption and then reusing and recycling water in our processes where feasible.

Water sources*



* Total water extracted: 5 billion gallons. Total water used: 7.1 billion gallons. This does not include collected rainwater or used once-through cooling water (water pumped from on-site wells at our Freising, Germany site, for heat rejection), which is returned to the same aquifer. Due to rounding differences, the total does not add up to 100 percent.

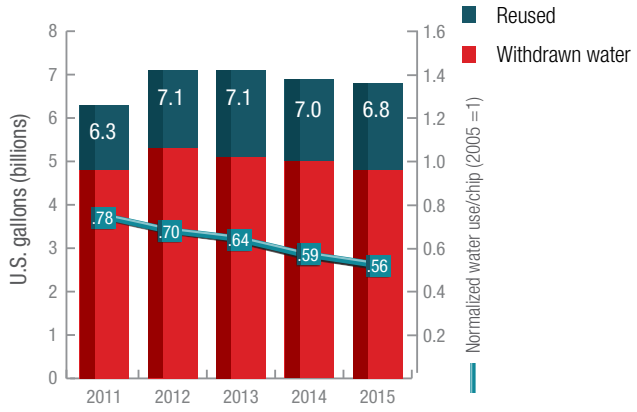
[EN8]

We periodically consult with local water authorities to evaluate and monitor water quality and availability, and to assess their long-term storage projections and usage needs. We house a significant portion of our manufacturing in North Texas, which experienced record rainfall in 2015 and thus a subsequent reduction in potential water-scarcity risk. See more on risk management in business continuity.

We are not aware of any significant impacts to neighboring (receiving) water bodies as a result of our water use. [EN9]

In addition to this report, TI continues to voluntarily report its water-use footprint to CDP (formerly known as the Carbon Disclosure Project).

Total water use*



* Water obtained from local utilities and on-site wells. This does not include collected rainwater or used-once-through cooling water.

Water efficiency

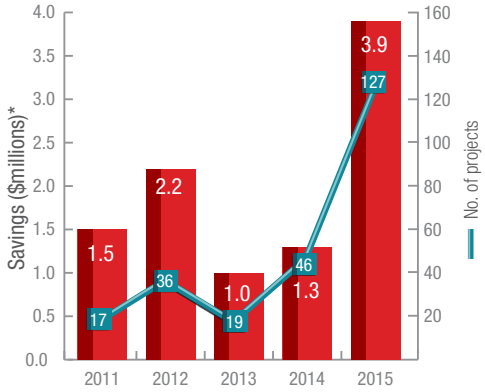
In 2010, we set multiyear sustainability goals focused on operations efficiency. One of our five-year goals was to reduce the amount of water required to design, market and manufacture a chip 45 percent by 2015. By year-end 2015, we realized a 9 percent reduction in normalized water use from our 2010 baseline. We did not meet the 45 percent reduction goal for a variety of reasons, including the addition of manufacturing operations. The second year that the goal was in place (2011) was the most difficult; however, we made steady progress thereafter. We are proud of the headway we made and will continue our water-savings efforts globally.

In 2015, we had an additional goal to reduce total (absolute) water use by 4 percent, which we raised to 8 percent mid-year. We exceeded that goal by implementing projects that will save 12 percent of our annual water use. TI also reused 28 percent of its total water consumption throughout the year, redirecting it back into systems for reuse in cooling towers, scrubbers or in manufacturing processes. [EN10]

We completed a record 127 water-saving projects during the year that reduced our water use by 602 million gallons. The most effective water-management projects in 2015 were projects that reused tool rinse water in cooling towers or scrubbers, and projects that entailed a second pass of reverse osmosis during the deionization process.

Since launching our utility savings capital fund in 2005, we have saved $12 million through the implementation of water-conservation projects.

Water conservation history



*Annualized.

We continued three water-management initiatives in 2015 to focus our water-reduction efforts: water baselines, water champions and the Water Strategy team.

Water baselines

We monitor industry progress and strive to be an efficient user of water among peers. In 2015, we reviewed and refined current baseline water usage and water balances at all sites to ensure consistency in measuring and reporting.

Water champions

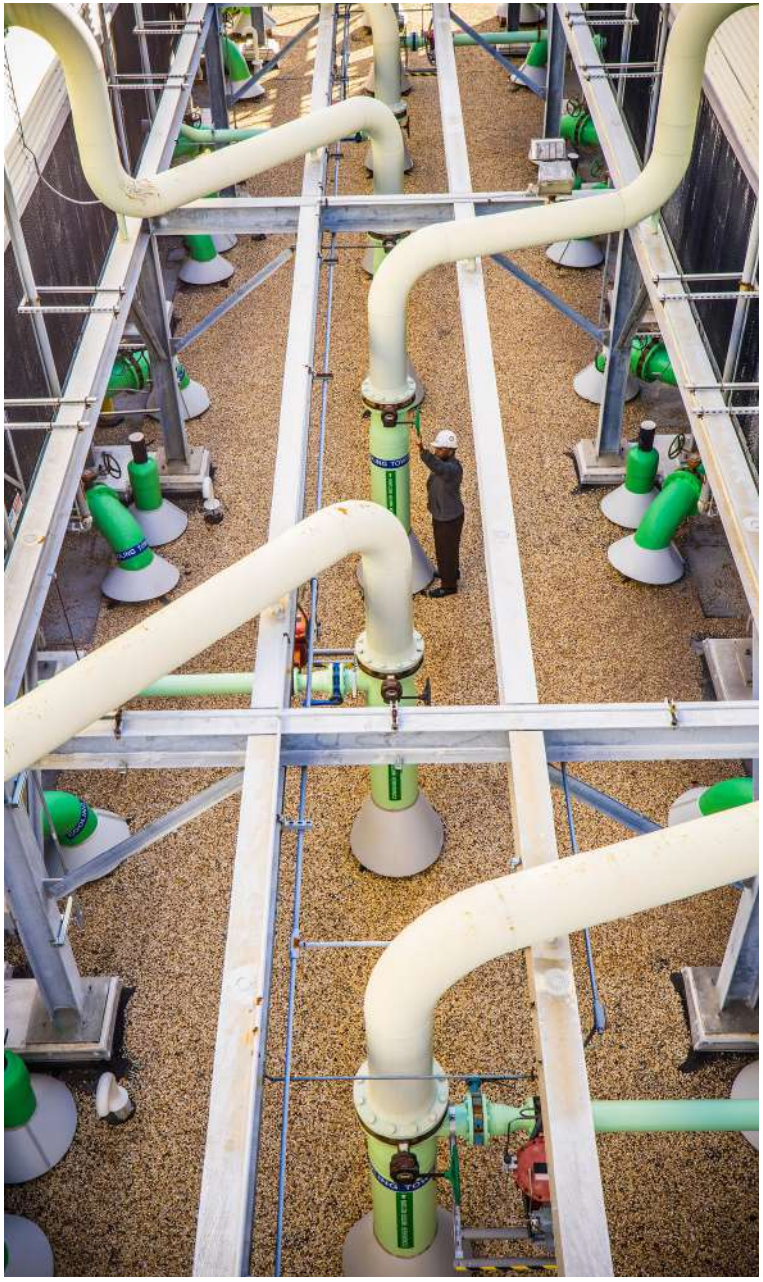
Mirroring our successful energy champions program, each site has an appointed water champion to gather and share water-use data with our Water Strategy team and ultimately help further our water-efficiency efforts. This global network of water champions also shares best practices in water management using a global database of water-reduction projects.

Water Strategy team

TI's corporate-level Water Strategy team focuses specifically on increasing global water efficiency. In 2015, the team continued to fund capital-improvement projects to further reduce, recycle and reuse water, especially in newly owned facilities. For example, we are installing a pilot industrial wastewater recycling system in North Texas, which we will test in 2016. This is a large and potentially high-impact water-saving initiative.

Looking ahead

We will continue efforts to use water efficiently and reduce total water use. Our 2016 goal is to implement projects that will reduce our current water use by 10 percent.



Feature story

Turning down the water tap

Clark, the largest of our seven assembly facilities around the world, has turned down the tap.

The site, located in the Philippines, has been on a multiyear journey to reduce water use and in just over two years reduced water consumption by almost 19 percent per chip (manufactured product).

"Water reduction is a key focus at Clark because it impacts our environment as well as the efficiency of our operations," said Quan Hoang, TI's facilities director for assembly/test operations.

The Clark facility received Leadership in Energy and Environmental Design (LEED) Gold certification in 2010 for its environmental stewardship, but took a leap forward when it set a course to dramatically reduce the amount of water used in the factory by:

- Optimizing manufacturing processes: minimizing the use of deionized water (also called ultrapure water, or UPW). UPW is used to rinse away debris and chemicals during manufacturing and assembly processes.
- Improving efficiencies: enhancing the water purification process to require less deionized water.
- Reclaiming wastewater: re-filtering water used during manufacturing for reuse.
- Cooling loop: recycling cooling water, which cools equipment that generates heat during manufacturing processes.

"TI continually strives to reduce its utility consumption," Hoang said. "We are proud of the reductions that Clark and our other facilities have achieved and will continue efforts to reduce more."

Chemical use

TI purchases more chemicals and gases than any other materials for its manufacturing operations. Because semiconductor manufacturing requires ultrapure chemicals, we typically purchase new, unused process chemicals. However, we reuse some process chemicals in other equipment and work to reduce overall consumption where feasible. [EN2]

In 2015, we successfully eliminated the use of perfluorooctylsulfonate (PFOS); we had been using the material in two critical manufacturing processes in about half of our factories. In addition, our suppliers have all confirmed that they are not using PFOS. PFOS is a known toxin, resistant to natural breakdown processes in the environment and food chains.

After diligent research, development and testing, we identified an effective PFOS alternative that is safer for people and the environment, and costs about the same.

We had no significant spills of chemicals, oils or fuels in 2015. When minor spills or releases occur, we work diligently to contain and abate waste materials that have been released, communicate with relevant regulatory agencies and authorities, and implement prompt and appropriate cleanup actions. [EN24]

Looking ahead

In 2016 and beyond, we will continue to identify and qualify the best materials for our manufacturing processes, our customers and the planet.

