

2019 CORPORATE CITIZENSHIP REPORT



Table of contents

CEO letter	3	Workplace	28
TI at a glance	4	Diversity and inclusion	29
Our commitment and report overview	5	Recruitment	31
Sustainability	6	Retention	32
Environmental impact	7	Development	32
Air emissions	7	Compensation	34
Greenhouse gases (GHGs)	7	Work-life balance and resources	34
Biodiversity	9	Employee safety and health	35
Energy use	10	Giving and volunteering	37
Water and wastewater management	11	Investing in STEM education	38
Environment, safety and health	13	Giving	39
Responsible manufacturing and distribution	14	Volunteering	40
Semiconductors	14	Global Reporting Initiative index	43
Education technology	14		
Packing and shipping	15		
Materials management	16		
Responsible business practices	18		
Governance	18		
Risk management and business continuity	19		
Supply chain responsibility	20		
Conflict minerals	23		
Labor and human rights at TI	24		
Ambitions, values and ethics	25		
Information protection	26		
Public policy	27		

CEO letter

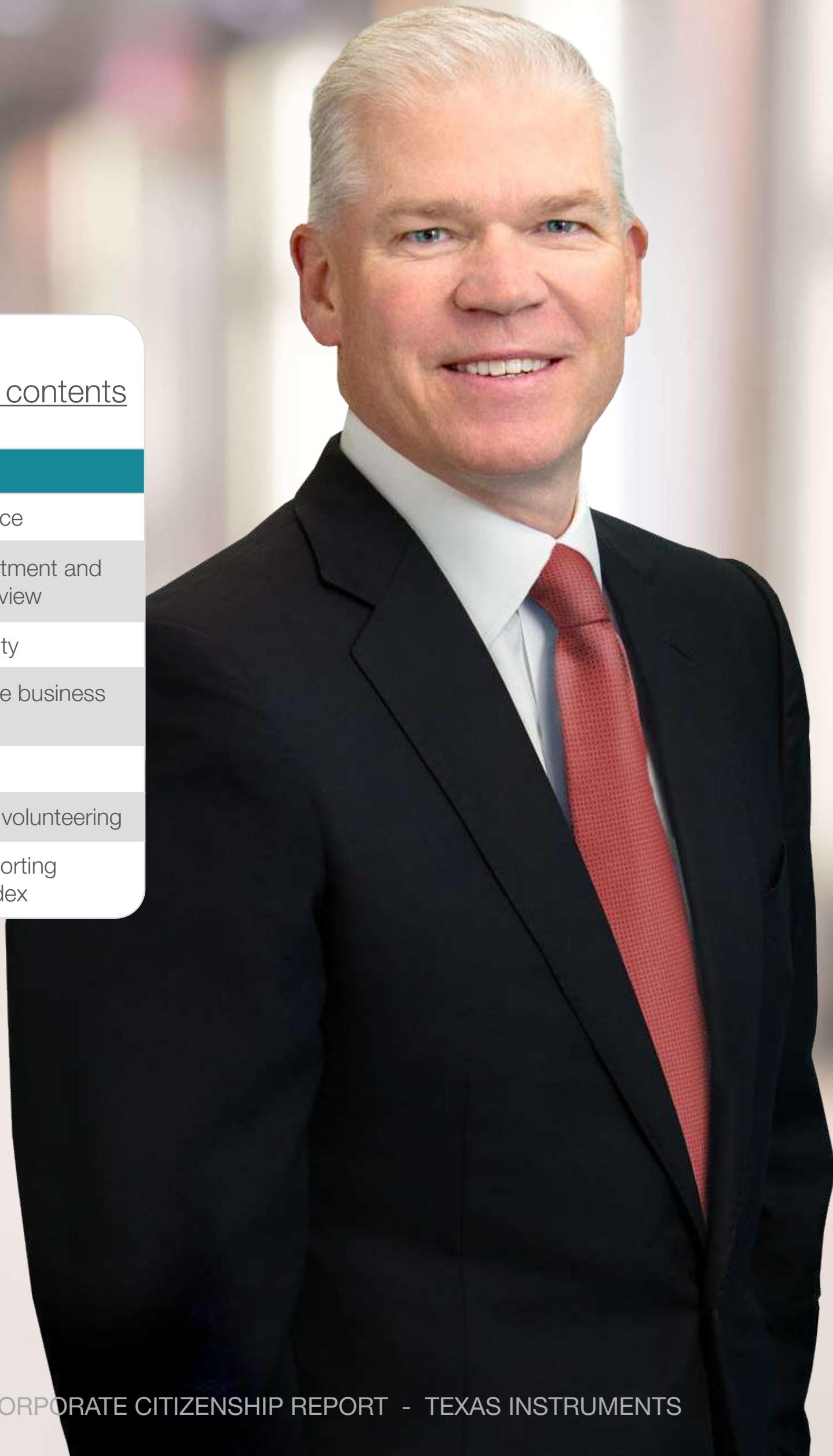


Table of contents

[CEO letter](#)

[TI at a glance](#)

[Our commitment and report overview](#)

[Sustainability](#)

[Responsible business practices](#)

[Workplace](#)

[Giving and volunteering](#)

[Global Reporting Initiative index](#)

As engineers at Texas Instruments (TI), we are fortunate to work on exciting technology and help our customers innovate to create a better world.

For decades, we have operated with a passion to create a better world by making electronics more affordable through semiconductors. We were pioneers in the transition from vacuum tubes to transistors and then to integrated circuits. Each generation of innovation builds upon the last to make semiconductors smaller, more power-efficient, more reliable and more affordable. This progress enables semiconductors to go into an ever-expanding number of markets and applications.

Our passion alone is not enough in an industry that is constantly evolving. Building a great company requires a special culture to thrive for the long term. For years, we've run our business and invested in our people and communities with three overarching ambitions in mind. First, we will act like owners who will own the company for decades. Second, we will adapt and succeed in a world that's ever-changing. And third, we will be a company that we're personally proud to be a part of and would want as our neighbor. When we're successful in achieving these ambitions, our employees, customers, communities and shareholders all win.

There are two important distinctions regarding our commitment to citizenship, which includes environmental, social and governance (ESG) and sustainability priorities:

- First, our ambitions guide how we run our business and are the foundation of our approach to citizenship. Central to these ambitions is a belief that in order for all stakeholders to benefit, the company must grow stronger over the long term.

- Second, our commitment to citizenship directly relates to our passion to create a better world by making electronics more affordable through semiconductors. Semiconductors are and will continue to play a critical role in helping reduce impact on the environment through electronics: they reduce energy consumption by making electric motors smarter, they electrify vehicles for a cleaner environment, and they preserve natural resources by sensing water and gas leaks. There is a growing list of the ways in which semiconductors help create a better world.

The importance of citizenship, including ESG and sustainability priorities, is not new to us; it's been part of our formula for success for decades. With our ambitions guiding our decision-making for the long term and our products helping create a better world, we are confident that our collective efforts will be impactful and long-lasting. Our commitment to stay true to our ambitions is unwavering, and the progress we share in our 2019 Citizenship Report are a testament to this commitment.

A handwritten signature in blue ink, appearing to read "Rich Templeton".

Rich Templeton,
Chairman, President and CEO

Here are a few ways in which we created a better world and a stronger company in 2019. We:

- Are on track to achieve our five-year greenhouse gas (GHG) reduction goal by the end of 2020.
- Reused more than a quarter of the water used on-site.
- Received a 100% rating by the Human Rights Campaign Corporate Equality Index for the fourth year in a row.
- Were recognized by the National Association of Female Executives for efforts to advance women for the 15th year in a row.
- Gave \$23.1 million to support education in partnership with the TI Foundation and employees.

TI at a glance

[Table of contents](#)

[CEO letter](#)

[TI at a glance](#)

[Our commitment and report overview](#)

[Sustainability](#)

[Responsible business practices](#)

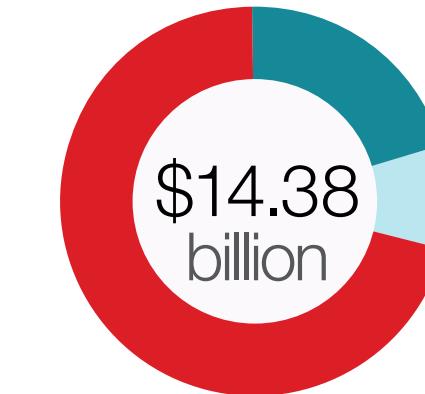
[Workplace](#)

[Giving and volunteering](#)

[Global Reporting Initiative index](#)

- Founded in 1930.
- Headquartered in Dallas, Texas.
- Publicly traded (Nasdaq: TXN).
- Richard K. Templeton is chairman, president and CEO.
- ~30,000 employees:
 - 12,000 in the Americas
 - 16,000 in Asia-Pacific
 - 2,000 in Europe
- 14 manufacturing sites worldwide, tens of billions of chips produced each year.
- ~80,000 products for ~100,000 customers.
- Industrial and automotive, the markets with the best opportunities for our products, made up 57% of our 2019 revenue.

Revenue by segment (2019)



Analog: \$10.22 billion
Embedded: \$2.94 billion
Other: \$1.22 billion

Capital expenditures: \$874 million
R&D: \$1.54 billion

Revenue by market (2019)



Industrial: 36%
Personal electronics: 23%
Automotive: 21%
Communication equipment: 11%
Enterprise systems: 6%
Other: 3%

2019 major worldwide locations¹

★TI headquarters

Dallas, Texas

● Design sites

Dallas, TX
Tucson, Arizona
Santa Clara, California
Shanghai, China
Shenzhen, China
Bangalore, India
Tokyo, Japan
Manchester, New Hampshire
Taipei, Taiwan
Sugar Land, Texas

● Manufacturing sites

Dallas, TX
Chengdu, China
Freising, Germany
Aizuwakamatsu, Japan
Miho, Japan
South Portland, Maine
Melaka, Malaysia
Kuala Lumpur, Malaysia
Aguascalientes, Mexico
Baguio, Philippines
Pampanga, Philippines
New Taipei City, Taiwan
Richardson, Texas
Sherman, Texas
Greenock, United Kingdom



¹ We define major locations (significant operations) as all manufacturing facilities and design and sales offices 50,000 square feet or larger or those with employee populations greater than 100 as of Dec. 31, 2019.
TI sold the Greenock, United Kingdom, site in 2019, but we included data from its first-quarter 2019 operations in this report.



Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Our commitment and report overview



We have a long-standing commitment to citizenship and as with previous years, our 2019 Corporate Citizenship Report provides insight into how we think about – and how we actually perform – in various environmental, social and governance (ESG) and sustainability areas relevant to our business.

The foundation of our approach to citizenship is a belief that in order for all stakeholders to benefit, the company must grow stronger over the long term. That is why the ambitions governing our decision-making are so powerful; they state that:

- We will act like owners who will own the company for decades.
- We will adapt and succeed in a world that's ever-changing.
- We will be a company that we're personally proud to be a part of and would want as our neighbor.

When we're successful in achieving these ambitions, our employees, customers, communities and shareholders all benefit.

In our 2019 report, we restructured the information from last year to integrate our narrative, goals and results for key topic areas while still reporting in accordance with the Global Reporting Initiative (GRI) framework.

Every two years, we solicit input from internal and external stakeholders, and examine third-party sustainability assessments and peer benchmarks to determine which topics to cover in the report. We have been using the GRI reporting framework since 2006 to disclose our programs and progress. To better meet the disclosure needs of company stakeholders, we are evaluating whether to incorporate applicable disclosures from the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures into future reports.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Sustainability



To operate sustainably, TI invests in programs and sets performance improvement goals to operate efficiently, conserve natural resources and materials and reduce costs. In this section, we describe the management systems, policies, key strategies and programs that enable us to identify and evaluate ways to meet these goals. We make these efforts to protect human health and the environment; to maintain compliance with global laws and regulations; and to adhere to our ambitions, values, code of conduct and policies.

External recognition for sustainable business practices

- Dow Jones Sustainability Indices, “North America Component,” 13th year.
- 3BL Media, “100 Best Corporate Citizens,” 17th year.
- Fortune magazine, “World’s Most Admired Companies.”
- Barron’s “The 100 Most Sustainable U.S. Companies.”
- Euronext Vigeo, U.S. 50 (50 most advanced U.S. companies for corporate responsibility), sixth year.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

ENVIRONMENTAL IMPACT

TI is committed to doing its part to reduce the environmental impact of our operations. Our company designs, manufactures, assembles and tests billions of integrated circuits each year. Globally, our operations require the use of raw materials, chemicals, energy and water. To responsibly conserve natural resources and protect the environment, we set voluntary reduction goals, invest in new abatement technologies, and reuse and recycle water when feasible. We also comply with laws and regulations in locations where we operate.

Air emissions

TI actively implements various projects and voluntarily sets site-specific chemical-reduction goals to keep air emissions below permitted limits. While reduction methods vary according to specific regulations, they generally include:

- Phasing out ozone-depleting substances in manufacturing support equipment.
- Using thermal oxidizers, catalysts and abatement systems such as filters, wet scrubbers and purifiers to reduce or remove pollutants before they are emitted.

- Improving building and equipment efficiency and ensuring that manufacturing tools optimize efficiency.
- Limiting the use of stationary combustion engines such as diesel generators.

TI no longer uses the following Class I and Class II ozone-depleting substances in manufacturing:

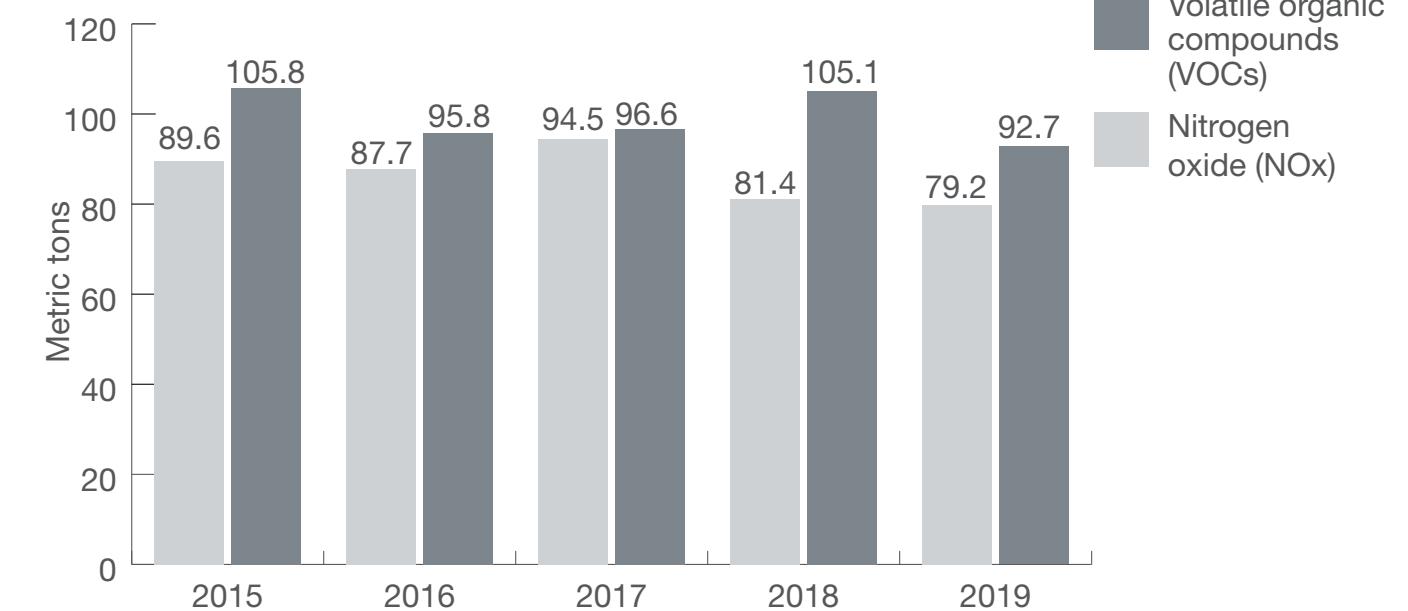
- Class I compounds include fully halogenated chlorofluorocarbons, halons and substances that harm the ozone layer.
- Class II substances are known or expected to have harmful effects on the stratospheric ozone layer.

Regulations and reporting

TI's operations produce varying quantities of air emissions², some of which are subject to regulatory limits or are required to be calculated and reported, depending on the country, state, or municipality in which we operate.

In the U.S., TI produces relatively small quantities of air emissions that are regulated, such as volatile organic compounds, nitrous oxides, carbon monoxide, ozone, lead, sulfur dioxide and particulate matter. We report air emissions data to the U.S. Environmental Protection Agency (EPA) and state regulators. Chemical releases and pollution prevention activities also are reported to the EPA's Toxic Release Inventory.

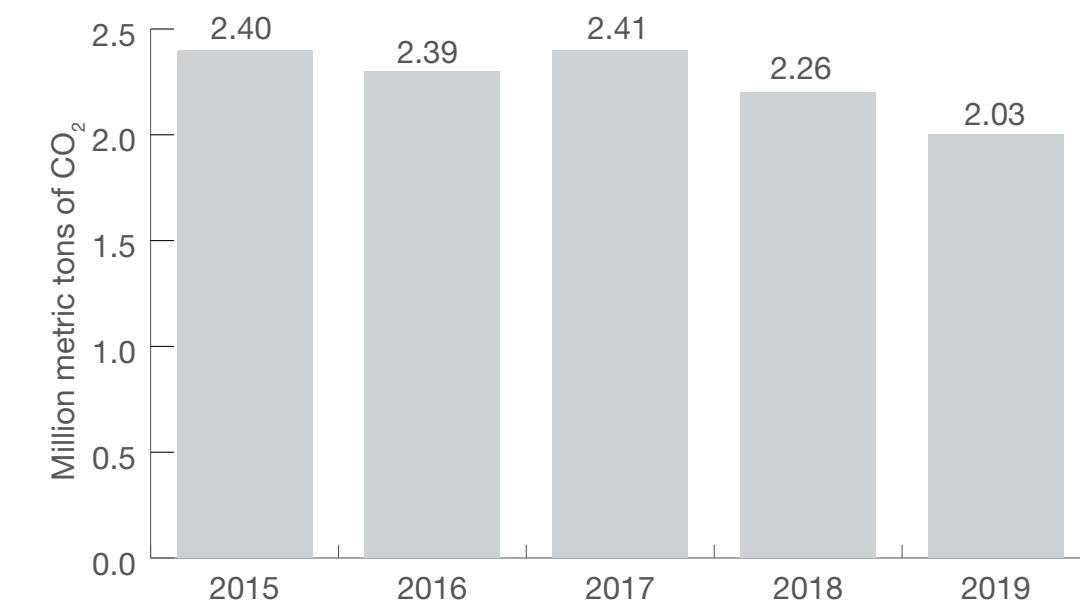
Air emissions



Greenhouse gases (GHGs)

We understand the importance of addressing and responding to climate change. Setting realistic GHG emission and energy-reduction goals and regularly assessing potential risks related to climate change that may affect the company over the long term makes TI more efficient and competitive.

Total GHGs



² TI does not include nitrous oxide (N₂O) in its air emissions calculations because the company accounts for N₂O in its GHG emissions data.

Goal

We set a five-year goal in 2015 to reduce absolute Scope 1 and 2 GHG emissions by 15% by the end of 2020. By year-end 2019, absolute emissions were down 15.6% due to improved efficiency and our commitment to investing in projects that reduce emissions. We will continue to monitor our progress as manufacturing has increased in the first half of 2020. We will report the outcome in our 2020 Citizenship Report.

Types of GHGs and reduction strategies

TI focuses its GHG emission-reduction efforts on Scope 1 and 2 GHG emissions. We have not fully evaluated all relevant Scope 3 emissions due to complexities associated with our supply chain, number of employees, diversity of locations and broad distribution network.

• Scope 1

Direct GHG emissions that TI generates from its fabrication, assembly/test, and large design and sales locations. We mitigate these emissions by:

- Installing efficient manufacturing technologies.
- Eliminating nonessential fluorinated gases, using alternative gases and reusing gases.
- Installing thermal point-of-use abatement devices that treat the exhaust of gases used in semiconductor manufacturing.

• Scope 2

Indirect GHG emissions created by electricity, heat and steam that TI purchases for its manufacturing or other operations. We mitigate these emissions by:

- Optimizing the efficiency of our manufacturing systems, buildings and tools.
- Using renewable energy sources when feasible.

Scope 1 GHGs by type (metric tons of CO ₂ equivalent)	2015	2016	2017	2018	2019
Carbon dioxide (CO ₂)	75,848	74,862	73,680	76,723	78,571
Methane (CH ₄)	1,203	1,192	1,192	1,244	1,251
Nitrous oxide (N ₂ O)	21,274	20,808	20,939	24,509	23,512
Hydrofluorocarbons (HFCs)	41,646	36,367	42,060	39,976	36,553
Perfluorocarbons (PFCs)	810,687	819,753	870,984	855,646	697,120
Sulfur hexafluoride (SF ₆)	45,147	52,464	59,802	65,911	54,645
Nitrogen trifluoride (NF ₃)	89,817	71,501	92,999	93,539	74,927

• Scope 3

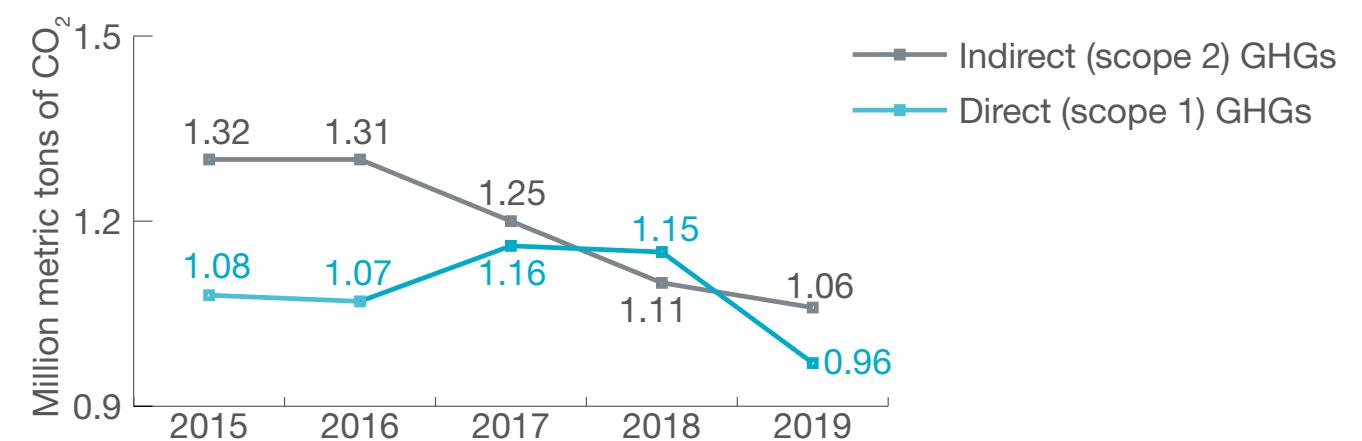
Indirect GHG emissions generated by our supply chain, employee travel and commuting, or our distribution network. We mitigate these emissions by:

- Offering video conferencing to limit business travel.
- Providing electric vehicle charging stations, on-campus shuttles and flexible work schedules, and subsidizing mass transit and carpooling at select sites.
- Shipping products in bulk and distributing from regional centers.

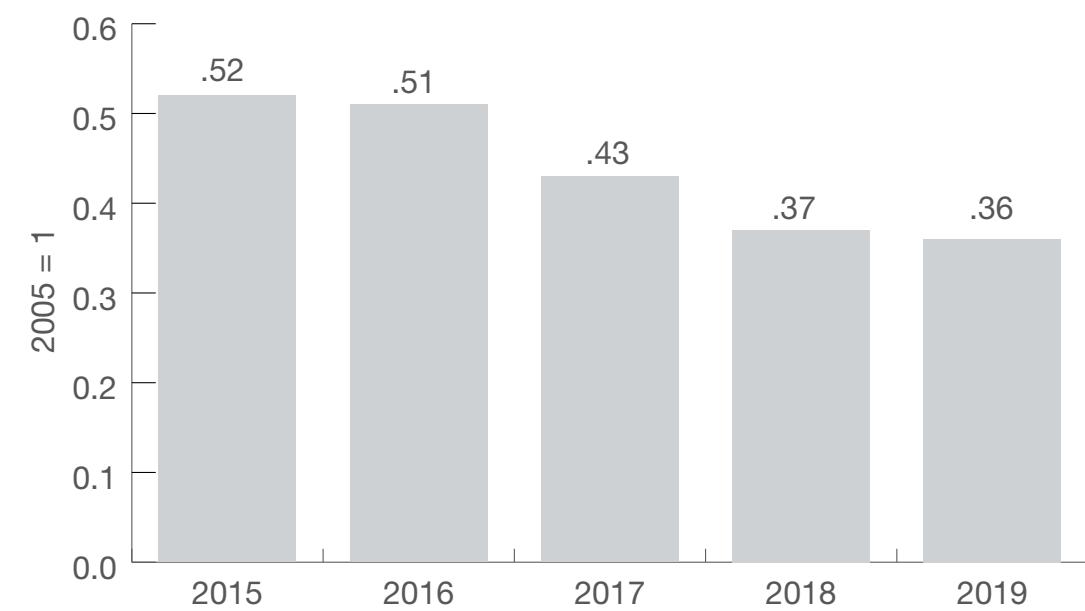
TI's carbon footprint

Advancement in the size of wafers (which yields more chips per wafer), the efficiency of semiconductor manufacturing machinery, and the reduction of chemicals have helped TI reduce normalized³ GHG emissions since 2005 – despite an increase in production. Changes in normalized GHG emissions per chip occur due to variations in chip production, improvements from manufacturing equipment upgrades and energy emissions improvements. In 2019, TI reduced total GHG emissions by more than 10%.

Indirect (scope 2) and Direct (scope 1) GHGs



Normalized GHG emissions per chip



³ Normalized data is a way to develop a baseline and track changes in a metric year over year.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Driving efficiency in wafer production

TI continuously looks for ways to make its fabrication processes more efficient and cost-effective. We optimize older facilities by retrofitting lighting and upgrading equipment to reduce energy use and GHG emissions. We design new buildings to use fewer natural resources and electricity from the start, which reduces environmental impacts and operating costs.

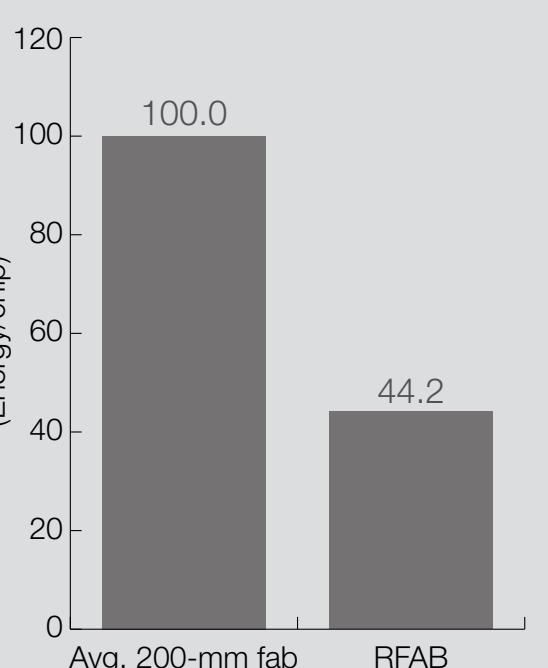
Most of the GHGs that TI emits are fluorinated gases needed to produce silicon wafers and keep equipment clean. Our older 150- and 200-mm wafer fabrication plants use fluorine gases that generate more GHGs than modern factories.

Our newer 300-mm fabs use a fluorinated gas that is a less potent GHG. Additionally, the larger 300-mm wafers produce more chips per wafer, which requires less water and energy and reduces production costs.

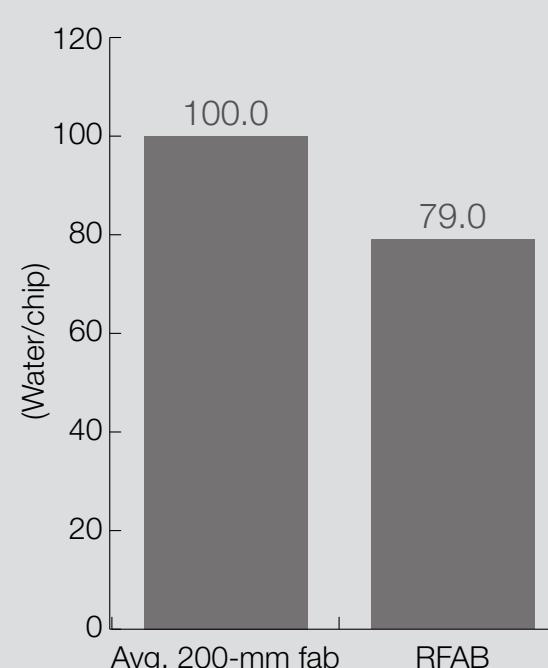
In the next few years, we plan to close two older manufacturing facilities – in Sherman, Texas, and Dallas, Texas – and we have construction underway on a new

300-mm advanced analog fabrication plant in Richardson, Texas. We expect that these changes will improve our environmental and financial performance. Moving production from 200 mm to the more efficient 300 mm reduces energy consumption per chip by approximately 56% and water consumption by about 21%.

Normalized energy intensity



Normalized water intensity



Monitoring potential risks

TI faces potential regulatory and physical risks associated with climate change. Currently, we do not believe that these risks have the potential to generate a substantive change in our business operations, revenue or expenditures. However, to ensure that we react appropriately and maintain our commitment to environmental stewardship, we closely track:

- Global trends in environmental and energy policy.
- Changes in regulations that may apply to TI or its suppliers. We work with industry associations to provide context and perspective on the potential impact of legislative and regulatory proposals.
- Extreme weather events such as typhoons, hurricanes and droughts. In any natural or human-caused disaster, our priorities are to protect our people, assets, revenue and reputation.

Regulations, compliance and reporting

We comply with GHG regulations that vary by country, state and municipality, and report emissions to relevant agencies. We are required to report U.S. GHG emissions to the EPA to comply with its mandatory reporting requirements. The EPA requires the semiconductor industry (among other industries) to measure and report annual fluorinated GHG emissions (such as sulfur hexafluoride, perfluorocarbons and hydrochlorofluorocarbons) as well as GHG emissions from combustion sources.

We also voluntarily report our GHG data to the World Semiconductor Council (as part of the U.S. industry report), the CDP (formerly the Carbon Disclosure Project), the S&P Global Assessment, in addition to this report.

Creating a better world through semiconductors

Smart grids, enabled by TI technology, are reducing costs, saving energy, and improving how energy demand is monitored and managed, thus reducing GHG emissions. Utilities can use smart electrical meters to adjust thermostats; appliance usage; and heating, ventilation and air-conditioning settings in homes and businesses to avoid rolling brownouts or charging peak rates. Customers who use TI's GHG-reducing technologies include electricity providers, distributors, manufacturers of white goods (appliances) and the transportation industry.

Biodiversity

Our worldwide semiconductor design, manufacturing, assembly and test sites are located in industrial areas, inner-city areas and suburban areas, as well as areas surrounded by agricultural farmlands. We adhere to rigorous air emission, water and wastewater goals and requirements to manage our impact on biodiversity near our sites. We contribute to biodiversity by planting indigenous trees where we have sites and participating in community cleanup events in locations around the world.

For example, when two large storms affected TI's North Texas campuses in 2019, the company acted quickly to plant new trees. Teams planted more than 600 vitex, crape myrtle, chinquapin oak, pond cypress and live oak trees at our Dallas site, replacing more than 250 mature native trees we lost. Not only will these trees make our campuses beautiful for years to come, but they will help reduce GHGs, improve air quality and control soil erosion in areas where natural storm runoff occurs after it rains.

Energy use

Reducing our overall energy consumption is a focus in our global operations, both in our manufacturing and design sites. Our sites are required to set annual energy reduction goals to lower costs and emit fewer GHGs.

Our manufacturing operations account for about 90% of our total energy use and are the focal point for our global energy strategy, which includes:

- Securing reliable, affordable and renewable energy supplies.
- Building and retrofitting buildings and factories to optimize efficiency and using more efficient equipment.
- Designing and manufacturing semiconductor products that enable energy-efficient electronics, and investing in R&D to further reduce energy consumption. We also stack chips vertically in our product packaging, which reduces motherboard space and total energy and cooling costs in our customers' end products.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