Air emissions

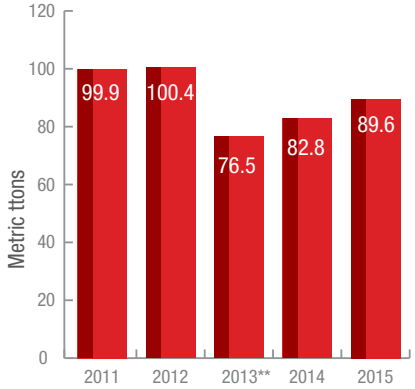
TI programs promoting energy efficiency, enhanced equipment maintenance, efficient product transportation and employee commute options all contribute to reduced air emissions.

In 2015, we replaced one of our remaining chillers that contain ozone-depleting substances (ODSs). In addition, with the sale of a facility during the year, we no longer own two other chillers that contain ODSs. By year-end, we had 10 remaining chillers containing ODSs. [EN20]

Globally, we monitor air-emissions regulations. We did not have compliance concerns in 2015. Nitrogen oxide (NOx) and volatile organic compound (VOC) emissions increased slightly during the year. A number of variables can impact these emissions, including local weather conditions and manufacturing loadings; however, we continue efforts to reduce emissions where feasible. [EN21]

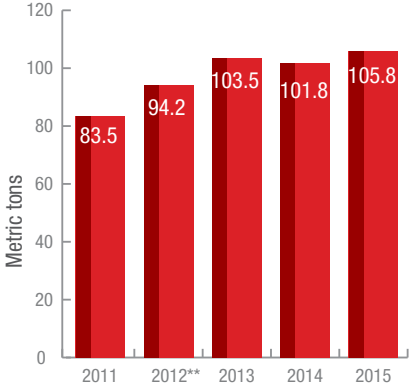
For details on our greenhouse gas (GHG) emissions, see the climate change section.

NOx emissions*



*The values account for U.S. sites only. We have not yet calculated global emissions
**The 2013 decrease is primarily due to the initiated closing of TI's manufacturing facility in Stafford, Texas.

VOC emissions*



*The values account for U.S. sites only. We have not yet calculated global emissions.
**The 2012 increase is primarily due to the acquisition of a manufacturing facility in South Portland, Maine.

Transportation

As our operations continue to expand globally, we explore cleaner and more efficient transportation options – from product shipping to employee commuting. We recognize that efficient transportation can reduce costs and potential environmental impact.

Product shipping is an important component of our operations. We rely on a strategic distribution network and shipping optimization for greatest efficiency. This includes using ocean freight rather than air to move products, consolidating shipping, and decreasing overall transportation miles by storing parts in product distribution centers close to our manufacturing locations.

Our employee commuting program supports alternative commute options such as mass transit, carpools and shuttles. Some facilities, including our headquarters, offer on-site showers for employees who bike or walk to work, covered parking for bicycles, an electric vehicle (EV) recharging infrastructure, and bike-repair stations.

To encourage employees to use EVs, TI has installed 87 EV charging stations in the U.S., mostly in Texas and California. In 2015, we installed more than 30 charging stations, including eight in Santa Clara, California.

In North Texas, where our single largest employee population resides, we work to reduce traffic congestion and contribute to better air quality through our Commute Solutions program, which subsidizes vanpools and mass transit and offers bicycle-friendly amenities, shuttle service between sites and flexible work options. The program also promotes global activities such as Bike to Work Day. In 2015, more than 350 cyclists around the world pedaled a total of 4,100 miles (6,700 km) on Bike to Work Day to boost their health, save fuel and reduce emissions.

We offer on-site facilities and services to reduce our transportation footprint. For example, we encourage teams to use our video-conferencing system to reduce travel to meetings. In 2015, approximately 57 percent of our workforce (about 17,100 employees globally) had telecommuting tools.

Looking ahead

In 2016, we will:

- Continue work to phase out remaining chillers that use ODSs.
- Install six new EV charging stations at our RFAB wafer fabrication plant in Richardson, Texas.

Climate change

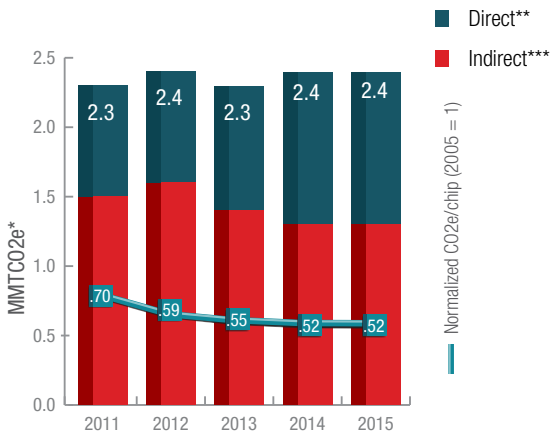
TI takes global concerns about climate change seriously. As an industry, we are working to reduce greenhouse gas (GHG) emissions by developing new manufacturing technologies, using abatement devices and alternative chemicals, reusing chemicals, and eliminating nonessential uses of perfluorocompounds (PFCs). PFCs are critical to semiconductor manufacturing and are a significant source of our direct GHG emissions.

Changes in the regulation of GHGs could result in compliance activity-related costs and increased energy and raw-material costs. See more on risk management in business continuity. For details on opportunities related to climate change (such as investments in energy efficiency), see product portfolio. [EC2]

GHG performance

Approximately 45 percent of TI's GHG emissions are direct emissions, from on-site chemical use (process emissions) and natural-gas combustion for heat and steam.

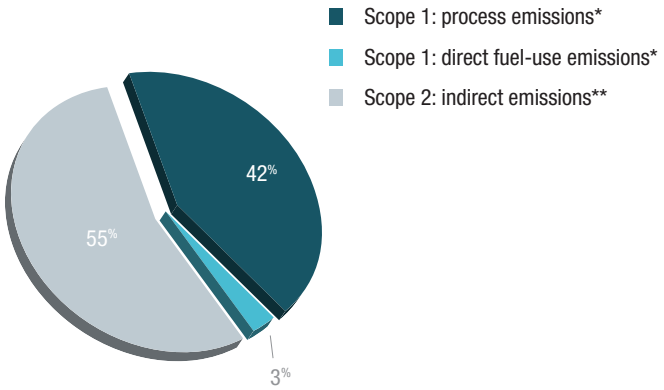
Carbon footprint



Direct GHG emissions, excluding combustion, are now measured using the U.S. Environmental Protection Agency's (EPA) mandatory GHG rule methodology for all U.S.-based emissions. This methodology is not backwards-compatible with previous data (prior to 2015). The overall effect is an increase for all semiconductor industry emissions of approximately 10 percent. Additional detail on our emissions accounting methodology is provided in our CDP response.
*Million metric tons equivalent carbon dioxide (MMTCO2e) is a unit of measure for GHG emissions. Emission totals are from global TI manufacturing sites only.
**Direct (scope 1) emissions include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.
***Indirect (scope 2) emissions include CO2, CH4 and N20.

[EN15] [EN16]

GHG emissions by scope



*Scope 1 emissions are global emissions from TI sources.
**Scope 2 emissions are indirect GHG emissions from TI through the company's consumption of energy in the form of electricity, heat, cooling or steam.

GHG reduction

Over the past several years, TI has reduced its indirect (scope 2) emissions more quickly than its direct (scope 1) emissions by focusing on energy-use reduction.

In 2010, we set multiyear sustainability goals focused on operations efficiency. One of our five-year goals was to reduce GHG emissions per chip 30 percent by 2015. By the end of 2015, we had achieved a 9 percent reduction in normalized GHG emissions versus our 2010 baseline. [EN18] [EN19]

Moving forward, we are aiming to reduce GHG emissions 15 percent by 2020 from a 2015 baseline.

Within our operations, we continued to implement energy-efficiency projects and other initiatives worldwide that reduced GHG emissions in 2015. For more information about our energy reductions, see energy use.

Looking ahead

In 2016, in addition to meeting EPA mandatory reporting requirements, TI will report on its GHG emissions performance through voluntary outlets such as the World Semiconductor Council and CDP (formerly known as the Carbon Disclosure Project). In addition, we plan to:

- Continue monitoring emerging legislation worldwide, which may impact how we report and manage GHG emissions.
- Identify additional suppliers that can provide abatement technology at U.S. sites to further reduce GHGs.
- Further reduce GHG emissions through operations changes, including our ongoing transition to 300-mm wafer manufacturing capacity, which is more efficient than other manufacturing technologies and reduces overall energy use and emissions per chip.

Waste management

We work to maximize the efficiency of the materials we purchase and to reduce our potential environmental impact by sourcing materials responsibly, and appropriately managing waste handling and disposal. TI's worldwide environmental, safety and health (ESH) standards require all sites to implement both engineering and administrative controls to reduce waste. We also work to reduce consumption and recycle materials where possible.

TI does not treat, process, dispose of, import or export hazardous waste generated from its facilities. Instead, we thoroughly vet and contract with established waste-management firms to remove, transport and properly dispose of hazardous waste. TI does not ship hazardous waste, as defined in the Basel Convention, across international boundaries. [EN25]

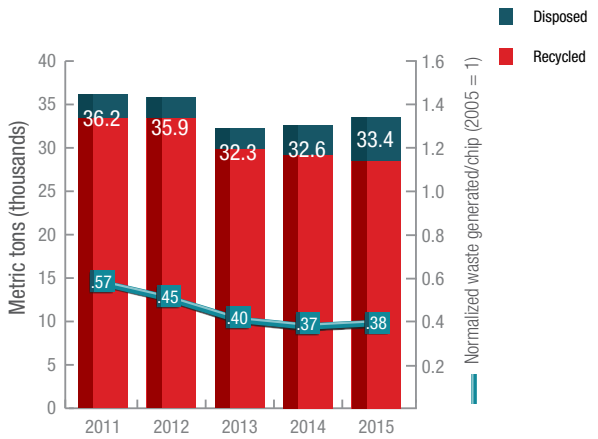
Waste-material recycling

In 2015, we achieved an 85 percent total waste recycling rate, which is lower than our average of 92 percent over the previous four years. This decrease is primarily attributable to one vendor's inability to use our waste as a fuel blend in North Texas due to a change in their equipment. We continue to pursue alternate vendors for solvent waste recycling, which will increase the total recycling rate.