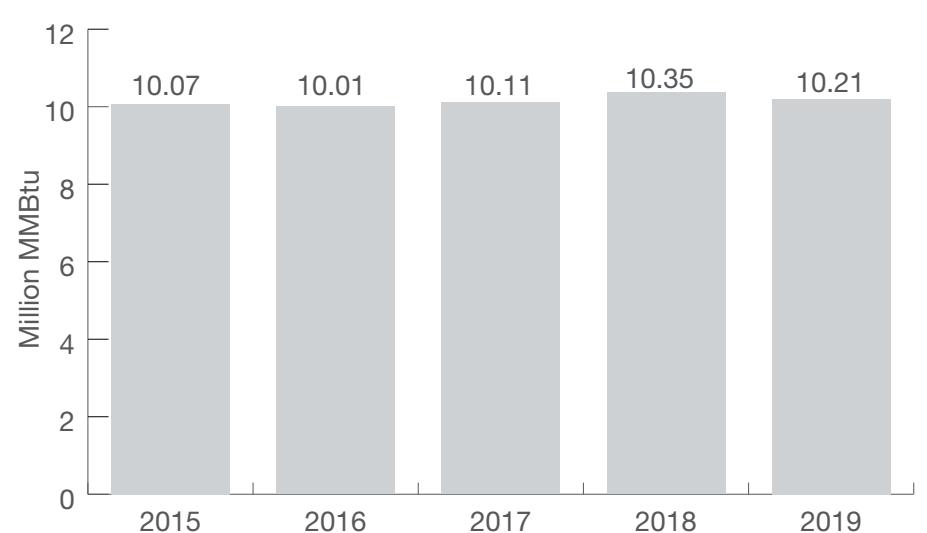
Responsible business practices

Workplace

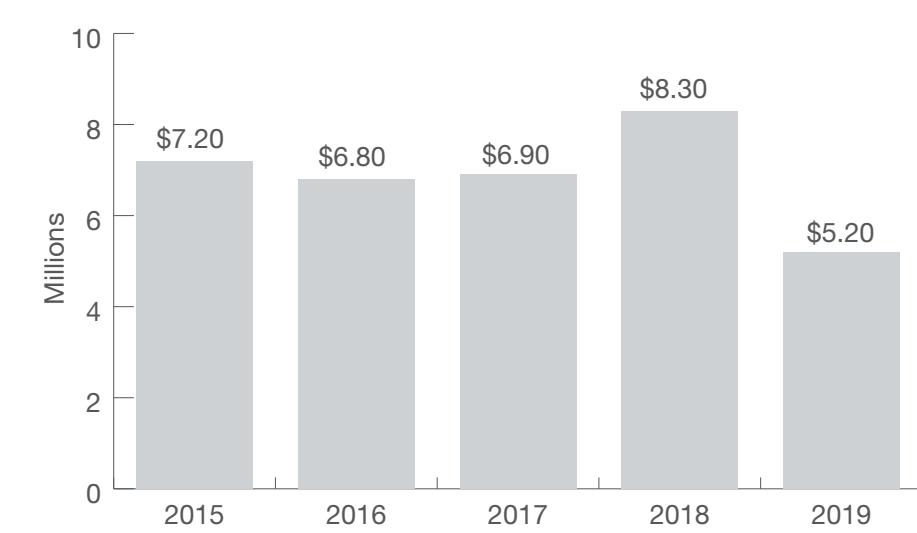
Giving and volunteering

Global Reporting Initiative index

Total energy use



Energy utility cost savings



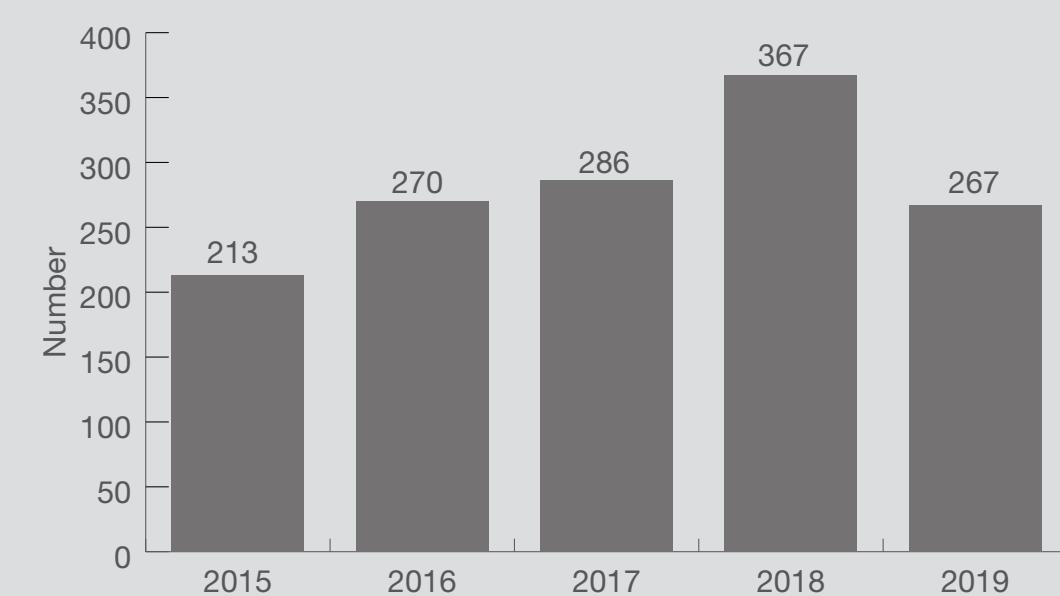
Energy use by type
(million million British thermal units)

Energy use by type	2015	2016	2017	2018	2019
Savings (MMBtu)	283,234	321,177	285,556	254,121	251,198
Energy use (total MMBtu)	10,070,708	10,017,419	10,116,022	10,357,182	10,216,767
Indirect energy use (total)	8,620,386	8,588,300	8,691,304	8,875,461	8,749,565
Electricity	8,567,814	8,534,080	8,635,917	8,823,520	8,701,606
District heating	52,572	54,220	55,387	51,941	47,959
Direct energy use (total)	1,450,322	1,429,119	1,424,718	1,481,721	1,467,202
Natural gas	1,259,187	1,245,657	1,244,765	1,298,268	1,285,129
Fuel oil (No. 6)	73,179	72,243	192,216	12,795	12,435
Diesel	50,201	46,842	40,000	44,655	33,158
Propane	65,166	61,790	1,180,646	123,407	133,858
Gasoline	2,589	2,586	2,667	2,596	2,622

\$34.4 million in utility cost savings since 2015

Each year, we implement more than 200 efficiency projects that reduce our GHGs and collectively save an average of more than \$6.5 million in energy costs. Since 2015, TI has conserved 1,395,286 million British thermal units (MMBtu) of energy – the equivalent of powering more than 37,000 homes for a year. During that same time, we implemented more than 1,400 efficiency projects that saved \$34.4 million in utility costs.

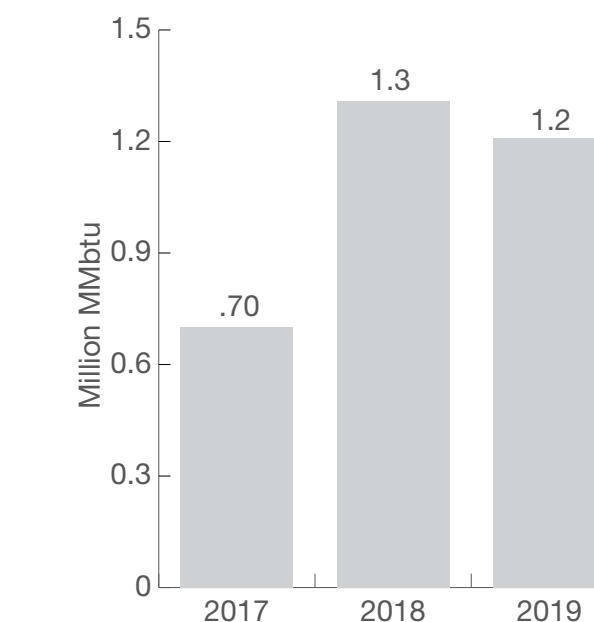
Energy conservation projects



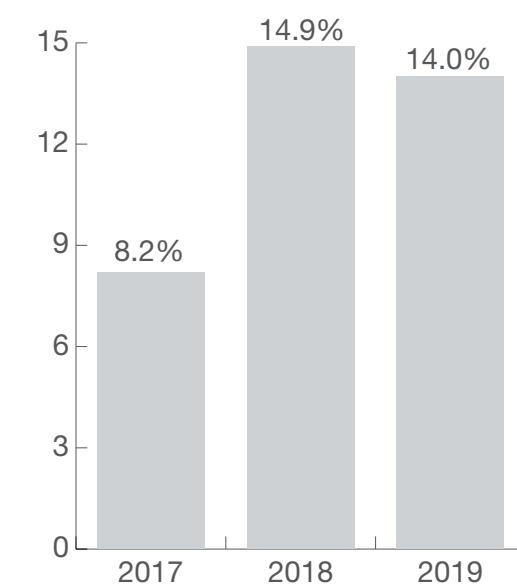
Renewable energy

TI secures reliable and affordable energy supplies, which includes renewable⁴ resources where available and cost-effective. We use direct contractual arrangements for renewables that play a role in reducing our energy consumption in some locations, and we continue to actively look for opportunities to invest in more renewables as they make sense for our business. In 2019, TI's use of renewable energy declined slightly as off-site renewable power that supplies two of our sites experienced severe weather disruptions. Conventional grid energy supplied these sites until the renewable power came back online.

Renewable energy use



Percent of renewable electrical energy used



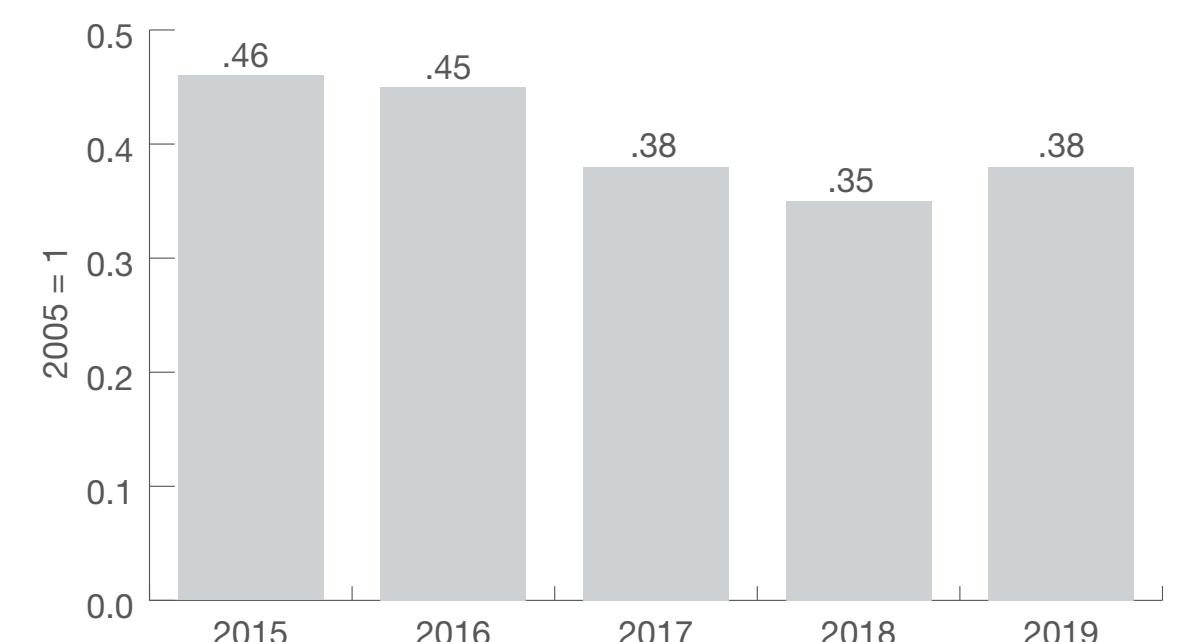
⁴ No global standard exists for calculating renewable energy that includes power purchased from mixed-generation suppliers or the grid in the geographic regions in which we operate. We stopped attempting to estimate the renewable energy portion of purchased mixed-generation power after 2014 and will not report this incidental renewable energy use until there is a consistent standard or we receive more accurate information from suppliers. The data reported in 2017, 2018 and 2019 are for the portion of the energy supplied in a traceable way via a contract or government-managed tracking system.

Energy intensity

We measure energy intensity to assess the overall efficiency of our manufacturing processes. Energy use refers to the total energy used, which depends on production. Energy intensity is an attempt to normalize usage by looking at energy per unit of output (by dividing our total energy use by our total production).⁵

Since 2005, we have reduced per-chip energy intensity⁶ from 1.0 to 0.38 globally – a reduction of 62%. In the U.S., we have reduced energy intensity by 36.5% since 2010 in our quest to achieve the U.S. Department of Energy's Better Buildings, Better Plants program goal to reduce energy levels at manufacturing sites by 50% by 2020.

Normalized energy per chip



Compliance and reporting

The countries where we operate require our compliance with applicable energy use and building codes. We voluntarily report our energy consumption data to the CDP and in this report each year.

Water and wastewater management

Water is an essential part of manufacturing semiconductors, which is why we use it responsibly and efficiently. Conserving water and protecting water quality enables us to reduce costs, comply with regulations, ensure long-term availability and preserve this natural resource.

How we manage

TI's water conservation and protection strategies include investing in reduction, recycling and reuse projects, and restricting, reducing

Water sources total and by type (million gallons)	2015	2016	2017	2018	2019
Total gallons	6,837	6,724	6,657	6,812	6,356
Municipal	4,493	4,275	4,207	4,360	4,294
Reused	1,986	2,092	2,032	2,016	1,690
Well	320	356	395	401	372
Rain ⁷	37	22	23	35	0

and monitoring chemicals that have the potential to affect water quality. As a requirement of our environmental, safety and health (ESH) management system, which is certified to ISO 14001, each of our sites evaluate water risks – such as availability, quality and groundwater impacts – in an annual assessment.

Specific actions we take to conserve water globally include:

- Installing water recirculation units on thermal processing equipment to reduce the use of city water.
- Controlling water alkalinity (pH) in cooling towers to prevent calcium buildup and scaling, saving money and consuming less water to flush mineral-concentrated water.
- Implementing tool optimization and water-purification plant projects that conserve water.
- Maximizing the amount of condensate and microfiltration water directed to cooling towers.
- Reusing water with high salt/mineral content (produced as a byproduct of our ultra-pure water system) for toilet flushing.
- Reusing water in our central utility plant cooling towers to reduce the amount of water we need from lakes, groundwater or other natural sources.

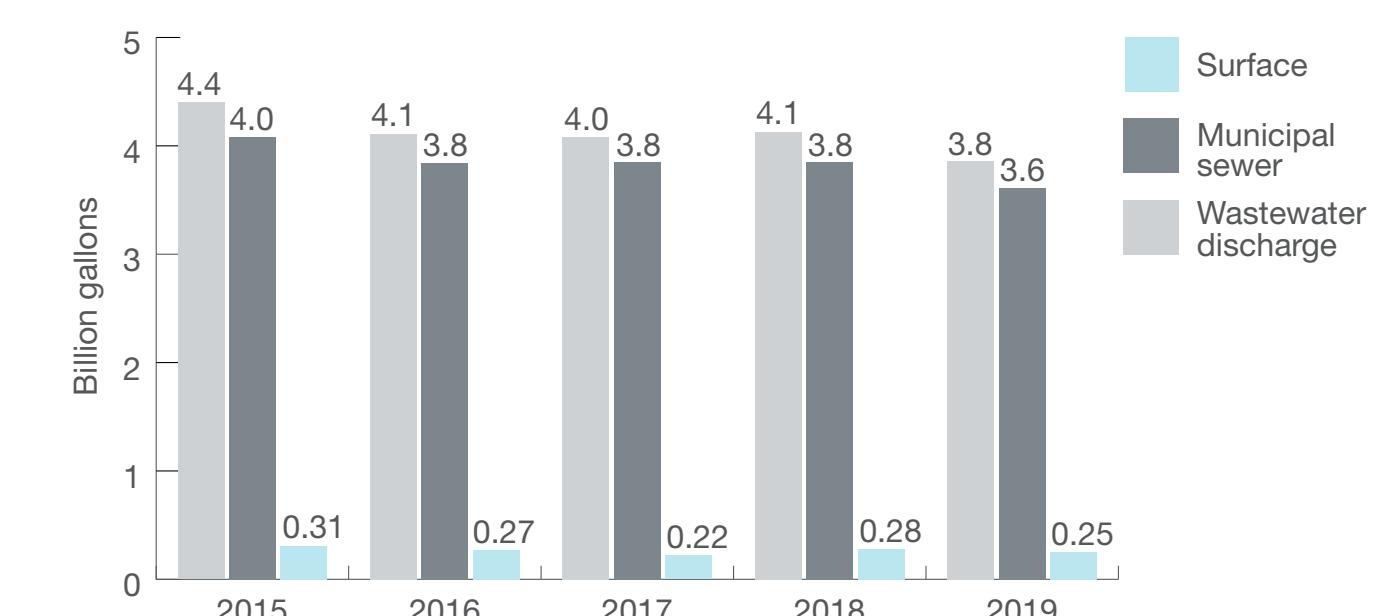
Most of the wastewater generated by TI is treated on-site to reduce contaminants. We collect any wastewater sludge containing solvents, concentrated metals and acid solutions and dispose of them off-site per regulatory requirements. In some cases, we send these compounds to reclamation facilities for their reuse by other industries.

Water sources

Our water sources include surface water from local municipal supplies, collected rainwater and groundwater. Our water footprint comprises three types of water:

- Nonmanufacturing – used in restrooms, irrigation, drinking fountains and cafeterias.
- Manufacturing – used to rinse wafers after chemical processing or for other fabrication processes.
- Manufacturing support – used in exhaust abatement and cooling systems.

Wastewater discharges total and by type



Reuse and recycling

We reuse water in other processes where possible, such as cooling towers, scrubbers and irrigation. For example, many of our cooling towers reuse water from the manufacturing process to reduce or eliminate the amount of city water they need to operate.

TI reused more than a quarter of the water used on-site in 2019.

⁵ Changes in normalized energy per chip occur due to variations in chip production, improvements from manufacturing equipment upgrades and energy emissions improvements.

⁶ Primary energy consumed per pattern produced by our U.S. manufacturing facilities, normalized for 80% loadings and compared to a 2010 baseline. Primary energy is energy content found in natural sources that has not been subject to any conversion or transformation process. Adjusted for startup and closure of facilities.

⁷ In 2019, we elected to not report rain water collection as the total was not directly measured. Previously reported values were estimates based on regional rainfall data and capture area.

Water quality

Our water management standard establishes minimum expectations for water, wastewater, and stormwater quality and management. All TI wastewater treatment plants are permitted where required to meet applicable regulatory requirements and ensure that discharges meet local, state and/or country-level wastewater discharge requirements.

Regulations require the restriction or removal of substances such as metals, toxic organic compounds, nitrates and sulfides from water before discharge. TI also has internal standards, programs and procedures in place to ensure that stormwater runoff at all sites complies with local and national discharge requirements.

We conduct periodic water sampling to ensure that we are operating within our permit limits. We take additional precautions at sites in Malaysia, the Philippines and Japan because treated wastewater discharges directly into a body of water in these countries instead of to a municipal treatment facility.

Water availability

We monitor future water availability issues for all sites, specifically those in North America and Asia. We also work with country, regional and local agencies; suppliers; and local water utility management and operations teams to discuss emerging risks and possible mitigation plans. For example, at our Texas sites, which make up the largest concentration of our operations, we engage with the Texas Water Development Board and participate in its water use survey activities. This engagement enables us to help shape the community's water supply in the future, and prepare our operations for future water availability issues or changes to our water management strategy.

Reporting

Each year, we voluntarily report our water footprint to the CDP and in this report. We compile the data that we report from quantities billed by municipal suppliers as well as our own production metrics.

TI Chengdu recognized for water conservation

The Chengdu City Water Conservation Office and Sichuan Housing and Urban-Rural Bureau recognized TI's fabrication site in Chengdu, China, for its water conservation practices, which have saved millions of gallons each year. TI ESH personnel in Chengdu set annual reduction goals and monitor water use daily to prevent fluctuations. They also implemented water projects to curtail use or recycle water, including:

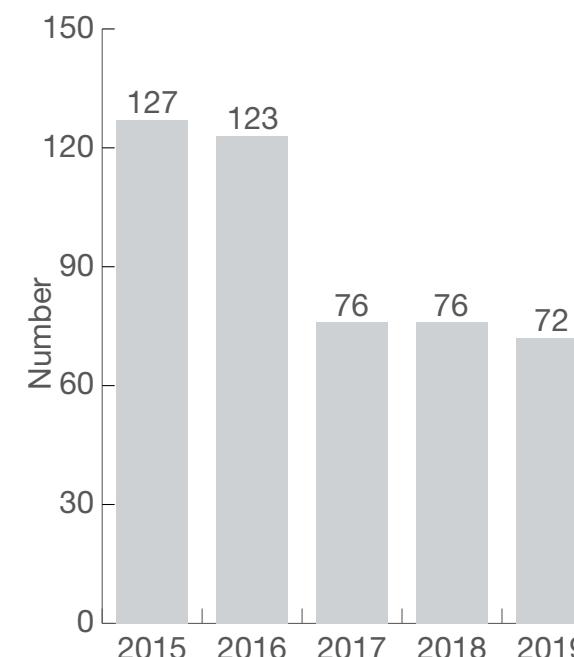
- A pure water ultrafiltration concentrated water recovery device that reprocesses concentrated water from the original ultrapure water system, saving an estimated 5 million gallons annually.
- An instrument-sampling water recovery system that saves about 2.6 million gallons of water annually.
- A pure water reverse-osmosis concentrated water recovery device that recycles concentrated water, recovering about 50% of it for reuse.
- An ultrafiltration recovery device that recycles treated wastewater, saving about 14.3 million gallons per year.

TI's water conservation efforts

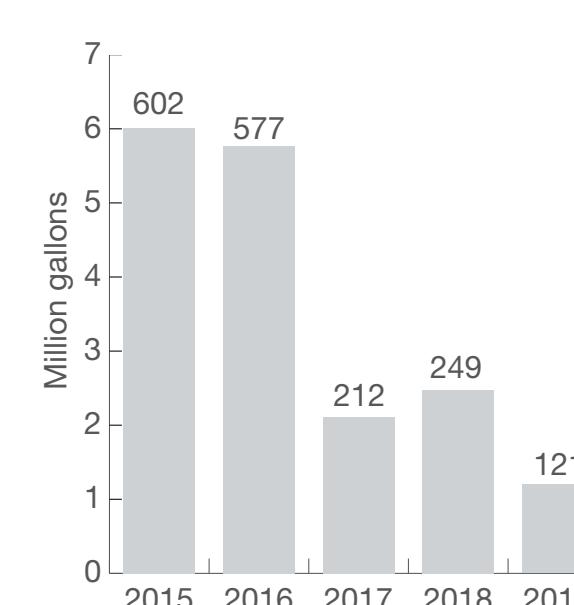
Since 2015, TI has implemented 474 conservation projects that saved \$11.5 million in utility costs and more than 33.3 billion gallons of water – enough to fill more than 55,000 Olympic-sized swimming pools. Previously completed efficiency projects have enabled TI to reap continued water utility savings.⁸

In 2019, overall water use was down due to fabricating fewer semiconductors, which resulted in a slight increase in our per-chip water use. We also set a goal to reduce water use by 2.2% in 2019, which we exceeded by conserving 2.5%.

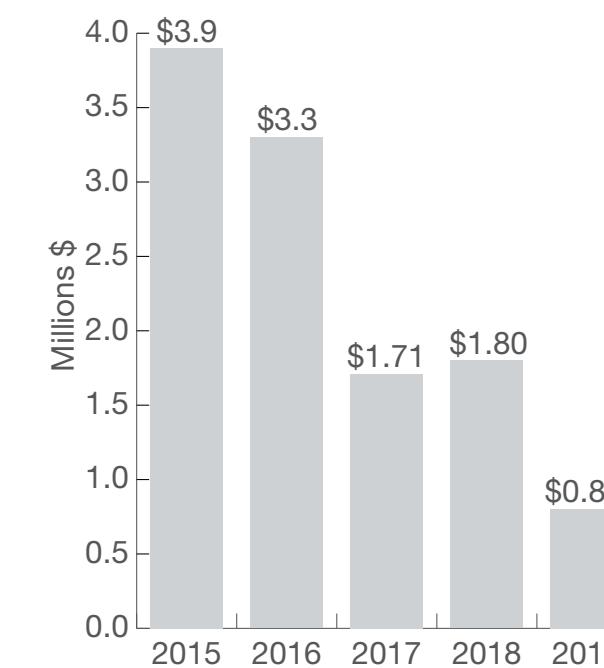
Conservation projects



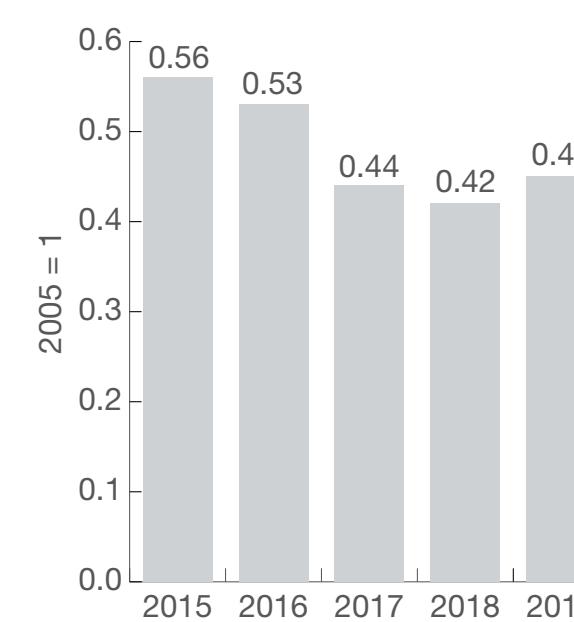
Savings from conservation projects



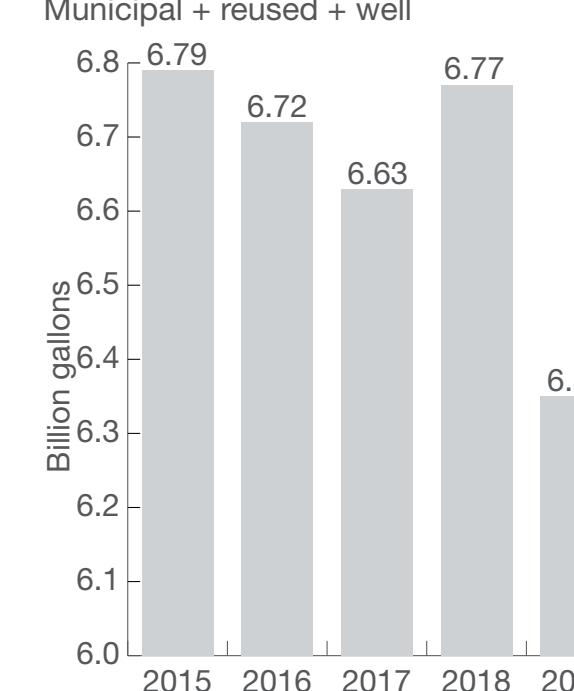
Water utility savings



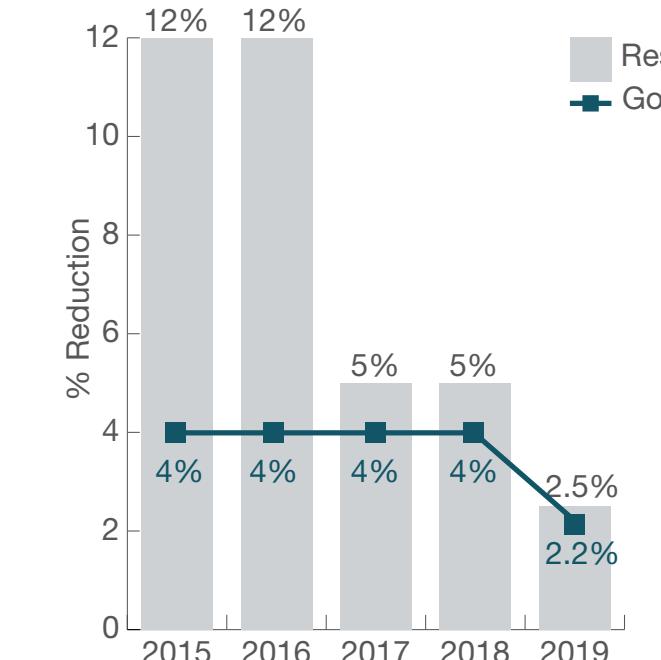
Normalized water use per chip



Water consumption



Water use



⁸ To calculate water use, we compile data from quantities billed by municipal suppliers as well as our production metrics. We also measure effluent rates and volumes and analyze industrial wastewater and stormwater samples using standard methodologies set by the EPA.

[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Water use	2018	2019
Change in water storage (megaliters) ⁹	0	0
Water withdrawal (total megaliters)	18,155	17,664
Surface ¹⁰	132	0
Ground ¹⁰	1,517	1,409
Sea	0	0
Produced	0	0
Third party	16,506	16,255
Fresh (<1,000 mg/L total dissolved solids)	18,155	17,664
Other (<1,000 mg/L total dissolved solids)	0	0
Water withdrawal in water-stressed regions (total megaliters)	3,352	2,674
Surface ¹⁰	0	0
Ground ¹⁰	40	44
Sea	0	0
Produced	0	0
Third party	3,312	2,630
Fresh (<1,000 mg/L total dissolved solids) ¹⁰	3,352	2,674
Other (<1,000 mg/L total dissolved solids) ¹⁰	0	0
Water discharge (total megaliters)	15,643	14,617
Surface ¹⁰	1,068	953
Ground ¹⁰	0	0
Sea	0	0
Third party	14,575	13,664
Fresh (<1,000 mg/L total dissolved solids) ¹¹	Unknown	Unknown
Other (<1,000 mg/L total dissolved solids) ¹¹	Unknown	Unknown
Water discharge (water-stressed areas, megaliters)	2,860	2,278
Fresh (<1,000 mg/L total dissolved solids) ¹¹	Unknown	Unknown
Other (<1,000 mg/L total dissolved solids) ¹¹	Unknown	Unknown
Water consumption (total megaliters) ¹²	2,512	3,047
Water consumption (water-stressed areas) ¹²	491	396

⁹ There is a small amount of water storage (relative to overall usage) in facilities systems, but the year-over-year change is not significant.

¹⁰ This does not include once-through cooling water, which is pumped from on-site wells at our Freising, Germany, site and used only for heat rejection. This water returns to the original aquifer. Collected rainwater is used for irrigation and not reported as part of our water use totals, except for a small quantity reported on the rain source line for our Richardson, Texas, fabrication facility before 2019.

¹¹ TI does not monitor total dissolved solids continuously at all sites.

¹² Calculated as water withdrawn minus water discharged.

A new metering technology helps make every drop count

TI technologies can help conserve one of our most precious resources – water. According to the EPA, household leaks waste about 900 billion gallons of water each year in the U.S. Ultrasonic technology enabled by TI products gives water meters the ability to locate leaks as small as one drop every few seconds, enabling early detection and reducing water waste.

Cities from Austin, Texas, to Antwerp, Belgium are installing high-tech smart water meters that give consumers the information they need to find leaks and conserve water, while helping utilities identify infrastructure leaks in aging pipes and broken water mains. TI's advanced flow metering microcontroller, the MSP430FR6043, significantly improves accuracy while reducing overall cost and power consumption.



All TI sites meet the certification requirements set by International Organization for Standardization (ISO) 14001 environmental management system criteria, as well as those set by ISO 45001 for the management of occupational health and safety.

Additionally:

- Operational decisions and investments to control potential environmental impacts and maintain a safe and healthy working environment.
 - Conserving natural resources.
 - Assessing and reducing ESH risks.
 - Driving continuous improvement.
 - Meeting or exceeding compliance obligations.
 - Setting site-specific conservation and efficiency goals and initiatives, and tracking and reporting these goals to senior leaders quarterly.
- Our ESH management system contains rigorous programs, policies, personnel, controls, processes and measurement tools that are based on industry best practices and international standards. This system helps us mitigate ESH risks, improve our performance, fulfill compliance obligations and achieve our objectives.

Our ESH policy is available in multiple languages:
[English](#) | [Traditional Chinese](#) | [Simplified Chinese](#) | [Japanese](#)
[Malay](#) | [Spanish](#) | [German](#) | [Korean](#)



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

RESPONSIBLE MANUFACTURING AND DISTRIBUTION

We design and manufacture products that help solve some of the world's toughest challenges and create a better world. Sustainable technology design and production is an opportunity for our company and our customers to help dozens of industries make their products safer; smarter; and more affordable, energy-efficient and reliable, all while consuming less power.

Semiconductors

About 80% of our wafers are manufactured in-house, at 14 manufacturing sites across eight countries. We have complemented our manufacturing capability by forming strong partnerships with external foundries and subcontractors so that we can scale production to meet customer demand. This flexibility enables us to help ensure continuity of supply for the approximately 100,000 customers we support.

One of our competitive advantages is our large and robust manufacturing footprint, and our shift from 150- to 200-mm wafer production to more advanced and cost-effective 300-mm technology. Making 300-mm wafers enables the production of more chips per wafer while reducing manufacturing costs, resource consumption and environmental impacts.

Quality

Having in-house manufacturing capability enables us to more closely control the quality of our products by monitoring and regulating the materials we purchase for product development as well as the fabrication process itself. Our [Quality System Manual](#) describes our management process and systems, quality policies, and procedures so that we can quickly address and resolve quality-related issues. Our quality standards maintain compliance with numerous quality specifications and the latest industry standards.

Reliability

The average life span of a semiconductor used under normal circumstances is 10 to 15 years. Our reliability testing includes [stress and temperature tests](#), during which we apply heat, vibration and other factors that accelerate potential failure mechanisms. These tests help us identify the root cause of such failures and improve the design of integrated circuits before selling them to our customers. Our product designs, processes, products and packages must also meet industry [reliability standards](#) before release.

We regularly make changes to comply with industry standards.

We also routinely evaluate customer quality data, develop quality improvement plans and conduct quarterly internal quality audits to make sure that our products are long-lasting.

We continue to sell our products until our inventory is depleted or technological or efficiency updates are warranted. To discontinue a particular product, three conditions must simultaneously exist:

- The product has had no sales for the last five years (seven years for automotive or high-reliability products).
- Has been in production for at least 10 years.
- There is no current customer demand.

We notify customers of pending discontinued products so that they can determine whether they wish to purchase and store them for future use.

End-of-life disposal

We give customers detailed information about the substances used in our components so that they can make informed decisions about end-of-life disposal. Customers can incorporate our component compliance data into their product assessments because they are ultimately responsible for managing any social or environmental impacts that result from the useful life and disposal of end products, such as cellphones or computers. This data is available through our [material content tool](#).

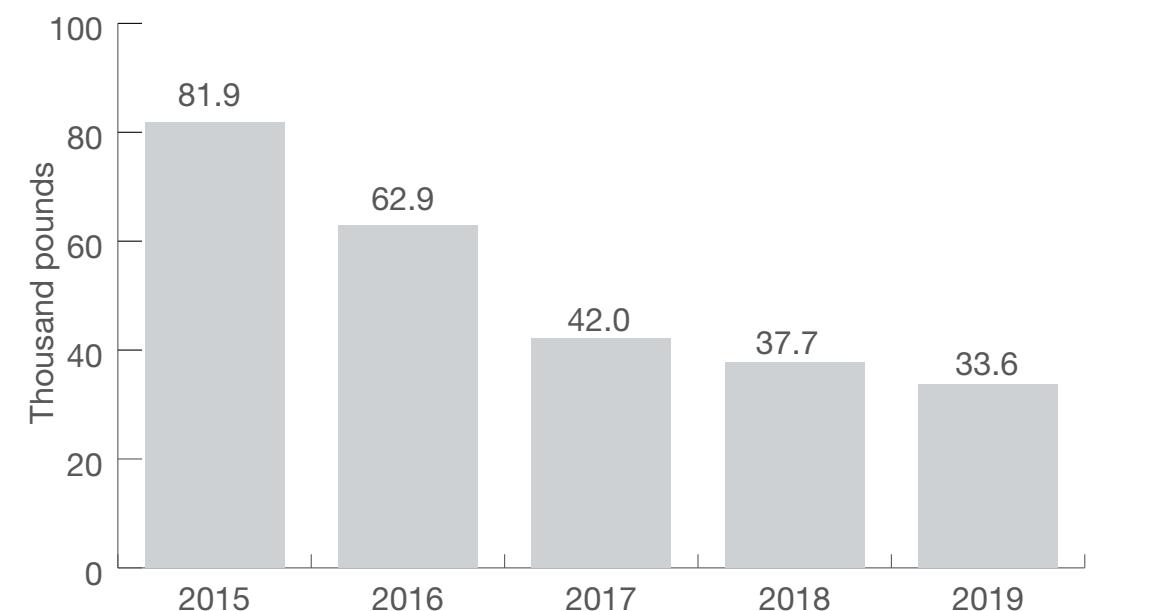
Education technology

We outsource the manufacturing of our [education technology calculator products](#), which are used by educators and students worldwide. We develop these products with concern for their environmental impact, including the type of materials used in their design, packaging and waste, as well as the products' life cycle. We also require suppliers and contractors to comply with applicable ESH and quality laws and regulations, as well as our own standards, to ensure the responsible manufacturing of our handheld graphing calculators.