TI recycles a variety of waste streams at its sites globally. For example, we kept 12.4 metric tons of silicon wafers out of landfills by selling them to solar-panel fabricators. We also reused a variety of chemicals on-site, including 280,000 kilograms of sulfuric acid, 60,000 kilograms of phosphoric acid and more than 600,000 kilograms of oxide slurry. We plan to continue to expand our slurry recycling program in 2016.

In addition, we sold materials for reuse, including 1.14 million kilograms of chemicals such as sulfuric acid and isopropyl alcohol.

Waste generated*



* Totals include hazardous and nonhazardous waste from all manufacturing sites (which account for the majority of waste), as well as some of our largest nonmanufacturing sites.

[EN23]

Packaging

Innovative product packaging and transport packaging give us an opportunity to address waste. In 2015, we continued to eliminate lead and other materials of concern from our semiconductor packaging. We also introduced designs that shrink our package sizes and pack more units into the same area.

To reduce the amount of packing and shipping materials needed to transport certain items, we offer "jumbo" reels that reduce the number of shipping boxes needed in a given shipment. Our increased manufacturing of larger 300-mm wafers also reduced the amount of packing materials.

E-waste

We provide customers detailed information about the materials used in our semiconductor products so that they can make informed decisions about end-of-life disposal.

TI's Education Technology (calculator products) business participates in various recycling programs. In 2015, Education Technology recycled 51 metric tons of e-waste and 72 metric tons of retail packaging. This is in addition to the 29,000 metric tons of materials we recycled from our distribution operations. [EN28]

Some of our Education Technology recycling programs include:

- Rechargeable battery recycling: We mark our rechargeable batteries with the Call2Recycle Rechargeable Battery Recycling Corp. (RBRC) logo, indicating that we are a member of this U.S. and Canadian recycling program.
- E-waste recycling: We use the R2 Certified Recycling Co. for e-waste. We are a member of the Electronics Products Recycling Association for eight Canadian provinces.
- Paper, packaging and printed material recycling: We are a member of the Canada Stewardship Services Alliance for British Columbia, Saskatchewan, Manitoba and Ontario provinces. We are also a member of Eco Entreprises Quebec.

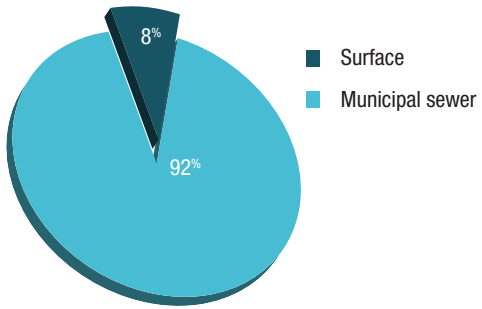
Wastewater

TI's water-management standard establishes minimum expectations for wastewater and stormwater management. This standard applies to our manufacturing and assembly/test sites around the world and establishes requirements beyond applicable regulatory requirements. Local management teams monitor and ensure compliance with both regulatory and company standards and report monthly to our worldwide Environmental, Safety and Health (ESH) management team.

Our Water Process System team comprises system experts, TIers from around the world, and meets regularly in order to collaborate on wastewater-related projects, share information and best practices, and troubleshoot issues. The team also helps monitor site operations to ensure compliance with effluent limits.

We discharge most of our treated wastewater to municipal sewers. Municipalities impose rigorous permit conditions on TI, including frequent monitoring and inspections. In addition to permit conditions, we internally assess our industrial wastewater treatment plants annually, conduct audits every three years, and hire trained or certified operators as required.

Wastewater discharge



Our ongoing transition to manufacturing larger 300-mm wafers means we will generate less wastewater because the 300-mm process uses fewer chemicals and less water.

In 2015, we made significant investments in water-system upgrades to maintain compliance, update our processes, and ensure water quality. We discharged 3 percent less wastewater in 2015 than in 2014. We did not have any unplanned discharges of wastewater that adversely affected neighboring (receiving) water bodies in 2014. [EN22]

Looking ahead

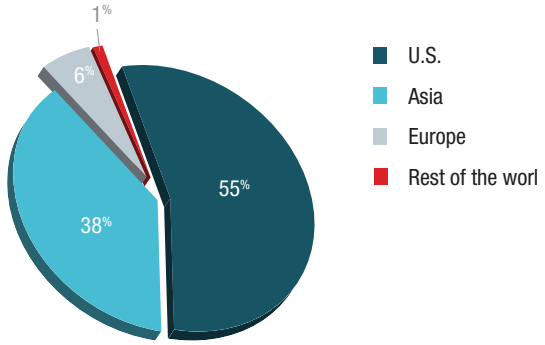
In 2016, we will continue exploring new ways to recycle and treat wastewater in order to reduce overall water consumption and ensure the quality of the water we discharge.

Overview

With more than 12,000 suppliers throughout the world, our supply chain is an important part of our business. We expect our suppliers to exemplify good corporate citizenship. We educate suppliers on environmentally and socially responsible practices to ensure that our supply chain is competitive and sustainable, and we work with local, diverse suppliers to strengthen communities. We hold ourselves and our suppliers accountable for responsible conduct and performance.

Approximately 350 suppliers make up the top 80 percent of our supplier spend, and about 150 of those are major suppliers in our manufacturing processes. In certain cases, we outsource the manufacturing of wafers, assembly or test components. In 2015, we sourced about 20 percent of our total wafers from external foundries and about 40 percent of our assembly/test services from subcontractors. [G4-12]

Supplier spend by region*



*Data is based on where suppliers receive payments.

[EC-9]

TI's vice president of worldwide procurement and logistics, who reports directly to the chief financial officer, oversees supply-chain policies, performance and risk management. The semiconductor industry as a whole faces risks related to the availability of resources such as water and metals, while global industry supply chains may be more susceptible to supply disruptions and price volatility for key materials. TI works closely with its suppliers to address and mitigate potential risks.

In 2015, TI appointed the company's first director of supply chain responsibility, who will oversee supplier environmental and social responsibility, implement related programs and policies, and manage supplier diversity. This role brings greater focus to the growing importance of the supply chain when managing risks and operating conscientiously.

Our supply-chain management focus in 2015 was to address continuity of supply, which is integral for uninterrupted operations and on-time product delivery to customers.

Recognition

In 2015, we received awards acknowledging our supplier-diversity efforts from:

- Women's Enterprise USA Magazine, "100 Corporations of the Year."
- Dallas/Fort Worth Minority Supplier Development Council, Buy Those That Buy Us Best Practice Award.
- Minority Business News, "Corporate 101: America's Most Admired Corporations for Supplier Diversity."

Performance management

We promote responsible and fair business practices throughout our supply chain.

Standards

The TI Supplier Code of Conduct and Supplier Environmental and Social Responsibility Policy outline the expectation that suppliers treat workers with respect, provide safe working conditions, and conduct environmentally responsible manufacturing processes. Different international regulations present a challenge in determining accountability for audits and performance improvements related to supplier working conditions. We are working with our industry partners through organizations like the Electronic Industry Citizenship Coalition (EICC) to address and overcome this challenge.

We communicate our expectations to suppliers annually through several documents, including our Conflict Minerals Policy, Supplier Code of Conduct and materials specifications.

In 2015, we updated our Supplier Code of Conduct, which addresses standards for labor practices, health and safety, environmental responsibility, and ethics, with a management system for each of these issues. We introduced the updates to suppliers during the year.

We include our expectations in purchase-order terms and conditions as well as in contracts with suppliers. In 2015, we updated our U.S. Standard Terms and Conditions of Purchase to include a section on conflict minerals (materials-sourcing practices) as well as supply-chain responsibilities.

Assessments and audits

We conduct our own supplier assessments and have protocols in place to address risks and noncompliance. We evaluate our suppliers' environmental and social performance using our cost, environmental and social responsibility, technology, responsiveness, assurance of supply, and quality (CETRAQ) scorecard. We use the CETRAQ scorecard as a tool during semiannual meetings to identify effective environmental and social practices, showing preference toward those suppliers with good CETRAQ scores.

In addition, we work with the EICC to assess and audit select suppliers' performance. In 2015, TI required that approximately 150 major production suppliers assess their corporate environmental and social programs using the EICC self-assessment questionnaire (SAQ). Nearly all of the suppliers (99 percent) submitted at least one facility-level SAQ. [SO9] [HR10]

Through the SAQs, we received feedback on more than 360 suppliers' facilities. An analysis of the results demonstrated that our supply chain is predominantly low risk. We determined that only 1 percent of the facilities were high risk and an EICC-certified expert will audit a portion of those in 2016. Overall, based on the results of our suppliers' SAQs, we had no significant potential or actual negative environmental, labor practice, human rights or society impacts in 2015. [EN33] [LA15] [HR11] [SO10]

We completed our first full third-party supplier audit through the EICC for a high-risk supplier identified in an earlier SAQ. The audit revealed three major findings and eight minor findings, all of which the supplier has addressed or is addressing.

In addition to completing CETRAQ and EICC assessments, our critical suppliers participated in a risk assessment in 2015 to ensure that their qualifications, financial performance and business continuity plans continued to meet our standards. We found opportunities for improvement, but no significant infractions.

In order to better assess and manage risks, we recommend that our suppliers produce a citizenship report using Global Reporting Initiative (GRI) guidelines, which we have found to be the most comprehensive, widely used and accessible framework. This development and publication of such a report helps uncover environmental and social opportunities. [LA14]

Feature story

Supplier Excellence Awards

TI recognized 14 of its highest-performing suppliers with its Supplier Excellence Award (SEA) for delivering outstanding products, service and support.

TI buyers and internal partners nominated and selected recipients based on a variety of attributes and performance in 2015. Cost, environmental and social responsibility, technology, responsiveness, assurance of supply, and quality (CETRAQ) scores are a major consideration in the selection of these suppliers.

"Our most critical suppliers, like the 2015 SEA winners, are essential to our success," said Rob Simpson, TI's vice president of worldwide procurement and logistics. "These winners have demonstrated the ability to support and provide value to TI, and they echo the company's commitment to social and environmental responsibility."

Supply chain

Accountability

Whenever we see that a supplier's performance does not meet minimum thresholds, we engage with them to develop an improvement plan. We work diligently with suppliers to ensure compliance and monitor their improvement as required. Suppliers have historically been willing to work with us on issues of concern.

Our policy is to re-evaluate our business relationship with any supplier that does not meet company expectations. This could include a hold on new business or the termination of existing business.

Training

We make potential new suppliers aware of our policies and requirements, Supplier Code of Conduct requirements, some applicable regulations, and other important practices before we elect to do business with them. We maintain a checklist of issues to cover with subcontractors, foundries and direct suppliers. In addition, TI conducts annual training on environmental and social responsibility for all of the company's buyers and procurement managers around the world.

We provide ongoing supplier engagement through annual email communications, CETRAQ assessments and regular meetings. In 2015, we launched our first supplier stewardship training and made it available online to all of our suppliers.

Individual sites offer additional tailored training for suppliers. For example, two of our sites in the Philippines conduct on-site training with suppliers, while smaller groups of suppliers participated in detailed, in-depth discussions about ethics in 2015. Some TI facilities in China and Taiwan host Supplier Days, during which they specifically address ethics as well.

Looking ahead

In 2016, we will:

- Complete updates to our Standard Terms and Conditions of Purchase, for agreements outside of the U.S., to include supply-chain responsibilities.
- Focus our supplier training on suppliers with medium- and high-risk facilities. We will assign targeted training to these suppliers to help them improve their systems and processes.

Material sourcing

We recognize that the sustainability of our products begins with the materials purchased to manufacture them. To help us comply with the U.S. Securities and Exchange Commission's conflict minerals rules, we rely on the Conflict-Free Sourcing Initiative (CFSI). This initiative calls for an independent party to evaluate smelter and refinery procurement activities to ensure that tin, tungsten, tantalum and gold originate from conflict-free sources. TI also uses CFSI's conflict minerals reporting tool to track suppliers' practices and confirm that minerals used in TI products are mined from legitimate sources.

In 2015, we filed our second conflict minerals report and continued to increase the number of compliant smelter sources. A challenge for many industries purchasing these metals was smelters changing status to noncompliant if they didn't pass an audit. We were able to verify during the year that 100 percent of our integrated circuits, which accounted for approximately 90 percent of revenue in 2015, are from certified conflict-free sources.

Looking ahead

In 2016, we aim to increase the percentage of compliant smelters in our supply chain by working with our suppliers toward conflict-free status for all of our products.

Diversity

TI has fostered diversity in its supply chain for more than 20 years through initiatives to support minority- and women-owned business enterprises (MWBEs).

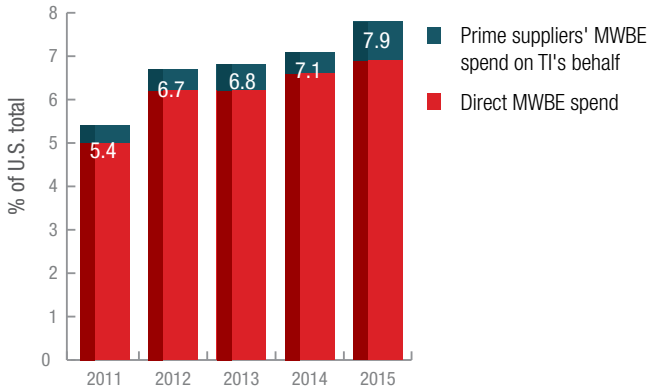
We focus most of our supplier-diversity efforts in the U.S., with significant activity in the North Texas region near our corporate headquarters in Dallas. Engaging MWBEs in our supply chain adds to the stability of the regional economy because it enables these companies to create more jobs and employ more people. We play an active role in the Women's Business Council – Southwest and the Dallas/Fort Worth Minority Supplier Development Council.

In 2015, we trained new buyers in our Procurement organization on our Supplier Diversity program, among other issues. This training not only keeps supplier diversity top of mind, but also ensures consistent, equitable practices.

During the year, we began working with additional MWBE suppliers on a large renovation project at our headquarters. This activity and others helped increase the quality and quantity of our work with MWBEs.

Approximately 7.9 percent of U.S. spend was with MWBEs in 2015, which marks the sixth consecutive year of growth in TI's MWBE percentage spend. [EC9]

U.S. supplier diversity spend



Looking ahead

In 2016, we will:

- Mentor essential MWBE suppliers so they can continue to be valued partners for TI.
- Achieve at least 6.8 percent U.S. spend with certified MWBEs.
- Develop and launch an online registration website for both new and existing suppliers so they can update their MWBE certifications independently, making the registration process easier.

Feature story

Lighting the way to conservation

Lighting large areas like our Dallas campuses is no small endeavor. Finding a way to improve the lighting, save energy, and reduce cost is even more challenging. But in 2015, we took on the challenge and collaborated with a local minority-owned business supplier, OnPoint, which had the expertise we needed and also mirrored our values for ethical and sustainable operations.

We selected OnPoint to study our lighting needs, identify which lights would be best, and install them; the company also provided the most cost-competitive warranty. In the end, they replaced bulbs in more than 1,000 exterior light fixtures across four campuses with long-lasting, energy-efficient light-emitting diodes (LEDs). LEDs provide higher lighting levels that are more uniform and consistent, and at the same time reduce energy consumption by nearly 1,000 megawatt-hours per year, saving thousands in electricity costs annually.

In the short term, we responsibly managed waste by working with our recycling vendor to recycle 100 percent of the non-hazardous solid waste resulting from replaced fixtures. Longer term, we'll see less waste and reduced labor costs because LEDs last much longer – years longer – than traditional incandescent bulbs.

"OnPoint was committed to doing the right thing and was never afraid to ask questions that would help lead to the right solution," said Robin Lyon, procurement specialist. "We were so pleased with their performance that we nominated them for our prestigious Supplier Excellence Award."

We have since installed similar LED lighting at other sites in Texas, as well as in Mexico and Taiwan.

Overview

We believe strong companies build strong communities. Not only do our operations around the world enhance their local economies by providing job opportunities, we also support their communities through philanthropic giving and volunteerism.

Our chief citizenship officer oversees our global philanthropic and community involvement activities, reporting activities and results to the board of directors' Governance and Stockholder Relations Committee annually.

The TI Foundation operates as a separate nonprofit organization, with a nine-member board that meets quarterly to review and invest in impactful grants.

We are not aware of any TI operations with a negative impact on local communities in 2015. [SO2]

We communicate programs, policies and activities on our citizenship website, including spotlights on site communities and education initiatives. We also share community updates through a citizenship news blog and in this citizenship report. We engage employees in philanthropy and volunteerism specifically through local community involvement teams, diversity initiative groups and internal communications.

Giving

We provide funding to improve the quality of life in communities where we operate, focusing specifically on education and critical community needs. We also support arts and culture programs in Dallas, Texas, and across the U.S. through the matching gifts program. For more on our giving strategy, see the giving section of our citizenship website.

In 2015, we made $27 million in philanthropic grants, matching gifts and in-kind donations, with $19.4 million dedicated to our highest priority: education. This includes gifts from TI, the TI Foundation and the TI Community Fund. TI employees and retirees also gave an additional $6.1 million to community, education and arts initiatives. [EC1]

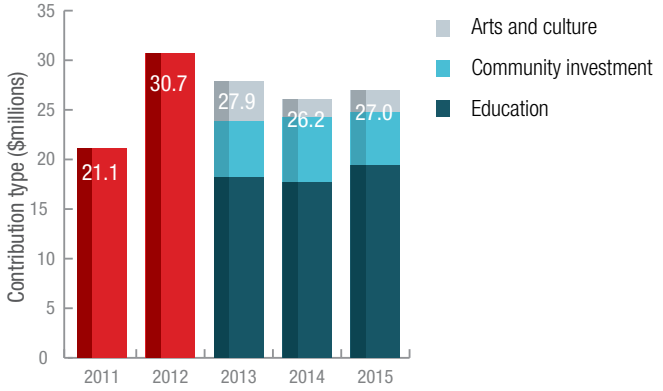
During the year, we added a special emphasis on volunteer opportunities for the grants we fund. This will help TI make a stronger impact by pairing TI volunteers with nonprofit programs that we support financially. For example, in 2015, TI sponsored the United Way of Metropolitan Dallas' Nine for 90 and Unite for Change programs, which focused on bringing together corporations and volunteers to address critical needs in the community. Approximately 500 volunteers from TI participated in five events throughout the year.

In addition, the TI Foundation lowered minimum contributions for employee matching gifts and minimum hours for its volunteer matching program, which increased overall contributions to record levels in 2015. We also updated our policy for philanthropic giving and trade association memberships to add more rigor and standardization to our processes globally.

As required by the recently enacted India Companies Act, TI filed its first "Annual Report on Corporate Social Responsibility Activities" in 2015. Although we have been active in Bangalore, India, and its surrounding communities for many years,

the new Companies Act requirements provided an opportunity for us to further refine our philanthropy strategy to align with global corporate objectives and values. Through this process, we identified and vetted new nongovernmental organization partners to help us make a greater impact.

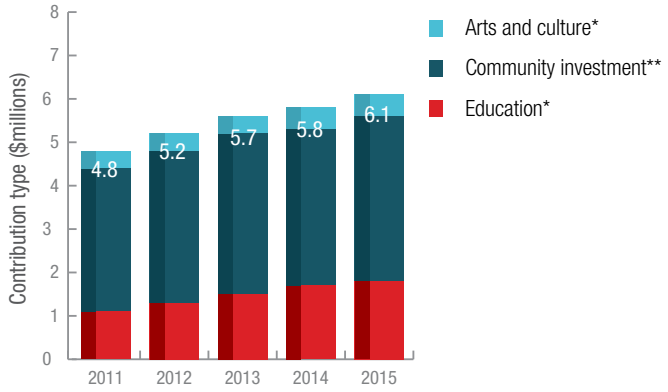
Philanthropic giving*



* Contributions made by TI, the TI Foundation and TI Community Fund. Total giving does not include TI's annual contribution to the TI Foundation ($15 million in 2015). However, it does include in-kind donations ($0.4 million in 2015).