Reducing waste in Education Technology products

We reduce waste by designing Education Technology products with flash technology, which enables consumers to download software applications, extending the products' life span and long-term value. We also design our calculators to withstand years of classroom use. We continue to recycle more electronic waste and have diverted 258,367 pounds from landfills since 2015.

Waste generated from Education Technology products



Packing and shipping

TI is committed to packing and distributing all of its products in the most environmentally responsible way.

In Japan, we use the Multipak packing system, which enables customers to return the entire box and shipping materials to a third party that certifies the packing for reuse. If the materials do not pass inspection, they are recycled.

Packing

We pack our products efficiently to assure timely distribution to customers and compliance with international shipping regulations. For example, we:

- Pack large quantities of products into each shipment to eliminate multiple deliveries.
- Increase packing density to move actual weights closer to charged dimensional weights.
- Eliminate heavy and expensive custom-cut foam, nonrecyclable foam, and foam and cardboard waste.
- Reuse packing materials that protect products during shipment.

Shipping

We strategically place our distribution centers in regions close to customers in order to accelerate delivery times, be more efficient, and facilitate product deliveries in the event of a natural or human-caused disaster. We work with our customers to determine when they need our products so that we ship at the right time and in bulk when possible. This practice enables us to ship mutually agreed-upon low-priority freight when space becomes available on more affordable shipping options.



Table of contents

[CEO letter](#)

[TI at a glance](#)

[Our commitment and report overview](#)

[Sustainability](#)

[Responsible business practices](#)

[Workplace](#)

[Giving and volunteering](#)

[Global Reporting Initiative index](#)



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

MATERIALS MANAGEMENT

TI makes every effort to purchase only what is necessary to run its business and to recycle, reuse or sell scrap and waste materials such as shipping materials or chemicals.

We apply a three-step approach to material management:

Step 1: Examine what we need.

Most of the materials we need are used to fabricate semiconductors and are present in our final products.

When purchasing materials, we consider the resulting waste and whether an opportunity exists to reuse existing materials or purchase recycled materials or environmentally friendly items instead.

Step 2: Reuse what we can.

We reuse materials by:

- Recovering metals from solids, liquids and sludge.
- Repurposing and reselling used process chemicals, chemical containers and older manufacturing equipment.
- Reusing wafer carriers and food service tableware.
- Donating wafer fabrication shoes to local nonprofits.

Step 3: Recycle what is allowed.

Our recyclable material comes primarily from our offices and manufacturing sites and is managed and regulated differently depending on local requirements.

TI strives for zero wasted resources at all of its sites, and believes in responsibly managing material use and disposal. We do this by reusing, recycling or reselling materials we no longer need (such as scrap material) and items that can be reused or resold (such as some chemicals). This practice helps protect the environment and reduce the amount of material sent to landfills.

We also educate our employees about the importance of doing their part to reduce waste. Depending on the site, ESH personnel may spearhead recycling drives, promote the composting of food scraps or encourage other waste management practices. While our programs and infrastructure vary by location, our commitment to zero waste remains the same.

Screening materials

We screen all incoming materials and chemicals before incorporating them into our semiconductor manufacturing processes to comply with both regulatory and customer requirements. In addition to any ESH controls required for their use, we incorporate restrictions and standards related to chemicals in our contracts with suppliers.

If concerns about a chemical or other material arise during our screening process, we elevate the matter to an internal chemical and material review board staffed by experts throughout the

company. If we believe that a chemical or material is necessary for manufacturing but still raises concerns, our manufacturing leaders review the issue and, if necessary, authorize additional time and resources to seek a safer alternative or implement more stringent use controls.

Stringent management of chemicals required for manufacturing

Producing world-class semiconductors involves the use of hazardous and nonhazardous chemicals and gases, which is why we have stringent controls in place. We also continually assess the potential ESH impacts of these materials as new scientific information becomes available and new regulations go into effect.

We are committed to identifying and using the safest, lowest-risk materials in our operations and have strict standards and protocols for purchasing, tracking the use of and disposing surplus waste chemicals. We push these standards up our supply chain and restrict our suppliers from using certain chemicals and materials. [Click here](#) for a list of chemicals and materials TI restricts.

The European Union (EU), China and other governments have stringent laws and regulations for product content and have banned some chemicals altogether.

Our product management systems control the materials used in our products and we make that data and information available to our customers so that their end products remain compliant with applicable standards. Key laws and regulations include:

• **Restriction of Hazardous Substances Directive (RoHS)**

TI provides information that enables customers to prove that their products containing TI parts are RoHS-compliant.

• **Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)**

We make information available to customers regarding REACH “substances of very high concern” as they relate to our products.

• **China Management Methods for Controlling Pollution by Electronic Information Products (China RoHS)**

Although our components are not subject to China RoHS, our shipping labels do contain analytical data and bill-of-materials information to help our customers maintain compliance.

Managing industrial waste

Regulatory authorities in each of TI's operating regions classify industrial waste (primarily chemicals) originating from manufacturing operations. Where possible, we use high-pressure water instead of chemicals in certain cleanup applications or replace chemicals with environmentally benign substitutes.

When we must use chemicals, we carefully manage their transport, distribution, use and disposal. We do this by training personnel on hazards and proper chemical use, storage and disposal. We also use ventilation controls, abatement systems, leak detectors and appropriate treatment technologies.

Lead

Long before laws and regulations sought to phase out the use of lead in various products, TI led the industry in developing lead (Pb)-free alternatives. Although most customers have shifted to using Pb-free products, we continue to manufacture a few that contain lead for those who require it. These products are usually outside the scope of RoHS requirements.

Brominated and chlorinated flame retardants

One of the challenges facing TI and the electronics industry is how to reduce or eliminate the use of brominated flame retardants (BFRs) and chlorinated flame retardants (CFRs), which are integral to semiconductor packaging materials. While BFRs and CFRs contained in products pose no risk as sold, their improper or unsafe disposal is of concern. We removed these materials from 90% to 95% of our products during the conversion to Pb-free and RoHS compliance before they became an industry concern.

Our Pb-free and RoHS-compliant devices also meet globally defined restrictions in the Global Automotive Declarable Substance List and the International Electrotechnical Commission 62474 database (formerly the Joint Industry Guide, JIG-101). Our products listed as green go beyond these types of regulatory requirement lists and include compliance with low-halogen efforts.

What does green mean to TI?

We define green to mean "Pb-free; RoHS-compliant; and free of chlorine, bromine and antimony trioxide-based flame retardants." More than 90% of the semiconductor products we ship are considered green and meet low-halogen industry requirements. For more information, see our [Our Halogens, Chlorine and Bromine: Concentration in TI's Green Devices document](#) and our [Eco-Info website](#).

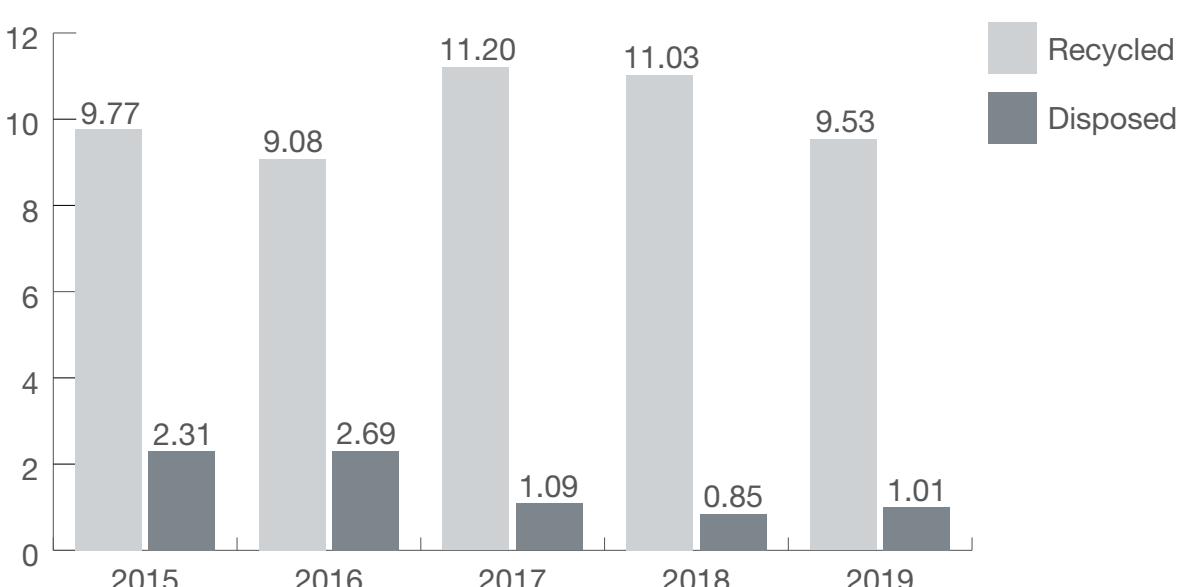
Nanomaterials

We continually work within the industry to assess the types of nanosized chemicals and substances that we can use in our products. We are actively involved with research groups to evaluate the use of nanomaterials for specific functions, such as catalysts, lubricants, paints or coatings. Currently, we only embed nanoscale features and structures within select semiconductors. We are working with industry partners to study these materials further to understand potential ESH impacts better, and to ensure that our management systems provide appropriate controls and protections should they be necessary.

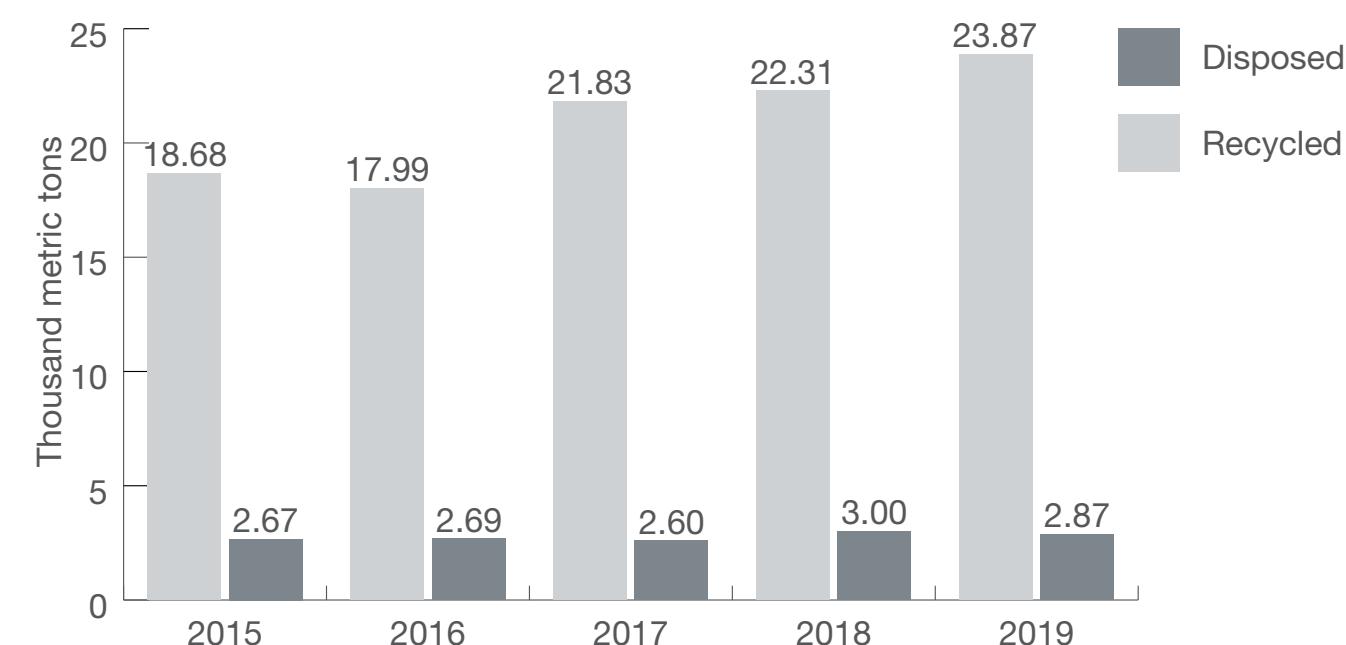
TI's material use

In 2019, TI generated fewer tons of waste overall, although our waste-per-chip increased due to lower wafer production. We generated slightly more hazardous waste, consisting primarily of process chemicals, which we sell for reuse in other industries. We were unable to sell a portion of this waste, so we disposed it in accordance with hazardous waste regulations.

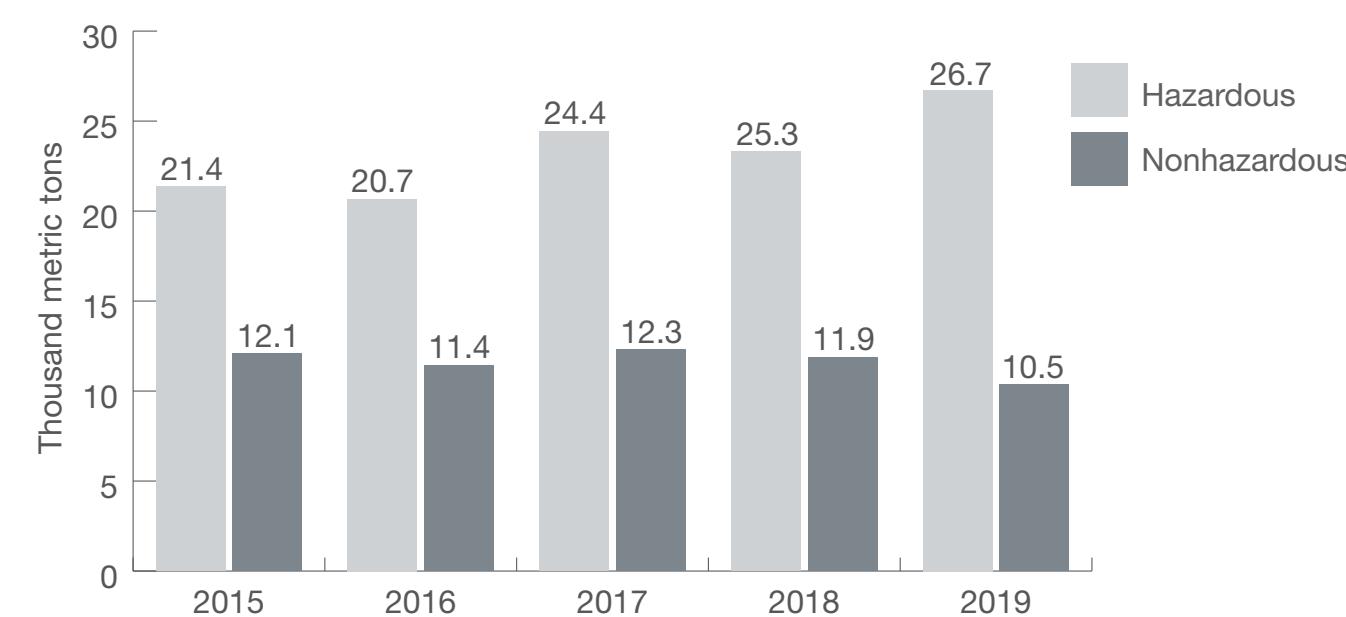
Nonhazardous waste



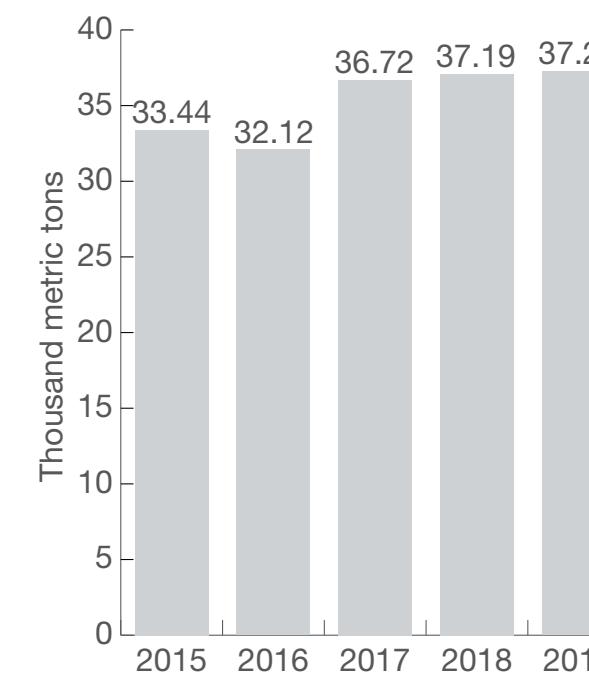
Hazardous waste



Waste by type



Waste generated



Normalized waste use per chip

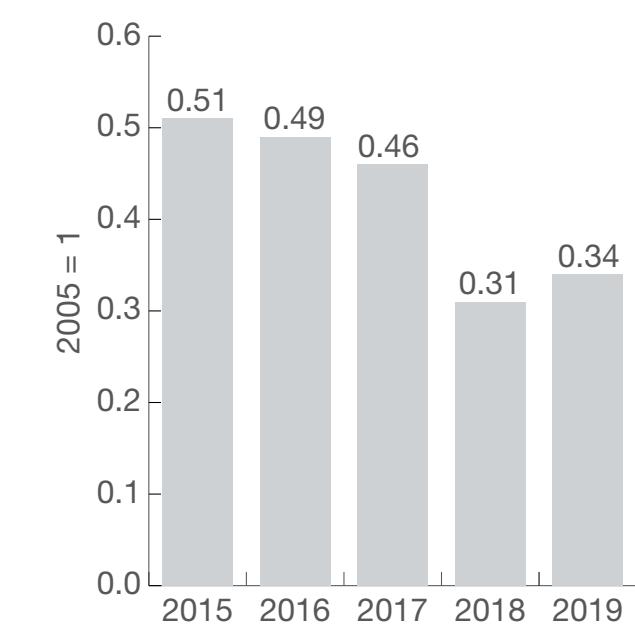


Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Responsible business practices

[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index



GOVERNANCE

Our [governance website](#) explains our corporate governance practices and includes additional detail about our [leaders](#), [governance documents](#) and board committee [responsibilities](#).