TI empowers its employees worldwide to contribute to causes that improve the quality of life in local communities. Individual employees, work teams and more than 25 diversity initiative groups are active in supporting community needs through donations and volunteering.

Employee giving



*Giving tracked through the U.S.-based TI Foundation matching gifts program.
**Includes health and human services, United Way, disaster relief and other.

Education

With science, technology, engineering and math (STEM) skills in high demand in the workforce, TI and the TI Foundation invest in education programs that help U.S. high school students become STEM proficient by graduation, and capable of successfully pursuing STEM-related degrees and careers.

We support numerous STEM programs in the U.S. that have a track record of improving student achievement, as well as those designed to increase the effectiveness and quantity of STEM teachers. Outside the U.S., we invest in education initiatives that help increase access to quality education, such as opening a second TI Project Hope School in rural China.

In 2015, we put a special focus on supporting programs that reach underrepresented groups in STEM (i.e., women, blacks and Hispanics). Learn more about our efforts in education.

Community investment

Globally, our Community Involvement teams (CITs), comprising employee volunteers, help identify the most critical needs locally. We focus our investments on addressing those needs.

In 2015, TI and the TI Foundation made $5.4 million in grants to address community needs, including $460,000 in U.S. volunteer incentive program (VIP) grants and $3.8 million to match employee and retiree contributions to community organizations, including the U.S.-based United Way. TI, employee, retiree and TI Foundation contributions to United Way totaled $7.5 million in 2015, a new record. TI also had its highest employee participation rate in United Way giving in more than 10 years.

Arts and culture

We value the enrichment and enhanced quality of life provided by arts and cultural organizations. Our support of the arts in the North Texas region, near our corporate headquarters in Dallas, stretches back to our founders. Their legacy continues through our contributions to cornerstone and premier arts organizations. The TI Foundation also provides support to broader U.S. arts and culture organizations through a matching gifts program.

TI and the TI Foundation made combined grants of $2.2 million to arts and cultural organizations in 2015, including almost $500,000 from the TI Foundation in matching gifts to nonprofit arts groups. TI Foundation grants helped with general operating support, while TI corporate funding went to sponsorships for performing arts groups, exhibitions, etc. Sponsorships provide an additional benefit to TI employees and retirees by allowing them to experience select events in Dallas' rich arts community.

Looking ahead

In 2016, our goals are to:

- Continue focusing STEM grants on underrepresented populations.
- Improve how we measure the impact of education-related grants.
- Identify more employee volunteer opportunities to increase grant effectiveness, particularly in STEM education.

Education

Our top philanthropic priority is to support education, which fosters the growth of individuals, companies and economies and creates an ecosystem where innovation can thrive. TI's education objectives focus on improving science, technology, engineering and math (STEM) in the U.S. and access to education around the world. Over the past five years, TI has invested more than $150 million in kindergarten through higher education.

In 2015, TIers worked to provide the best STEM learning experiences to K-16 students. Our integrated approach included making philanthropic contributions, collaborating with educators and nonprofits, partnering with outside organizations, engaging employees, and providing students with learning tools.

Contributions

In 2015, we invested $36.1 million in primary/secondary education initiatives, higher education, innovative education technology and teaching resources that benefited the communities where we operate. This included $19.4 million in philanthropic contributions.

We believe that diversity fuels innovation. That's why we continued to focus our STEM grants to benefit underrepresented populations, including women and minorities. As a result, 74 percent of TI and TI Foundation education grants were STEM-focused; of those, 78 percent were focused on underrepresented populations, meeting our goal for the year.

Collaborative partnerships

TI increased its focus in 2015 on collaborative partnerships for STEM education. We continued to support efforts such as the Silicon Valley Common Core Initiative, Change the Equation and Commit!. We also announced a partnership with US2020 to help mobilize STEM mentors.

Employee engagement

TI encouraged its employees to get involved as volunteers, mentors, tutors and advocates, resulting in thousands of education volunteer hours in 2015. We provided resources and training to help employees be successful when volunteering or supporting other education initiatives. See volunteerism for more.

Student tools

TI is helping generations of students build a solid foundation and understanding of STEM principles to inspire innovators who can change the world. We estimate that 25 million students globally use a TI calculator, with 5 million new users every year. There are 5,800 free math and science lessons available on our Education Technology website and more than 500 Teachers Teaching with Technology™ (T^3) instructors worldwide. In 2015, the T^{3TM} network trained 60,000 math and science teachers on TI technology.

Primary and secondary STEM education

In 2015, TI and the TI Foundation supported programs that both expanded STEM education opportunities to underrepresented STEM students and increased the quality and quantity of STEM teachers, one of the greatest influences on student success. For more information on how we support STEM education, see primary/secondary education initiatives on our citizenship website.

Teacher initiatives

We continued to invest in U.S. programs that helped address the shortage of qualified STEM teachers; we also provided professional development and recognition for outstanding teachers. Examples include the Advanced Placement Incentive Program, Teach for America, the National Alliance of Partnerships in Equity, Silicon Valley Common Core Initiative, the New Teacher Center and Silicon Valley Education Foundation, as well as the TI Foundation's Innovation in STEM Teaching Awards.

Student-focused initiatives

We partnered with numerous nonprofits and schools in our site communities across the U.S. to help increase STEM student achievement and encourage students to pursue STEM-related careers. Programs targeting underrepresented students included mentoring, summer camps, after-school programs, field trips and robotics sponsorships.

In 2015, TI launched three innovative curricular programs that engage students on STEM concepts and support the use of TI graphing technology: Building Concepts, TI Codes and STEM Behind Health.

Access to education

Outside the U.S., TI invested in programs that increase the number of students who get the opportunity to receive a quality education, in addition to STEM education programs.

In China, our 2015 investments included the opening of a second TI Project Hope School, where our employees led electronics classes and student activities. Our contributions in China helped schoolchildren in rural areas get access to classrooms, technology and books.

In India, we expanded our education programs to not only include tutoring and scholarships for 350 low-income students, but we also added a back-to-school program benefiting 3,500 children from 80 government schools, donated funds to help provide warm mid-day meals for 1,000 students, and sponsored a mobile science lab reaching 16,000 students annually in about 20 government schools. In addition, we hosted the 12th TI India Science and Technology Quiz in seven cities, with about 2,000 students participating.

University partnerships

TI is dedicated to supporting engineering educators, researchers and students worldwide. Since 1982, TI has facilitated the inclusion of analog and embedded processing technology into the learning experience for engineering students, including classrooms, teaching and research labs, textbooks, design projects and contests, and course curricula. By doing this, TI aims to bridge the gap between the worlds of business and academia, bringing real-world engineering concepts to life for thousands of students every year.

In total, TI is now reaching an estimated 600,000 engineering students annually. At year-end 2015, we had established more than 8,000 teaching labs that offer our technology in engineering coursework. We provided engineering tools and training workshops to help accelerate both faculty and student knowledge and skills. To help put their learning into practice, more than 60,000 students participated in a global TI Innovation Challenge Design Contest, as well as a national-level contest in China. We also continued to invest in research projects at universities in order to engage faculty and students in life-changing issues such as energy harvesting, climate change and automotive safety.

In 2015, we supported development of massive online and open courses (MOOCs), allowing students around the world to learn about engineering-specific topics like embedded systems.

To enable STEM outreach to underrepresented populations, we partner with student organizations at universities that already have such programs. For example, in 2015 we supported Pioneers in Engineering, a University of California, Berkeley student-run program that works with San Francisco Bay Area high schools to offer robotics and mentoring.

Looking ahead

In 2016, TI plans to continue focusing on STEM education and access to education by:

- Supporting programs to train, retain and expand the number of STEM teachers in the U.S.
- Focusing our Power of STEM Education grants on underrepresented STEM student populations and explore electrical engineering focus grants.
- Awarding a higher percentage of grants to underrepresented populations of STEM students.
- Making additional investments in China and India to give more students the opportunity to receive a quality education.

Feature story

Transforming Lancaster schools into a STEM district

Preparing the students of today to become the innovators of tomorrow requires that students have access and exposure to science, technology, engineering and math (STEM) occupations; guidance from skilled teachers; and engaging curricula that brings these disciplines to life.

While the U.S. Congress Joint Economic Committee projects that overall employment in STEM occupations will increase by 17 percent between 2010 and 2020, economically disadvantaged, female and ethnic minority students do not have the access, guidance and support they need to receive a quality STEM education and become the next generation of visionaries.

TI and the TI Foundation have been working to reverse this trend in the U.S. for many years.

In 2012, the TI Foundation announced a multiyear grant of up to $4.8 million to Educate Texas, a public-private initiative of Communities Foundation of Texas, to build a “STEM district” using best practices from across the state’s robust STEM network of schools. The goal was to improve academic achievement for all students in the Lancaster Independent School District (ISD), located south of Dallas, Texas, and increase their awareness and exposure to STEM college and career pathways. The Lancaster ISD primarily comprises underprivileged and minority students.

In 2015, the TI Foundation took another step to transform the Lancaster ISD into one of the premier STEM school districts in Texas by making another grant of up to $2.2.million to further advance STEM learning and increase the number of graduates pursuing STEM-related careers. The Lancaster ISD is using the grant to:

- Fund professional development for teachers, leaders and counselors.
- Enhance college- and career-readiness initiatives for students.
- Support changes to curriculum, instruction and assessment.
- Expand summer bridge programs and engage more students in STEM extracurricular activities and camps.

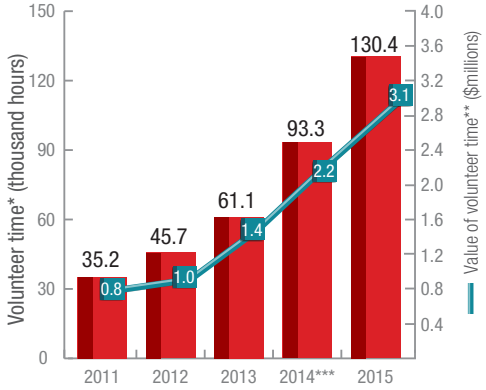
“Early results of student achievement have been promising after the Lancaster ISD put a number of measures in place across most grade levels during the last three years,” said Lewis McMahan, chairman of the TI Foundation. “We hope this additional grant accelerates that progress. We believe all students can move forward and experience greater success in STEM. By focusing this new grant on areas that have shown to be the most impactful, we are confident student achievement will improve even faster. The Lancaster ISD and Educate Texas teams are to be commended for raising expectations, increasing the focus on STEM, developing teachers and leaders, and most importantly driving gains in student achievement.”

Volunteerism

Since our inception, our employees have made an effort to improve the quality of life in our local communities through volunteerism and giving. Today, TI employees and retirees around the world continue to strengthen site communities by getting involved. In 2015, they increased the number of volunteer hours spent serving the community by 40 percent over 2014. These hours equate to more than $3 million in donated time.

The year-on-year increase is partially attributable to continued senior-management involvement and support of community volunteerism, more targeted location- and education-specific employee engagement programs, the expansion of Community Involvement teams (CITs) to new sites, and an increase in company-sponsored volunteer opportunities with organizations that were also grant recipients.

Volunteerism



*These are estimates based on select, company-sponsored volunteer activities.
**Value based on Independent Sector calculation (hourly values vary between years): http://www.independentsector.org/programs/research/volunteer_time.html.
***The large year-on-year increase is partially due to the addition of the U.S. employee volunteer incentive program (VIP) for the first time.

TI encouraged volunteerism through a variety of activities throughout the year, which included:

- Supporting 25 different diversity initiative groups in Dallas and Sherman, Texas; Tucson, Arizona; the San Francisco Bay Area; and Freising, Germany.
- Providing training for U.S. employees to be effective community leaders. More than 400 TI employees currently serve in roles on various nonprofit boards around the world.
- Enabling more than 75 employees across the U.S. to serve in leadership roles in the annual United Way campaign, which resulted in over 100 community service projects supported by thousands of employees.

STEM education volunteerism

With our increased philanthropic focus on science, technology, engineering and math (STEM) education, we pursued volunteer opportunities in 2015 where we could engage more employees in STEM education programs and make a bigger impact.

TI provided resources and training to help employees effectively engage thousands of students through classroom presentations and activities. Employees also served as robotics coaches, science and engineering fair judges, mentors, tutors, college and career-planning advisers, and STEM camp coordinators.

In 2015, we announced our involvement and support of US2020 to help mobilize 1 million STEM mentors annually by the year 2020. Bay Area employees led TI's first US2020 mentoring pilot by partnering with Breakthrough Silicon Valley and sponsoring a STEM career day at TI's Santa Clara, California, campus.

Throughout the year, we continued working with US2020 to expand STEM mentoring opportunities to employees at sites across the U.S., with virtual online STEM mentoring programs provided by three US2020 partners: MentorNet, Iridescent and We Teach Science.

In India, TI employees gave more than 600 hours of their time in support of the annual India Science and Technology Quiz, engaging almost 2,000 students. In China, TI employees volunteered a total of 362 hours to teach TI Magic Electronics courses, among other activities, to more than 600 elementary students. We broadened our impact by inviting about 100 students from seven universities to volunteer with us in those classrooms.

Employee recognition

TI recognized employees around the world for their commitment to the community through TI Founders Community Service Awards. An independent panel of outside judges selected 12 individual employees and three employee teams to receive the 2015 awards. The three winning teams all focused their efforts on STEM education, while the individual winners supported a variety of community issues ranging from homelessness to early childhood education. TI made a $1,000 donation on the winners' behalf to the approved nonprofit agency where they volunteered.

Looking ahead

In 2016, we plan to:

- Increase volunteerism by offering more on-site volunteer programs to manufacturing employees, who have limited flexibility to travel off-site.
- Engage more employees in STEM mentoring by providing virtual mentoring opportunities and ongoing training programs.
- Grow engagement with current CITs and develop new teams at targeted global sites.
- Implement a new online engagement tool to make it easier to connect employees with volunteer opportunities, track results, and better align with community partners.

Feature story

Committed to building stronger communities

A group of senior leaders and employees spent a day building benches and refurbishing the playground at a local elementary school, one of dozens of projects organized by the TI Bay Area Community Involvement team (CIT) in 2015. This team comprises employees passionate about improving their community, who identify volunteer opportunities and organize events to encourage other employees to get involved.

"We sometimes lose perspective about the real needs of our neighbors. Employees appreciate a resource that helps them gain that perspective," said Hagop Kozanian, vice president and executive sponsor of the Bay Area CIT.

"We take pride in being part of a company that is committed to making our community stronger."

The team is one of many similar groups supported by TI leaders at sites around the world. "Giving back to the communities where we live and work is consistent with the core values of our company and is important to our employees," Hagop said. These values and leadership support are ingrained into the culture at TI sites around the world.

In late 2015, 18 members of the TI China leadership team attended the opening of the TI Project Hope School in Zhangmu Village, Jiangxi province, where they spent the day engaging with 600 elementary school students.

"Everyone can realize a dream if you dream it, wish it and do it. We encourage students to dream and innovate; on the other hand, it helps us think about how to ensure that everyone has access to these opportunities," said Sandy Hu, president of TI China.

TI leaders are known for getting involved in their communities and for encouraging their teams to do the same. This commitment to service has helped strengthen TI and build stronger communities.

Performance summary

Annual goals

TI sets both annual and multiyear goals to inspire performance improvements and achieve cost savings. This progress summary offers an overview of these goals and our progress against each. The corresponding sections of this report and performance data provide additional detail on annual results. Gray cells indicate that data that is not available and/or applicable.

	Description	2011		2012		2013		2014		2015		2016
		Goal	Result	Goal	Result	Goal	Result	Goal	Result	Goal	Result	Goal
Employees	Our safety performance continues to be among the best in the industry (based on Semiconductor Industry Association rankings), a position we aim to maintain through aggressive safety processes and goals.											
	Safety: days away, restricted or job transfer case (rate)	0.08	0.09	0.08	0.12	0.08	0.08	0.08	0.14	0.08	0.07	0.08
	Semiconductor industry result*		0.80		0.80		0.90		0.80			
	Safety: recordable case (rate)	0.20	0.19	0.20	0.24	0.20	0.22	0.20	0.22	0.20	0.16	0.20
	Semiconductor industry result*		1.60		1.60		1.60		1.60			
Environment	We aim to use resources as efficiently as possible in our operations globally.											
	Water use** (% reduction)									4	12	
	Utility expenses: energy and water ($millions saved)	$5	$8.6	$6	$10.1	$8	$10.2	$9	$9.7	$9.5	$11.1	$10
	Chemical use at manufacturing and assembly/test sites** (% reduction)			3	3***	3	3	5	5			
Supply chain	We engage with suppliers to achieve a responsible, diverse and competitive supply chain while strengthening the communities where we operate.											
	Minority-/women-owned business supplier spend (% of total U.S. supply chain spend)	5	5.4	5	6.7	5.5	6.8	6	7.1	6.5	7.9	6.8
	Suppliers using conflict-free smelters for TI integrated circuit products** (%)									100	100	100
	Targeted suppliers completing environmental and social responsibility assessments** (%)									100	99	100
	Suppliers rated as low risk for all facilities on environmental and social responsibility assessments** (%)									Baseline	69	80
Community	Employees around the world contribute their time and expertise to make their local communities stronger.											
	Volunteer hours** (% increase)					25	33	25	53	30	40	

* Industry data provided by the U.S. Occupational Health and Safety Administration. Statics represent U.S. performance only. Data for 2015 was not available at the time of report development.
** Goal established in 2012 or later.
*** 92 percent of manufacturing sites and 100 percent of assembly/test sites achieved this target.

Performance summary

Performance data

This table shows performance data from 2011 to 2015. For context and results details, see the respective sections of this report. Gray cells indicate unavailable data.

Type	Unit	2011	2012	2013	2014	2015
Buisness Practices						
Financial						
Revenue (total) by region	$billions	13.7	12.8	12.2	13.0	13.0
Asia	% revenue	63	61	60	61	61
Americas	% revenue	11	12	14	12	12
Europe	% revenue	13	14	16	18	17
Japan	% revenue	11	11	9	8	9
Rest of world	% revenue	3	2	1	1	1
Public policy						
Corporate contributions (U.S. only)	$	8,500	10,000	10,000	15,500	12,500
Political action committee contributions (U.S. only)	$		105,450	114,300	79,475	99,000
Employees						
Workforce (worldwide)	People	29,572	29,600	32,000	31,003	29,977
Male (worldwide)	People				19,099	18,583
Female (worldwide)	People				11,904	11,394
Asia (total)	People	11,381	11,400	15,000	14,415	13,726
Asia (male)	People				6,219	5,962
Asia (female)	People				8,196	7,764
Americas (total)	People	13,211	13,200	13,000	12,870	12,607
Americas (male)	People				9,716	9,517
Americas (female)	People				3,154	3,090
Europe (total)	People	2,816	2,800	2,000	2,447	2,416
Europe (male)	People				2,012	1,989
Europe (female)	People				435	427
Japan (total)	People	2,164	2,200	2,000	1,271	1,228
Japan (male)	People				1,152	1,115
Japan (female)	People				119	113