In our [2019 U.S. Securities and Exchange Commission \(SEC\) Form 10-K](#), you will find:

- Financial statements. (Part II, Item 8, pages 23-57)
- Taxes paid to governments. (Part II, Item 8, Note 4, pages 38-40)

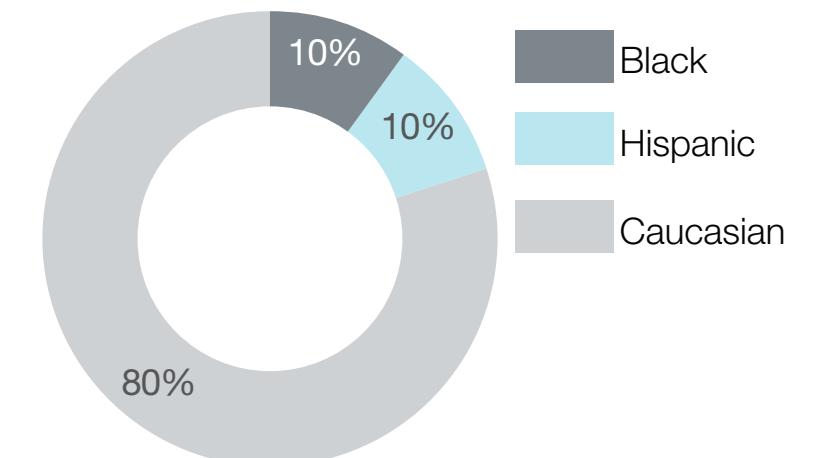
In our most recent [proxy statement](#), you can read about:

- Voting procedures, quorums and attendance. (page 3)
- Tenure of board members. (page 5)
- Board attendance at annual meetings. (page 11)
- Director independence. (page 11)
- Board evaluation processes. (page 15)
- Director and executive compensation (pages 16-43) and pay ratios. (page 43)
- The compensation committee report. (page 31)
- The audit committee report. (page 44)
- A proposal to ratify the appointment of an independent registered public accounting firm. (page 44)
- The engagement of and fees paid to executive compensation consultants. (page 14)

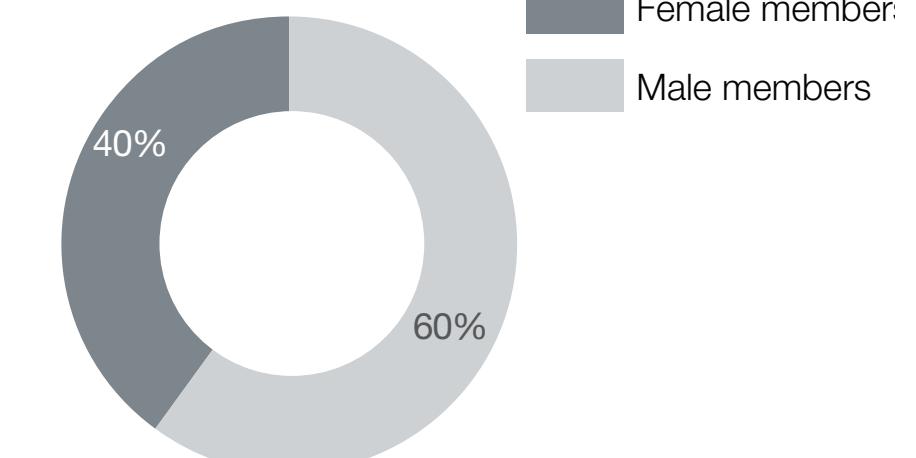
About TI's board of directors

At year-end 2019, TI had a unitary board system with 10 board members, 90% of whom were independent. The age limit to serve is 70. The graphs below offer additional information about TI's board composition in 2019.

Board members (by race)



Board members (by gender)



Board members (by age)

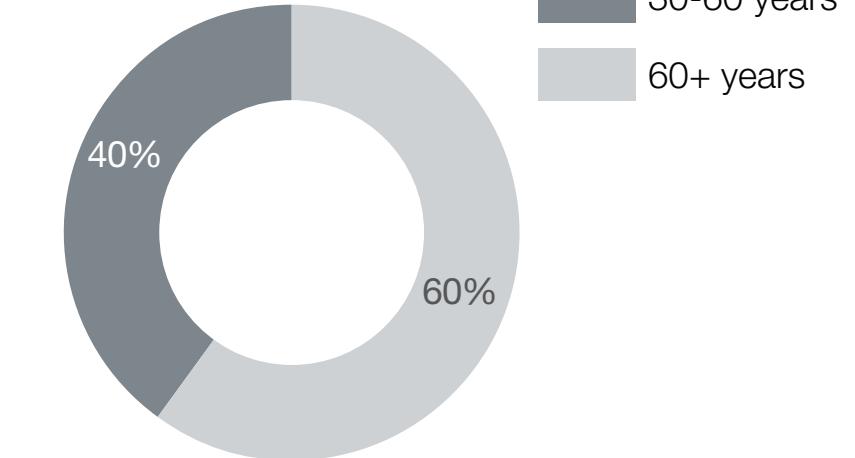




Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

RISK MANAGEMENT AND BUSINESS CONTINUITY

TI's ability to adapt in an ever-changing world includes managing business risks and taking advantage of opportunities to achieve its objectives. Continuity of supply and limiting business interruptions reassure customers of our reliability and preserve our reputation, financial position and long-term sustainability.

Understanding our risks

Like any global company, TI continuously monitors and plans for both unanticipated and emerging operational risks, such as cyberattacks, natural disasters and extreme weather events, pandemics, geopolitical issues, social unrest, terrorism or other hostile acts, or supply-chain or product-distribution delays. We mitigate disruptions to our business by continuously monitoring these risks; by developing and modifying plans to address them; and by assessing changes to the global regulatory and political landscape, environmental conditions and continuity of supply.

Risk management

Planning

TI has a robust business continuity planning management system and policy that provides the framework to systematically prepare for and manage risks. Modeled after the ISO 22301 business continuity management standard, the system helps us plan,

implement, monitor and maintain protections against business interruptions. We also conduct business modeling, scenario and impact analysis to develop and refine management strategies, policies and standards, and contingency plans.

This helps us determine:

- Critical business processes that make up our operations, as well as the people accountable for ensuring their viability.
- Possible threats and risks, and whether controls are in place to manage them.
- Process recovery times to ensure that we respond and recover efficiently, and with the right resources.
- Contingency strategies for all critical business processes that pose a high risk to people, our revenue and our reputation.
- Comprehensive recovery strategies to cover all aspects of response and recovery, prioritizing the continuation of products and services.

Our Readiness 2 Recover program helps us measure the effectiveness of and compliance with our own business continuity management requirements. Every two years (or as needed), we conduct risk assessments to identify and rectify existing controls and gaps.

Training

We regularly train executives, directors and other employees with management responsibilities on how to identify issues that may have an immediate or future impact. We teach leaders how to assess and prioritize risks based on the level of severity on the business, our people or our products. Through workshops and tabletop exercises, participants apply what they've learned to actual scenarios. We also ask leaders to evaluate and update contingency strategies based on lessons learned from either real events or scenario-based exercises.

Emergency response planning

We activate our emergency response system depending on the nature and severity of an incident. Our Emergency Response team quickly identifies the appropriate resources, services and infrastructure required to mitigate potential loss. Each TI site has emergency response liaisons trained to coordinate efforts locally, or globally if necessary, and deploy the best response strategies. We also work to provide disaster relief to communities where we operate when natural and other catastrophes occur.

Our incident command process is modeled after the U.S. National Incident Management System and is designed to mitigate impacts. Through detailed risk assessments, we classify risks based on their severity. This enables our 24/7 year-round security communication center to prepare for and deploy resources to ensure the safety of people and the environment, and to reduce operational downtime. To prepare for unforeseen events, we conduct drills, training, tabletop exercises and site-level exercises.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

SUPPLY CHAIN RESPONSIBILITY

TI buys materials – for fabrication processes, factory equipment and maintenance, logistics services, and nonproduction supplies and services – from approximately 11,000 suppliers of various types and sizes. Effective supply chain management enables us to reduce costs and waste, streamline efficiencies, and increase our competitiveness. Integrating responsible business practices into our supply chain also helps mitigate risks in our vendors' businesses, and in their labor and environmental practices.

Responsible sourcing

We approach our procurement activities in a way that enables us to purchase intelligently and to coordinate buying power globally. Our worldwide procurement teams oversee various categories of goods and services, set specific procurement strategies, and identify qualified suppliers and the best fulfillment methods. For example:

- We carefully consider a supplier's environmental, human rights and safety record before making purchasing decisions and will not knowingly engage with a supplier that violates our values, code of conduct and other governing documents.
- We specify our performance requirements and expectations in our policies, contracts and purchase orders. Integrating responsible business practices into our supply chain helps mitigate risks.

- We seek suppliers that will create long-term shareholder value as we aim to scale for growth, reduce costs and waste, improve efficiency, and develop innovative approaches to product development.

Additionally, our supply chain management system provides a framework to systematically manage procurement, inventory, manufacturing, quality and distribution processes. It also helps us comply with operational and regulatory standards, track costs and monitor risks. Our management system is certified through:

- ISO Quality Management System 9001, which helps businesses operate efficiently and improves customer satisfaction.
- ISO/Technical Specification 16949, a quality management system for automotive production and relevant service part organizations.
- International Automotive Task Force 16949, an automotive quality management system.

We regularly conduct internal audits of our management system to identify and close gaps. Additionally, the ISO annually evaluates our procurement management system as part of its recertification process.

Expectations of our suppliers

We require that our suppliers demonstrate environmental, social and governance responsibility in all areas of their operations. We also expect them to adhere to our standards, to comply with all laws and regulations, and to achieve and maintain benchmark levels of performance. To maintain a supply chain that can service our needs and meet our requirements for sourcing and human rights, we require all suppliers to adhere to these governing documents:

- [Living our values – TI's ambitions, values and code of conduct](#).
- TI's [Supplier Code of Conduct](#), based on the [Responsible Business Alliance \(RBA\) Code of Conduct](#), which forbids:
 - Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking or child labor.
 - Transporting, harboring, recruiting, transferring or receiving persons through threat, force, coercion, abduction or fraud for labor or services.
 - Holding worker identity or immigration documents, or charging fees in exchange for jobs.
 - Substandard living and work conditions.
 - Excessive work hours.
 - Exploitation and discrimination.
- Our [Supplier Environmental and Social Responsibility Policy](#), which outlines our expectations for ESH protection.
- Our [Anti-Human Trafficking Statement](#), which provides information about our efforts to eradicate slavery and human trafficking from our supply chain and business. We do not tolerate human trafficking of any kind.
- Our [Conflict Minerals Policy](#), which describes our expectations to avoid sourcing metals for our products from smelters that help support wars and human rights violations.
- Our [General Quality Guidelines](#), which outline the processes and systems that support our quality expectations. These include making sure that direct material suppliers are certified to international quality standards.

- Our [ESH Policy and Principles](#), which outline suppliers' compliance with applicable regulations and TI ESH policies, standards and specifications.

Additionally, we require that our suppliers:

- Operate in full compliance with the laws and regulations of the countries in which we do business. While these vary, suppliers are responsible for monitoring local legislation and ensuring compliance.
- Have robust ESH policies and management systems, as well as methods to identify and control risks and prove compliance with related laws and regulations.

We strive to provide the kind of transparency we expect from our suppliers. For example:

- Our [Eco-Info](#) and [Pb-Free](#) websites and material [content search](#) enable customers to view materials contained within our products.
- We provide details about our supplier management and monitoring programs and disclose our annual performance in our Anti-Human Trafficking Statement.
- We share findings of the RBA/Global E-Sustainability Initiative's Conflict Minerals Reporting Template with customers as required.
- We meet with stakeholders to address questions about our environmental, supplier management and citizenship activities.

Engagement

When initiating relationships with suppliers, we educate them about our standards and expectations for safe, humane and ethical labor practices, as well as human trafficking, forced labor and workers' rights. We communicate these guidelines in meetings; on our [supplier website](#); and in purchase orders, supplier contracts and other related documents. We also routinely engage and collaborate

with industry groups such as the RBA, the Semiconductor Industry Association and Semiconductor Equipment and Materials International to discuss and create supply-chain standards and share best management practices.

Assessing risks

We continually assess risks to our supply chain, whether anticipated (such as emerging regulations) or unexpected (such as natural disasters). We also evaluate suppliers' financial health, concentration in geographic areas and whether they are single-source providers. Our objective is to ensure that our procurement and supplier-management processes are rigorous enough to prevent reputational issues, ordering fulfillment problems, shipping delays or escalated costs. Therefore, we require that suppliers maintain an appropriate business continuity plan in the event of a business interruption and make the contents of such plans available to us upon request. We also require that suppliers communicate with TI and implement their business continuity plan within 24 hours of a triggering incident to ensure continuity of supply.

Risks that we assess include:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Labor and human rights. • Environment, safety and health. • Business ethics. • Supply management systems. • Price and trade volatility. | <ul style="list-style-type: none"> • Conflict minerals. • Financial health. • Quality of materials. • Availability of materials and finished goods. |
|---|---|

When using labor providers, we require extensive due diligence and conduct interviews with workers to identify possible exploitation. We also conduct regular audits to evaluate employment contracts, working hours and dormitory conditions.

We prioritize the examination of suppliers based on spend, criticality, and products and services provided, as well as their geographic location. TI deploys three assessment tools to routinely evaluate production suppliers, nonproduction providers and on-site suppliers:

- **Assessments.** We investigate the risks and management systems of prioritized direct material and services suppliers using the RBA's self-assessment questionnaire (SAQ) or internally developed assessments that examine demographics and existing facility policies against sections of the RBA code. The assessments help identify ethical, environmental and social risks, including human rights and forced labor.

- **Audits.** Based on an analysis of the assessments and other risk factors, we identify suppliers to audit, either by TI or independent third-party auditors, against the full or targeted sections of the RBA Code of Conduct. In addition, TI personnel annually conduct audits of suppliers that operate in high-risk regions identified by Transparency International's Corruption Perceptions Index to measure compliance with labor-related sections of the RBA Code. This entails on-site inspections; document reviews to ensure that suppliers do not impose debts and fees on workers; worker and management interviews to assess labor conditions, work hours, wages and restrictions on mobility; and inspections of dormitories. If TI personnel identify any concerns during this process, our purchasing managers work with the supplier to develop corrective action plans, which are tracked until closure.

- **Supplier performance measurement program.** For critical suppliers, we include their performance on the assessments described above in a biannual supplier performance measurement program called CETRAQ, which stands for cost, environment and social responsibility, technology and assurance. The CETRAQ program enables us to:

- Identify risks in supply and quality that need review by both TI and the suppliers' management team.
- Encourage continuous improvement through regular supplier performance discussions.
- Review progress toward supplier improvement plans.

To close the annual assessment cycle, TI's Supply Chain Management team reviews the results and looks for ways to improve processes and policies.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Progress against goals

In 2019, we assessed 179 suppliers with 300 factory locations, and 90% met our expectations. The remaining 10% required corrective actions, which included additional training and engagement with workers to explain paychecks and wage withholdings, improving dormitory conditions, and enhancing their policies and recordkeeping.

Training

We deliver online and in-person training on our Supplier Code of Conduct, standards and expectations. We also leverage RBA's training programs to help suppliers understand its code of conduct, labor risks, respecting workers' rights, hiring migrant workers and more.

Grievance mechanisms

TI has established grievance mechanisms to ensure that our buyers or procurement representatives are available to meet with our suppliers to address any questions or concerns. Our Supply-Chain Management team can also assist with identifying and addressing issues inconsistent with our ethics and values. If suppliers prefer, they can contact our Ethics Office to anonymously ask questions or discuss issues.

Our Supplier Code of Conduct requires our suppliers to establish and maintain programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers, unless prohibited by law. Suppliers must have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

Supplier diversity

We set annual goals to do business with minority- and women-owned business entities (MWBEs). For over 20 years, TI has focused on ways to diversify its supply chain with an approach that includes all businesses with a competitive product or service to

Goals and results	2015		2016		2017		2018		2019	
	Goal	Result	Goal	Result	Goal	Result	Goal	Result	Goal	Result
Minority-/women-owned business supplier spend (% of total U.S. supply-chain spend)	6.5%	7.9%	6.5%	8.6%	6.3%	6.4%	8.7%	9.2%	8.5% ¹³	10.0% ¹³
Targeted suppliers completing environmental and social responsibility assessments (%)	100%	99%	100%	100%	100%	100%	100%	100%	100%	100%
Production suppliers rated as low risk for all facilities on environmental and social responsibility SAQ assessments (%)	Baseline	69%	80%	86%	85%	88%	85%	87%	90%	89%

offer. Most of our supplier diversity engagements are concentrated in the U.S., primarily Texas, where our headquarters and several of our major manufacturing facilities are located, enabling us to contribute to the economic impact on our communities. Additionally, our 2019 goal was to devote 8.5% of our U.S. spend to diverse suppliers. We exceeded that goal by spending 10% with minority- and women-owned businesses.

Human rights in the supply chain

TI is a member of the RBA, an industry coalition dedicated to corporate social responsibility in global supply chains. The RBA provides a set of industry standards in the RBA Code of Conduct that reference international expectations for labor and human rights, including:

- The International Bill of Rights.
- The Universal Declaration of Human Rights.
- The U.N. Guiding Principles on Business and Human Rights.
- International Labor Organization (ILO) International Labor Standards.
- OECD Guidelines for Multinational Enterprises.