Performance summary

Type	Unit	2011	2012	2013	2014	2015
Turnover (worldwide)	%			9.1	9.2	7.8
Asia	%			14.1	13.7	11.3
Americas	%			5.5	5.6	5.0
Europe	%			4.7	5.7	4.9
Japan	%			2.6	3.4	3.3
Training average	Hours	35.1	33.3	32.4	31.6	32.7
Safety: days away, restricted or job transfer cases	Cases per 100 employees	0.09	0.12	0.08	0.14	0.07
Safety: recordable cases	Cases per 100 employees	0.19	0.24	0.22	0.24	0.16
Environment						
Energy use (total)	MMBtu	10,654,451	11,242,165	10,660,415	10,206,821	10,070,708
Indirect energy use (total)	MMBtu	8,908,743	9,626,417	9,099,031	8,699,182	8,620,386
Electricity	MMBtu	8,853,612	9,575,872	8,742,480	8,653,277	8,567,814
District heating	MMBtu	55,131	50,545	51,972	45,905	52,572
Direct energy use (total)	MMBtu	1,745,708	1,615,747	1,561,384	1,507,639	1,450,322
Natural gas	MMBtu	1,164,462	1,293,845	1,326,695	1,308,551	1,259,187
Fuel oil (No. 6)	MMBtu	180,311	141,272	102,428	77,403	73,179
Diesel	MMBtu	83,446	33,230	27,629	40,928	50,201
Propane	MMBtu	303,570	143,729	101,022	77,574	65,166
Gasoline	MMBtu	13,919	3,880	3,611	3,183	2,589
Renewable energy use*	% of total electrical energy use	21.0	20.0	20.8	18.6	
Renewable energy use (total)*	MMBtu	1,861,744	1,915,198	1,880,742	1,607,912	
Renewable energy purchased	MMBtu	409,440	409,440	0	0	7,165
Renewable energy content (incidental)*	MMBtu	1,452,304	1,505,758	1,880,742	1,607,912	
Energy conservation projects	Number	117	181	112	223	213
Energy conservation savings	$millions	7.1	7.9	10.2	9.0	7.2
Energy conservation savings	MMBtu	270,078	305,199	199,483	344,778	283,234

Performance summary

Type	Unit	2011	2012	2013	2014	2015
Energy per chip (representative product)	2005 = 1	0.67	0.58	0.53	0.47	0.46
Nitrogen oxide (NOx) emissions (U.S. only)	Tons	99.9	100.4	76.5	82.8	89.6
Volatile organic compound emissions (U.S. only)	Tons	83.5	94.2	103.5	101.8	105.8
Greenhouse gas (GHG) emissions (total)	MTCO2e		2,415,741	2,326,888	2,399,183	2,408,435
Direct (scope 1) emissions (total)	MTCO2e		827,275	938,159	1,065,259	1,085,622
Carbon dioxide (CO2)	MTCO2e		84,912	77,578	74,127	75,848
Methane (CH4)	MTCO2e		24	1,193	1,164	1,203
Nitrous oxide (N2O)	MTCO2e		20,466	19,120	21,687	21,274
Hydrofluorocarbons (HFCs)	MTCO2e		17,797	19,204	41,413	41,646
Perfluorocarbons (PFCs)	MTCO2e		567,820	701,219	783,961	810,687
Sulphur hexafluoride (SF6)	MTCO2e		62,244	43,890	53,184	45,147
Nitrogen trifluoride (NF3)	MTCO2e		74,012	75,955	89,723	89,817
Indirect (scope 2) emissions (total)	MTCO2e		1,588,466	1,388,729	1,333,924	1,322,813
CO2	MTCO2e		1,585,331	1,388,709	1,333,904	1,322,794
N2O	MTCO2e		2,811	8	8	8
CH4	MTCO2e		324	12	12	11
GHG emissions per chip	2005 = 1	0.70	0.59	0.55	0.52	0.52
Waste generated (total)	Metric tons	36,210	35,887	32,345	32,599	33,437
Hazardous (total)	Metric tons	20,060	23,439	18,754	22,179	21,357
Disposed	Metric tons	860	1,018	1,509	2,419	2,673
Recycled	Metric tons	19,200	22,421	17,245	19,760	18,684
Nonhazardous (total)	Metric tons	16,150	12,448	13,591	10,420	12,080
Disposed	Metric tons	1,950	1,499	998	959	2,306
Recycled	Metric tons	14,200	10,949	12,593	9,461	9,774
Waste generated per chip	2005 = 1	0.57	0.45	0.40	0.37	0.38
Water sources (total)	Gallons			7,070,268,247	6,981,417,000	6,836,749,000
Municipal	Gallons			4,551,775,260	4,693,117,000	4,493,402,000
Well	Gallons			456,733,390	317,844,000	320,275,000
Rain	Gallons			16,673,000	25,811,000	37,278,000
Reused	Gallons			2,045,086,597	1,944,645,000	1,985,794,000

Performance summary

Type	Unit	2011	2012	2013	2014	2015
Water use (total)	Gallons	6,322,160,000	7,116,436,000	7,053,595,247	6,955,605,000	6,799,472,000
Withdrawn	Gallons	4,845,813,000	5,269,770,000	5,008,508,650	5,010,960,000	4,813,678,000
Reused	Gallons	1,476,347,000	1,846,666,000	2,045,086,597	1,944,645,000	1,985,794,000
Water conservation projects	Number	17	36	19	46	127
Water conservation savings	$thousands	1,483	2,179	994	1,305	3,880
Water conservation savings	Gallons	467,476,000	369,000,000	248,000,000	258,228,000	601,671,000
Water used per chip	2005 = 1	0.78	0.70	0.64	0.59	0.56
Wastewater discharge (total)	Gallons			5,689,055,551	4,572,654,000	4,400,263,282
Municipal sewer	Gallons			4,783,417,551	4,279,403,000	4,083,740,601
Surface	Gallons			905,638,000	293,251,000	316,522,681
Community						
Philanthropic giving (total)	$	21,119,819	30,669,246	27,911,294	26,168,945	27,014,781
Type: education	$			18,232,169	17,746,536	19,369,197
Type: community investment	$			5,674,211	6,600,096	5,439,778
Type: arts and culture	$			4,004,914	1,822,313	2,205,806
Employee giving (total)	$	4,795,445	5,229,338	5,652,317	5,758,757	6,094,170
Type: education	$			1,503,444	1,686,295	1,775,659
Type: arts and culture	$			448,214	496,113	492,806
Type: community investment	$			3,700,659	3,576,349	3,825,705
Volunteer time	Hours	35,201	45,665	61,086	93,328	130,363
Volunteer time value	$	767,030	1,011,023	1,377,496	2,153,077	3,071,352

*Renewable energy use measurements are not standardized globally. Until we are confident in reporting processes for renewable energy, we will not report a number after 2014.

GRI G4 content index – Core

TI subscribed to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines, Core level, in developing this report. This table is an index of general and specific standard disclosures based on GRI guidance. This provides a simple and standardized means of sharing information that is both relevant and important to TI and its stakeholders. [G4-32]

General standard disclosures		
Indicators	**General standard disclosures**	**Page/response/omission**
	Strategy and analysis	
G4-1	Statement from the most senior decision-maker of the organization.	Executive statement
	Organizational profile	
G4-3	Name of the organization.	Company profile
G4-4	Primary brands, products and services.	Company profile
G4-5	Location of the organization's headquarters.	12500 TI Boulevard, Dallas, Texas 75243 (Company profile)
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Company profile
G4-7	Nature of ownership and legal form.	Company profile
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Products, Company profile
G4-9	Scale of the organization, including: • Total number of employees. • Total number of operations. • Net revenues (for public-sector organizations). • Quantity of products or services provided.	On Dec. 31, 2015, TI had 29,977 employees, and manufacturing, design and sales operations in more than 30 countries worldwide. In 2015, TI sold tens of thousands of products and generated $13 billion of revenue. (SEC Form 10-K, Part I, Item 1, pages 2, 9; Item 2, page 14).
G4-10	Workforce, including: • Total workforce by region and gender. • Any significant variations in employment numbers.	Employees (Global workforce)
G4-11	Percentage of total employees covered by collective bargaining agreements.	We don't currently track the percentage. Employees at any of our global operations have always had the freedom to associate and/or right to collective bargaining as provided by local statutes.
G4-12	Supply chain.	Supply chain
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain.	Company profile (Highlights and significant changes)
G4-14	Precautionary approach.	We consider the precautionary principle in many aspects of our operations, including our approach to climate change and business continuity. In addition, our aggressive chemical and material screening process assures that we do not use materials that may have hazards not understood and/or controlled.
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.	Voluntary standards, Ethics

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Indicators	General standard disclosures	Page/response/omission
G4-16	Memberships of associations, including those in which the organization: • Holds a position on the governance body. • Participates in projects or committees. • Provides substantive funding beyond routine membership dues. • Views membership as strategic.	TI belongs to many associations with which it works on various policy objectives. We are more active in some organizations than others and do not work on all issues with every association and may not align on all positions. We also collaborate with other outside groups and coalitions to advance policies that drive growth; promote competitiveness; and support our shareholders, customers, employees and the communities in which we operate. Public policy (Memberships)
	Identified material aspects and boundaries	
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents.	Our consolidated financial statements include two reportable segments: Analog and Embedded Processing. We report the results of remaining business activities in Other. (SEC Form 10-K, Part I, Item 1, page 2) This report covers citizenship topics for all entities included in our financial statements. Report overview (Report scope)
G4-18	Process for defining the report content and the aspect boundaries.	Report overview (Report scope)
G4-19	Material aspects identified in the process for defining report content.	Stakeholder engagement
G4-20	Aspect boundaries within the organization.	Report overview (Report scope)
G4-21	Aspect boundaries outside the organization.	Stakeholder engagement
G4-22	Effects of any restatements of information provided in previous reports and the reasons for such restatements.	Report overview (Report scope)
G4-23	Significant changes from previous reporting period.	Report overview (Significant changes)
	Stakeholder engagement	
G4-24	Stakeholder groups engaged by the organization.	Stakeholder engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder engagement
G4-26	Approach to stakeholder engagement.	Stakeholder engagement
G4-27	Key topics and concerns raised through stakeholder engagement.	Stakeholder engagement
	Report profile	
G4-28	Reporting period.	Calendar year
G4-29	Date of most recent previous report.	May 2015
G4-30	Reporting cycle.	Annual
G4-31	Contact point for questions regarding the report.	Lara Wallentine Hussain, Sustainability Stakeholder Relations
G4-32	"In accordance" option chosen.	Report overview, GRI index
G4-33	Assurance.	Report overview
	Governance	
G4-34	Governance structure of the organization.	Governance
	Ethics and integrity	
G4-56	Organization's values, principles, standards and norms of behavior.	Ethics

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Specific standard disclosures		
DMA and indicators	Specific standard disclosures	Page/response/omission
Economic		
	Economic performance	
G4-DMA	Disclosure on management approach.	Business profile
G4-EC1	Direct economic value generated and distributed.	Our Annual Report provides information on our financial performance. The company profile and giving sections of this report also detail TI's financial and philanthropic performance, respectively.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	We have not quantified the potential financial implications of climate change.
G4-EC3	Coverage of the organization's defined benefit plan obligations.	Accumulated benefit obligations, which are generally less than projected benefit obligations as they exclude the impact of future salary increases, were $948 million on Dec. 31, 2015 for U.S.-defined benefit plans and $2.09 billion on Dec. 31, 2015 for non-U.S.-defined benefit plans. (SEC Form 10-K, Part II, Item 8, Note 10, pages 49-55).
G4-EC4	Financial assistance received from government.	Company profile
	Market presence	
G4-DMA	Disclosure on management approach.	Employees
G4-EC5	Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	Compensation and benefits
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	Employees (Global workforce)
	Procurement practices	
G4-DMA	Disclosure on management approach.	Supply chain
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Supplier diversity
Environmental		
	Materials	
G4-DMA	Disclosure on management approach.	Environment
G4-EN2	Percentage of materials used that are recycled input materials.	It is difficult to verify the percentage of recycled materials procured due to the large number of suppliers we rely upon. The majority of purchased materials required to manufacture our products are chemicals. (Chemical use) Although most chemicals used in semiconductor processing must be ultrapure, we collect and reuse oxide slurry and waste acids at some of our sites. During construction projects, we give preference to materials containing recycled products.
	Energy	
G4-DMA	Disclosure on management approach.	Energy use
G4-EN3	Energy consumption within the organization.	Energy use
G4-EN5	Energy intensity.	Energy use
G4-EN6	Reduction of energy consumption.	Energy use

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DMA and indicators	Specific standard disclosures	Page/response/omission
G4-EN7	Reductions in energy requirements of products and services.	Product portfolio, Product impact
	Water	
G4-DMA	Disclosure on management approach.	Water use
G4-EN8	Total water withdrawal by source.	Water use
G4-EN9	Water sources significantly affected by withdrawal of water.	Water use
G4-EN10	Percentage and total volume of water recycled and reused.	Water use
	Emissions	
G4-DMA	Disclosure on management approach.	Air emissions, Climate change
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	Climate change
G4-EN16	Energy indirect GHG emissions (scope 2).	Climate change
G4-EN18	GHG emissions intensity.	Climate change
G4-EN19	Reduction of GHG emissions.	Climate change, Energy use
G4-EN20	Emissions of ozone-depleting substances (ODSs).	Air emissions
G4-EN21	NOx, SOx and other significant air emissions.	Air emissions
	Effluents and waste	
G4-DMA	Disclosure on management approach.	Waste management
G4-EN22	Total water discharge by quality and destination.	Wastewater
G4-EN23	Total weight of waste by type and disposal method.	Waste management
G4-EN24	Total number and volume of significant spills.	Chemical use
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	Waste management
	Products and services	
G4-DMA	Disclosure on management approach.	Products
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	We adhere to internationally recognized standards and pay close attention to understanding and managing the environmental and social impacts of our products, including product end-of-life.
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed, by category.	TI addresses product end-of-life and disposal issues both as a components manufacturer and as a producer of consumer devices. Product end-of-life Currently, we are unable to determine the percentage of products reclaimed by customers or end users. TI Education Technology participates in various recycle programs. Waste management (E-waste)

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DMA and indicators	Specific standard disclosures	Page/response/omission
	Compliance	
G4-DMA	Disclosure on management approach.	Environment
G4-EN29	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations.	Environment
	Overall	
G4-DMA	Disclosure on management approach.	Environment
G4-EN31	Total environmental protection expenditures and investments, by type.	Environment
	Supplier environmental assessments	
G4-DMA	Disclosure on management approach.	Performance management
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Performance management
	Environmental grievance mechanisms	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Environment (Governance)
Social		
Labor practices and decent work		
	Employment	
G4-DMA	Disclosure on management approach.	Employees
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Recruit, Retain
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Compensation and benefits
G4-LA3	Return to work and retention rates after parental leave, by gender.	We currently do not track return-to-work and retention rates after parental leave.
	Labor/management relations	
G4-DMA	Disclosure on management approach.	Employees
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	In the U.S., TI provides a minimum of one week's notice regarding shift changes and provides at least 60 days' notice (or pay in lieu of notice) for reductions in force. Outside the U.S., TI adheres to local labor laws.
	Occupational health and safety	
G4-DMA	Disclosure on management approach.	Safety

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DMA and indicators	Specific standard disclosures	Page/response/omission
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Safety
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region and by gender.	Safety
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	TI does not have workers who are involved in occupational activities with a high incidence or high risk of specific diseases. We have very strong industrial hygiene programs that ensure that all chemical exposure in the workplace is minimized and does not adversely affect worker health.
	Training and education	
G4-DMA	Disclosure on management approach.	Develop
G4-LA9	Average hours of training per year per employee, by gender and by employee category.	Develop
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Develop
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Develop
	Diversity and equal opportunity	
G4-DMA	Disclosure on management approach.	Diversity
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	Diversity
	Equal remuneration for women and men	
G4-LA13	Ratio of basic salary and remuneration of women to men, by employee category and by significant locations of operation.	Because pay ratios for broad employee categories do not include legitimate and individualized factors such as the particular work performed, level of responsibility, job performance, skills, qualifications, education or experience, TI believes that pay-ratio data is not a reliable indicator of pay equity. Compensation and benefits
	Supplier assessment for labor practices	
G4-DMA	Disclosure on management approach.	Supply chain

GRI Index

DMA and indicators	Specific standard disclosures	Page/response/omission
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Performance management
	Labor practices grievance mechanisms	
G4-DMA	Disclosure on management approach.	Employees
G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms.	Although compiled for internal review and action, we do not currently report labor practice allegations publicly, since we consider such information confidential. We work to successfully resolve any inquiries related to labor practices.
	Employment tenure	
TI-LA17*	Employee tenure at company by average years of service.	Retain
Human Rights		
	Investment	
G4-DMA	Disclosure on management approach.	Human rights
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Ethics (Training and communication)
	Nondiscrimination	
G4-DMA	Disclosure on management approach.	Diversity and inclusion
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	Although compiled for internal review and action, we do not currently report discrimination allegations publicly, since we consider such information confidential. We work to successfully resolve any inquiries related to discrimination. Diversity
	Security practices	
G4-DMA	Disclosure on management approach.	Ethics
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	Our Worldwide Protective Services organization has a standard protocol for maintaining a safe and respectful working environment globally. This includes delivering targeted training that includes ethics, compliance and human rights components to 100 percent of our security personnel. Ethics (Training and communication)
	Assessment	
G4-DMA	Disclosure on management approach.	Human rights
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Human rights

GRI Index

DMA and indicators	Specific standard disclosures	Page/response/omission
	Supplier human rights assessment	
G4-DMA	Disclosure on management approach.	Human rights
G4-HR10	Percentage of new suppliers screened using human rights criteria.	New suppliers are a small portion of our overall spend. Performance management
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Performance management
	Human rights grievance mechanisms	
G4-DMA	Disclosure on management approach.	Human rights
G4-HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	Although compiled for internal review and action, we do not currently report human rights grievances publicly, since we consider such information confidential. We work to successfully resolve any inquiries related to human rights.
Society		
	Local communities	
G4-DMA	Disclosure on management approach.	Community
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	TI actively engages with its local communities through philanthropy, volunteerism, leadership involvement and collaborative initiatives, especially in education, in addition to working with local suppliers and civic leaders. We do not conduct formal impact assessments.
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Community
	Anticorruption	
G4-DMA	Disclosure on management approach.	Ethics
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	We assess 100 percent of our worldwide manufacturing operations for risks related to corruption. (Ethics)
G4-SO4	Communication and training on anticorruption policies and procedures.	Ethics (Training and communication)
G4-SO5	Confirmed incidents of corruption and actions taken.	Although recorded for internal review and action, we do not currently report corruption incidents publicly, since we consider such information confidential. We work to successfully resolve any incidents related to corruption.
	Public policy	
G4-DMA	Disclosure on management approach.	Public policy
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	TI's political activities and contribution reports reflect U.S. activity only. We do not make political contributions in any country outside of the United States. Public policy (Contributions)

GRI Index

DMA and indicators	Specific standard disclosures	Page/response/omission
	Anticompetitive behavior	
G4-DMA	Disclosure on management approach.	Ethics
G4-SO7	Total number of legal actions for anticompetitive behavior, antitrust, and monopoly practices and their outcomes.	Although recorded for internal review and action, we do not currently report corruption incidents publicly, since we consider such information confidential. We work to successfully resolve any incidents related to corruption. (Company profile, Ethics)
	Compliance	
G4-DMA	Disclosure on management approach.	Ethics
G4-SO8	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations.	Ethics
	Supplier assessment for impacts on society	
G4-DMA	Disclosure on management approach.	Performance management
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Performance management
Product responsibility		
	Product and service labeling	
G4-DMA	Disclosure on management approach.	Quality and reliability
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Quality and reliability
G4-PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	TI complies with a broad variety of regulations and customer requirements for shipping and labeling. Should minor labeling mistakes occur, such as a typographical error or incorrect code, we would work to correct these errors to ensure timely and cost-effective product delivery.
	Marketing communications	
G4-DMA	Disclosure on management approach.	Ethics
G4-PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes.	We had no material incidents, fines or penalties for noncompliance with regulations concerning marketing communications.
	Customer privacy	
G4-DMA	Disclosure on management approach.	Business continuity
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Business continuity (Privacy and data protection)

*Developed by TI.

Notice

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