¹³ Our 2019 MBWE goal was lower because one supplier was purchased by another company that did not meet our MBWE certification requirements.



[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

CONFLICT MINERALS

Tantalum, tin, tungsten and gold (3TG) are used in various technologies and electronics, from computers to phones, due to their electrical and noncorrosive properties. These minerals are often referred to as “conflict minerals” because profits from the sale of minerals mined from certain smelters within the Democratic Republic of the Congo (DRC) and adjoining countries have funded wars and related human rights violations in the region for many years. We believe that the purchase of minerals from illicit mines is an important concern globally, and agree that companies should not purchase from such mines.

We are committed to ensuring that our products do not contain minerals derived from sources that finance or benefit armed groups in the DRC or adjoining countries.

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires that companies disclose the steps they are taking to determine whether the smelters they work with support those conflicts. These reports are independently audited, and TI [files them](#) annually with the SEC.

Our approach

We work diligently with our supply chain, including subcontracted manufacturers, to identify and eliminate noncompliant sources of material. For example:

- Before we were required to disclose our due diligence to the SEC, we joined the [Responsible Minerals Initiative \(RMI\)](#). Members of the RBA and Global e-Sustainability Initiative created the RMI to help advance effective policies that address conflict mineral concerns while considering the complexities of the global supply chain. We helped create and test tools that track the sourcing of minerals, conducted smelter outreach and contributed to its initial audit fund. This program works with companies to develop plans to exercise their due diligence over cobalt supply chains in accordance with Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance. TI has started taking steps to eventually disclose the use of cobalt in its supply chain.

- We developed a [Conflict Minerals Policy](#) and put management systems and due-diligence procedures in place to identify and remove conflict smelters from our supply chain. These conform with the OECD’s [Due Diligence Guidance for Responsible Supply Chain from Conflict-Affected and High-Risk Areas](#), which requires the establishment of policies, structures and procedures, risk management, and communications mechanisms. We distribute our Conflict Minerals Policy to both first- and second-tier suppliers and reinforce their full and prompt response to our information requests.

- We require that suppliers report to us the smelters from which they source minerals and notify us if any person or entity in their supply chain is directly or indirectly financing or benefiting armed groups in the conflicted regions. We then analyze that information and validate it against a list of facilities that have received a “conflict-free” designation from the Responsible Minerals Assurance Process (RMAP), a process developed by RMI and other sources. We initially gathered this information from our top-tier suppliers, but in cases where information was not available, we assessed second-tier suppliers.

- We encourage suppliers to direct all smelters in their supply chains to participate in the RMAP. The RMI notifies TI and other participating companies if any smelter changes its operations or refuses to participate in an audit so that we can take appropriate action.

Our progress

We monitor the conflict-free status of our integrated circuit smelters and continue to close information gaps on our remaining smelters. Integrated circuits refer to finished semiconductor products manufactured by or for TI and packaging subcomponents, such as mold compounds, bond wires and leadframes. It excludes DLP® products, semiconductor modules and other products manufactured by or for TI. Integrated circuits accounted for nearly 92% of TI revenue in 2019.

We collect and audit smelter information from our first- and second-tier suppliers. From our research and information gathering, none of the smelters evaluated to date are financing or benefiting armed groups.

Smelters that potentially supply integrated circuits to TI

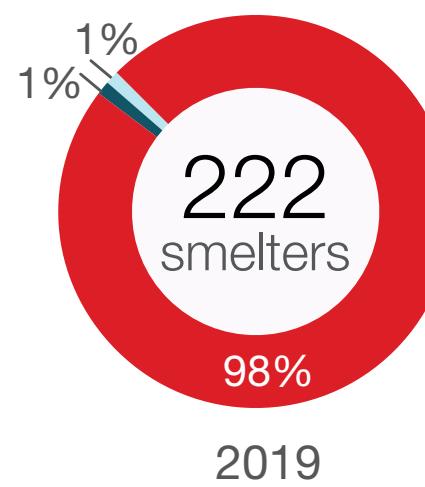
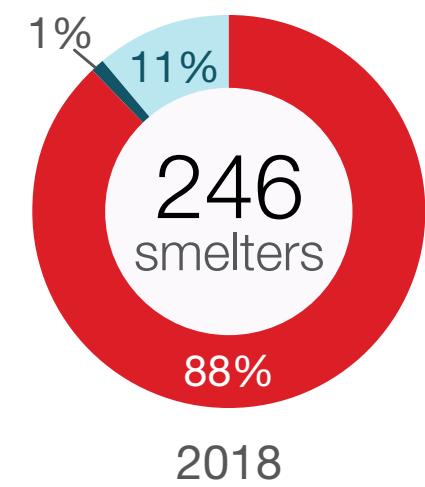


Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index



LABOR AND HUMAN RIGHTS AT TI

We believe in respecting one another, protecting human rights and ensuring individual dignity, freedom and respect in our operations.

Our commitment in our operations and supply chain

In addition to the expectations we have for suppliers, Texas Instruments is committed to upholding international human rights and labor standards and the fair and equitable treatment of all employees, contractors and suppliers. In our business and manufacturing operations, all employment is voluntary, pay is fair and consistent with local labor standards and laws, and hours are reasonable. We do not use child labor in any area of our business. Employees have the freedom to associate and/or the right to collective bargaining as provided by local statute. We also periodically conduct global employee surveys and roundtable discussions during on-site visits to better understand site-specific work climates.

Proactively managing labor and human rights risks

Our goal is to have zero human rights allegations in our supply chain and we:

- Conduct periodic risk assessments and due diligence with our suppliers using the OECD Guidelines for Multinational Enterprises.
- Utilize third-party audits, onsite interviews and assessments in high-risk geographies to ensure the rights of employees, suppliers and contractors. These including labor standards, training and awareness-building practices and freedom to associate and incident reporting tools.

How we address concerns if they are raised

To convey workplace concerns and improvement opportunities, employees have multiple channels to contact internal authorities. Anyone can anonymously report allegations of human rights abuse, discrimination or other complaints through a direct supervisor, human resources, our ethics director or calling our ethics line. When we learn of concerns, we immediately evaluate the situation and work to address it.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

AMBITIONS, VALUES AND ETHICS

Every Tler plays a critical role in upholding our company's ambitions, values, code of conduct and policies, as outlined in [Living our values – TI's ambitions, values and code of conduct](#). As a multinational company, we expect all employees to take personal responsibility for upholding and living our values and operating responsibly and ethically.

Violations of our ambitions, values, code of conduct or policies may be grounds for termination of employment. TI will not tolerate retaliation against those who have reported an issue in good faith. Anyone who retaliates against an employee for these activities is subject to disciplinary action, which may include termination.

Reporting concerns

When a Tler sees behaviors inconsistent with our ambitions, values, code of conduct or policies, it is their responsibility to speak up. They can do so by talking to a manager or human resources.

Anonymous helpline:

- Online at:
texasinstruments.alertline.com
- Call U.S. toll-free:
1-888-590-5465

Direct contact:

- Email ethics@ti.com
- Write to P.O. Box 830801, Richardson, Texas 75083-0801

Training and engagement

Our sites are in diverse geographical locations with varied risks of corruption, societal pressures, laws and regulations. We give Tlers, managers and leaders the training and tools they need to help them make the right decisions about how they should conduct themselves in business.

Every employee takes training on ethics, compliance topics, core values, environment, safety and health, confidential information protection, information technology security, and avoiding workplace and sexual harassment. Additionally, select employees and staff are trained on human rights topics, and other Tlers receive training on fraud prevention, export compliance, the Foreign Corrupt Practices Act, insider trading, global competition law and the RBA Code of Conduct. Finally, we engage top managers on ethics and provide tools for them to promote ethics and compliance within their respective organizations.

Our values

Trustworthy

We start by being trustworthy. We act with integrity and do the right thing, every time. We operate in a socially responsible way. Being trustworthy is foundational for us as a company and as individuals.

Inclusive

We thrive by being inclusive. We create an environment that unlocks everyone's potential, where we treat one another with respect, value our differences, and are encouraged to put our thoughts and ideas on the table.

Innovative

We win by being innovative. We imagine new technologies that produce compelling products, open new markets and improve our competitiveness. We are curious, persistent and determined to overcome barriers.

Competitive

We embrace a competitive world. We hate to lose, so we continuously challenge ourselves to perform at our best. We invest in the best opportunities for sustainable growth. To stay competitive, we attract, develop and retain the best people.

Results-oriented

We are results-oriented and hold ourselves accountable. Our customers have choices, and we act with urgency and deliver on our commitments. We improve our performance every day to help our customers succeed.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

INFORMATION PROTECTION

We work continuously to identify and eliminate potential threats to our information technology (IT) infrastructure and our proprietary technologies. This protection is key to business growth and profitability, and required in order to maintain compliance with such regulations as the General Data Protection Regulation and the China Cybersecurity Law.

We work diligently to protect our intellectual property, competitiveness and reputation from potential cybersecurity threats using a variety of techniques, including industry frameworks and security standards and collaboration with experts and industry partners, with whom we exchange information about threats, best practices and trends.

Reducing risks

As computer-based threats and vulnerabilities continue to grow in number and sophistication, so have concerns about information protection from our global partners, suppliers and customers. Our risk management process is based on best practice management and governance frameworks, such as the ISO, the National

Institute of Standards and Technology, and Control Objectives for Information and Related Technologies.

Using guidance from these organizations, as well as information collected from our assessments, we develop security plans, policies and protocols to reduce our risks and strengthen our security posture. Our policies range from defining the acceptable use of the company's information assets, to technical requirements for specific technologies, to how we protect personal information and privacy.

Our global Information Security team identifies and responds to potential threats and works with our business units and support teams to improve security. As part of this, we:

- Restrict access to data on our computers, servers, networks and other IT systems.
- Conduct regular phishing and spear-phishing assessments for employees and send accompanying education and awareness communications.
- Monitor and limit the use of USB or thumb drives and external hard drives.

- Monitor IT systems and respond to alerts regarding inappropriate activity.
- Deliver cybersecurity awareness and confidential information protection training to all TIers, and specialized security training to our IT team.
- Conduct risk and compliance assessments of third parties requesting access to our IT resources and information.
- Implement technical measures to protect TI's web presence (TI.com) from external attacks, including protections for our online store.
- Deploy industry-standard protections, such as multifactor authentication, malware defenses and access review processes.

Phishing for awareness

To complement our cybersecurity training, TI employees receive simulated phishing assessments multiple times a year. This provides opportunities to reinforce their training and expose them to a variety of phishing attack themes. As users demonstrate awareness of common phishing tactics, we have increased the difficulty of these assessments over time and will continue to do so.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

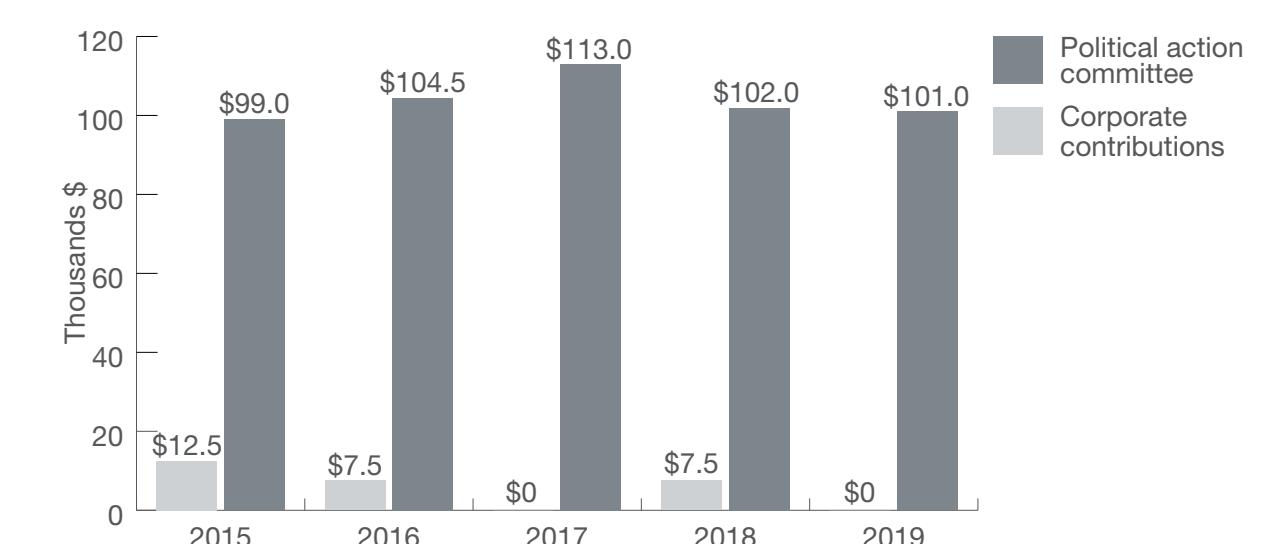
PUBLIC POLICY

We work with governments to advocate for policies that promote our growth, innovation and competitiveness, such as access to talent and policies related to tax, trade and racial equity. Educating policymakers about the implications of their decisions on our business is important to advancing laws and regulations that help sustain our competitiveness and long-term growth.

- Visit our [Public Policy](#) website to learn about:
- Corporate political activities.
 - TI's Political Action Committee.
 - Political activity of our employees.
 - Policies and expectations.

We belong to many [associations](#) with which we collaborate on various policy objectives. We are more active in some organizations than others; we do not work on all issues with every association and may not align on all positions.

Political expenditures



TI chose not to make any corporate contributions to local ballot initiatives in 2017 and 2019.



[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Workplace



Our company is a reflection of our people – 30,000 problem-solvers around the globe working to create a better world by making electronics more affordable through semiconductors. Our people, known simply as TIers, make our company great. TIers are unique. They act with integrity and respect others. They are curious. They challenge themselves and each other to be the best. They imagine the future of technology and work relentlessly to solve problems and help our customers innovate to create a better world.

Diversity and inclusion

Our inclusive culture creates a place for all TIers to be heard, be themselves, contribute at a high level and make a difference. We do not back away from tackling tough issues because we believe discussion leads to understanding, and understanding helps break down barriers. Embracing diverse backgrounds, perspectives and approaches to problem-solving continue to make our culture more inclusive, our company stronger and our products more innovative.

“At TI, we are committed to creating an inclusive work culture. Inclusion is about creating an environment in which our people can bring their best to work in order to achieve success and deliver the best results.”

– Rich Templeton, TI chairman, president and CEO

To create an inclusive and diverse workforce, we focus on:

- **Advancing inclusion globally.** Our diversity and inclusion programs connect leaders, human resources managers and employees to resources, training and open discussions about how inclusive behaviors can impact business results and positively impact productivity and innovation.
- **Hiring diverse talent.** We partner with a diverse mix of universities, diversity conferences and programs to broaden our outreach and attract more diverse talent. We use college recruiting programs such as internships and rotations as well as new programs, including an initiative to attract and hire veterans and a “returnship” program for experienced professionals returning from a career break. These programs broaden our access to great talent with a variety of backgrounds and experiences.
- **Cultivating a diverse leadership pipeline.** We have programs to develop and retain high-performing, diverse talent, so our leadership reflects our workforce. We are committed to growing our leaders from within, and we train our leaders on inclusion and diversity through our high-potential and leadership development programs and initiatives.

- **Investing in our future through science, technology, engineering and math (STEM) education.** We invest to help build the next generation of engineers through community involvement and giving, with a focus on helping better prepare girls and Black and Latinx students, since these groups are traditionally underrepresented in STEM fields.

Addressing unconscious bias

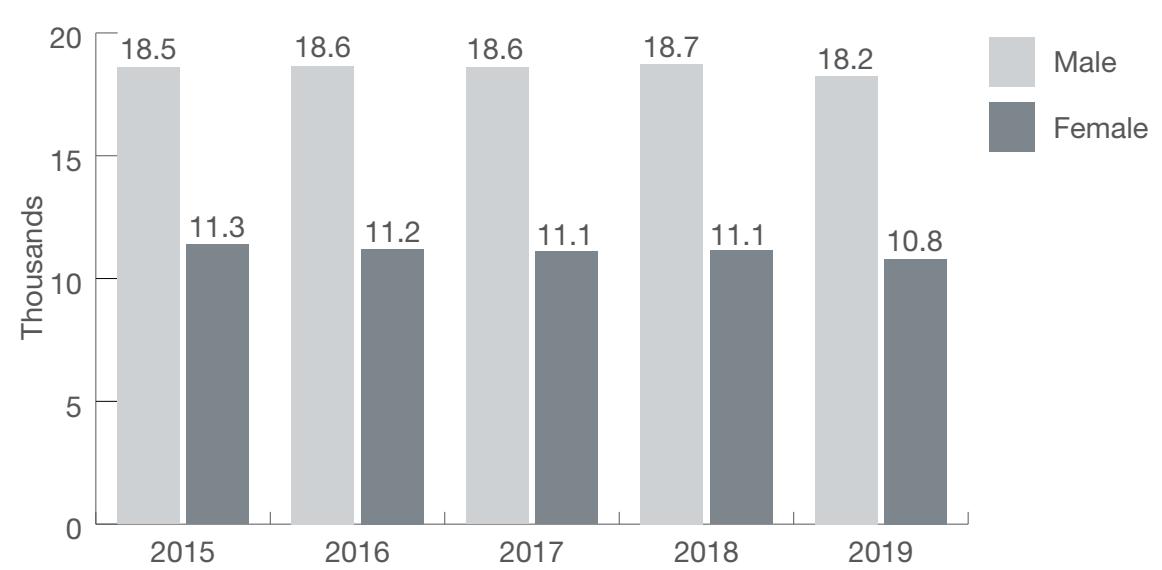
Unconscious biases are small judgments that people make quickly. It's something everyone has experienced, perhaps without realizing it. To help check those biases, TI hosted a bus tour with CEO Action for Diversity and Inclusion that included a series of immersive activities to help identify bias and understand what it is like to walk in someone else's shoes. Cultivating a trusting environment where our employees feel empowered to discuss diversity and inclusion is a top priority at TI. We must put ourselves in other people's shoes and come face to face with our unconscious biases.



Recognized for our commitment to equality

For the past four years, TI has received a 100% rating by the Human Rights Campaign (HRC) Corporate Equality Index. We strive to provide a workplace where people can be themselves and deliver their best, which is why we're honored to be recognized as a top place to work for LGBTQ equality. In addition to this rating, we have joined HRC's Business Coalition for the Equality Act as an employer supporting the passage of the Equality Act in the U.S.

Global workforce by gender



Employees	2015	2016	2017	2018	2019
Asia	14,954	15,201	15,320	15,609	15,322
Male	7,077	7,233	7,519	7,772	7,690
Female	7,877	7,788	7,821	7,837	7,632
Americas	12,607	12,445	12,079	12,006	11,763
Male	9,517	9,455	9,212	9,120	8,936
Female	3,090	2,990	2,867	2,886	2,827
Europe	2,416	2,399	2,295	2,273	1,966
Male	1,989	1,968	1,875	1,853	1,625
Female	427	431	420	420	341

TI Diversity Network

For more than 30 years, the TI Diversity Network (TIDN) has helped educate employees and surface topics that matter to employees through 15 grassroots employee resource groups (ERGs). Our journey started in 1989 with the women's and Hispanic ERGs and has grown to include more than 10,000 members, a strong employee-led diversity council and an executive sponsor committee of company officers.

Open to all Tiers globally, ERGs encourage employees to discuss challenges, share ideas and create opportunities to provide development, career advice and community involvement that supports both members and the local community. All TI ERGs have goals and objectives that are aligned with and in support of our values.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Here are a few ways our ERGs are making an impact:

- Women's Initiative (WIN). WIN members around the world focus on increasing our company's female talent pipeline, advancing women in technical leadership roles, and strengthening our communities through mentorship with organizations such as Girl Scouts to give young girls visibility into a STEM career.
- Hispanic/Latino Initiative (Unidos). Unidos members focus on recruiting top Hispanic talent to TI and regularly attend the Society of Hispanic Professional Engineers conference to recruit new college graduates. They also represent TI at the Congressional Hispanic Caucus in Washington, D.C., each year.
- Black Employee Initiative (BEI). BEI members focus on the recruitment and retention of Black employees through professional development and mentoring. Members of BEI also represent TI at the Congressional Black Caucus in Washington, D.C., each year.
- TI Pride. Pride's focus is to create an environment of respect at TI so that people of all sexual orientations and gender identities, as well as perceived sexual orientations and gender identities, can be their true selves at work, and maximize their creativity and productivity. TI Pride's Safe Space program focuses on LGBTQ+ awareness in the workplace. Recently, this ERG led an effort to expand and facilitate safe space conversations within our Technology and Manufacturing Group and expanded training to five factory sites, reaching more than 200 first-line supervisors and senior leaders.

The TIDN includes three faith-based ERGs:

- Muslim Employee Initiative.
- Christian Values Initiative.
- Jewish Initiative.

As a global company, the TI workforce represents a wide range of diverse worldviews. For many employees, their faith is the foundation of their core values and self-identity.

Giving Tiers a voice

"Even though TI is a large, global company, the company creates a culture where each member of our team has a voice – a voice to provide ideas, feedback and creativity to ensure success. My unique voice can assist in finding solutions to make our company even stronger. I make TI better, and TI makes me better. I couldn't ask for more."

– Patrick, a member of BEI and a pricing applications manager in IT



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

A champion for women in STEM careers

As sector general manager for TI's Automotive Infotainment team, system engineer Hope was instrumental in launching the Silicon Valley chapter of High-Tech High Heels (HTHH), a nonprofit that strives to eliminate the gender gap in STEM careers.

"You need a holistic approach to get girls into STEM because they start to lose confidence in math and science as early as fourth grade," Hope said.

HTHH hosts camps and training for young girls and women that create a supportive environment of learning and mentorship. Hope serves as a member of the board and leads the volunteer committee.



Commitment to equal employment opportunities

TI's commitment to equal employment opportunity extends to recruiting, hiring, training, promotion, transfers, compensation, benefits, termination, and all other terms and conditions of employment. TI administers employment decisions at TI in a nondiscriminatory manner without regard to race, color, religion, sex, gender, gender identity and expression, sexual orientation, marital status, national origin, ancestry, age, disability, genetic information, protected medical condition, pregnancy, military and veteran status, or any other characteristic protected by applicable law (collectively, "protected characteristics"). TI does not tolerate any harassment, intimidation or violence.

TI is committed to following the eight ILO fundamental conventions on equal remuneration without discrimination, ensuring the remuneration of all employees based on their qualifications and not on their gender identity or personal characteristics.

Valuing our differences

Inclusion encourages people to put thoughts and ideas on the table to help unlock everyone's potential.

"Being inclusive is about forming connections with people," said Amna, TIDN co-chair. "It's hard to put culture into words because it's intangible, but you can see and feel the diversity here."

The Association of ERGs and Councils' 2019 ERG and Council Honors Award recognized the TIDN for its management commitment, accountability and efforts to communicate and educate employees about inclusion and diversity.



Inclusion and diversity awards

- Forbes magazine's "America's Best Employers for Diversity."
- CAREERS and the disABLED magazine's "Top 50 Employers."
- Minority Engineer magazine, "Top 50 Employers," 8th year.
- National Association for Female Executives, "Top Companies for Executive Women," 15th consecutive year.
- Woman Engineer magazine, "Top 50 Employers."
- Working Mother magazine, "100 Best Companies for Working Mothers," 22nd year.
- Association of ERGs and Councils Honors Award.

Recruitment

Our ability to grow and thrive depends on recruiting and retaining the best talent in the industry. Candidates choose TI again and again because we offer:

- Exciting and impactful work across a number of markets, businesses and product lines.
- The opportunity to collaborate with the brightest minds in technology.
- Competitive pay and benefits packages designed to help our employees live their best lives.
- Career development opportunities where employees feel empowered to own their career paths.
- An inclusive and diverse culture where all employees can be themselves and bring their best to work.

Our recruiting strategy centers around hiring a large number of new college graduates; many start their TI careers in our global rotation programs. These programs offer new graduates hands-on, meaningful experiences from their very first day on the job, and provide training and development opportunities to quickly make an impact at TI. We offer internships around the world, which are our primary source for hiring entry-level talent into the global rotation programs.

TI recruits talent at female, underrepresented minority and LGBTQ+ events and meetings of associations such as:

- Asian American Engineer of the Year
- Hispanic Engineering Awards Achievement Ceremony
- National Black MBA Association
- Out in Science, Technology, Engineering and Math
- Grace Hopper Celebration of Women in Computing
- Society of Women Engineers/WE Local
- Society of Hispanic Professional Engineers
- Black Engineer of the Year Awards
- National Society of Black Engineers
- IEEE Women in Engineering Leadership
- National Black MBA Association
- National Association of Black Accountants
- Out & Equal

For highly specialized technical and business roles, we have a sourcing and hiring strategy for experienced candidates that helps us identify, network and recruit the best and brightest in the industry to come work at TI. We recruit from the states and countries where we operate, particularly for entry-level and managerial positions, and then train and develop employees for more advanced or senior roles.

Retention

Retaining employees with institutional knowledge, technical and operating expertise, and extensive relationships within our company is a top priority for TI. We recognize that retaining women and minorities, who are traditionally underrepresented in technology, is critical. We invest in these groups with tailored career development

plans and provide mentors who encourage their professional growth. Two examples of our efforts include:

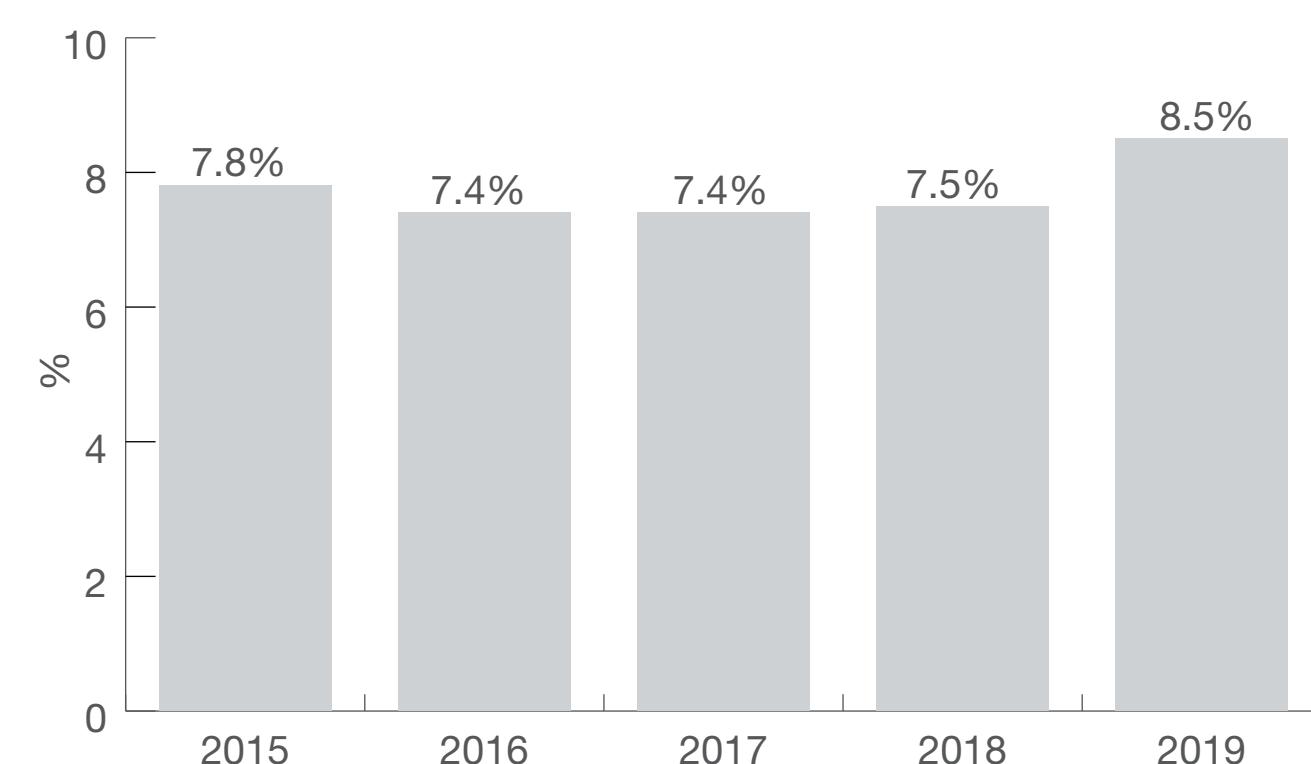
- Our Women for Technical Leadership program, which helps build a diverse talent pool of women with the intent to help them eventually become a business or technical leader at our company.
- Our Advancing Leadership initiative, which helps accelerate leadership capabilities for a diverse set of team leads or first-level managers to prepare them for a broader scope of responsibility.

We conduct pulse surveys quarterly to understand what's on our employees' minds and to gauge their job satisfaction and engagement in their work. In a recent survey:

- Around 90% of our employees said that their jobs provide them with interesting and challenging work.
- Approximately 90% said that they are proud to work at TI.
- About 95% know that they are contributing to the company's success.

We also use data analytics that allow us to track turnover by region so we can tailor initiatives for improvement. In 2019, turnover was 8.5%, up 1% from 2018, while 26% of our employees had worked at TI for more than 20 years.

Worldwide turnover



Development

At TI, employees own their career and development with the support of human resources, their managers, and programs and resources we provide. We invest in training and development programs to advance employees' learning in classrooms, online and through on-the-job stretch assignments. We encourage employees and managers to meet at least twice a year to discuss performance goals and career development.

Accelerating leader readiness

TI's Business Leader Development program accelerates readiness across all business organizations, with women making up 30% of participants. The program includes four interactive work sessions designed to give employees a deeper understanding of profit and loss leaders and culminates in a two-day business simulation exercise.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

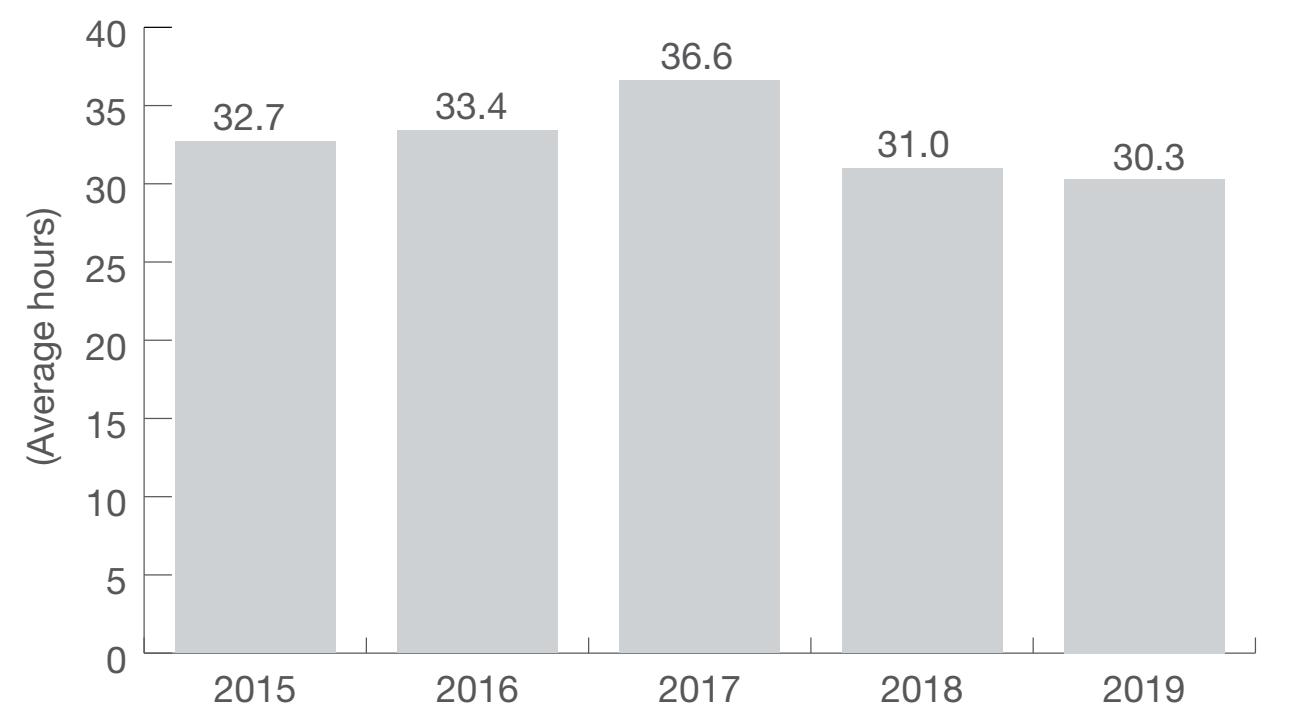
We have rigorous processes and tools for identifying and growing talent from within, enabling us to build critical talent pools and prepare potential leaders so that we have the right talent when leadership opportunities emerge. This includes:

- Leader assessments that help identify talent deeper in our organization and reduce biases in development opportunities.
- Biannual talent review discussions within each organization.
- Leader development programs for women, technical leaders and business leaders.

Leaders/managers

We help new supervisors, frontline managers and managers of managers effectively transition into their leadership roles through our LEADERSHIPmatters curriculum, and we offer high-potential employees on-demand learning to strengthen their leadership skills. We use 360-degree assessments and other development plans, online and hands-on learning, peer coaching, and teambuilding activities to enhance leadership skills, communication and collaboration.

Training per employee



Training hours in 2019 decreased slightly as a result of a new learning management system with enhanced tracking and assignments, and the retirement of some older and longer courses.

Technical development

The TI Tech Ladder, first introduced in 1968, is a technical career path with increasing levels of responsibility and influence on the company's technical direction. Titleholders are peer-elected based on demonstrated leadership, innovation and initiative to contribute to the company's goals.

We provide technical development for our engineers to improve their foundational skills and adapt their abilities to address changing technical needs. TIers also can participate in technical conferences, workshops, lectures and symposia.

Development programs for women

We sponsor selected TIers to participate in programs to prepare team leads, first-level managers and high-potential women for technical leadership and management roles. These include formal training and coaching to address opportunities for continued growth, including:

- Leadership America, an organization focused on equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- The International Women's Foundation, an organization for high-achieving women that aims to expand knowledge and skills, develop connections among female leaders, and cultivate the next generation of emerging female leaders.
- Leadership Texas, which provides educational and development opportunities to Texas women who seek to advance as leaders and expand their knowledge of the diverse dynamics, issues, challenges and opportunities impacting their work, personal lives and communities.
- TI's Women for Technical Leadership program, which is designed to inspire a more diverse pool of early- and mid-career talent and prepare them to join the ranks of our most prestigious technical community, the TI Tech Ladder. The one-year program consists of a mix of targeted experiences, customized training, personal coaching, and leadership insights and roundtables. In 2019, we saw a 71% increase – from 69 to 118 – of female applicants to the Technical Ladder, which recognizes and rewards elected members who make innovative contributions and demonstrate technical leadership.

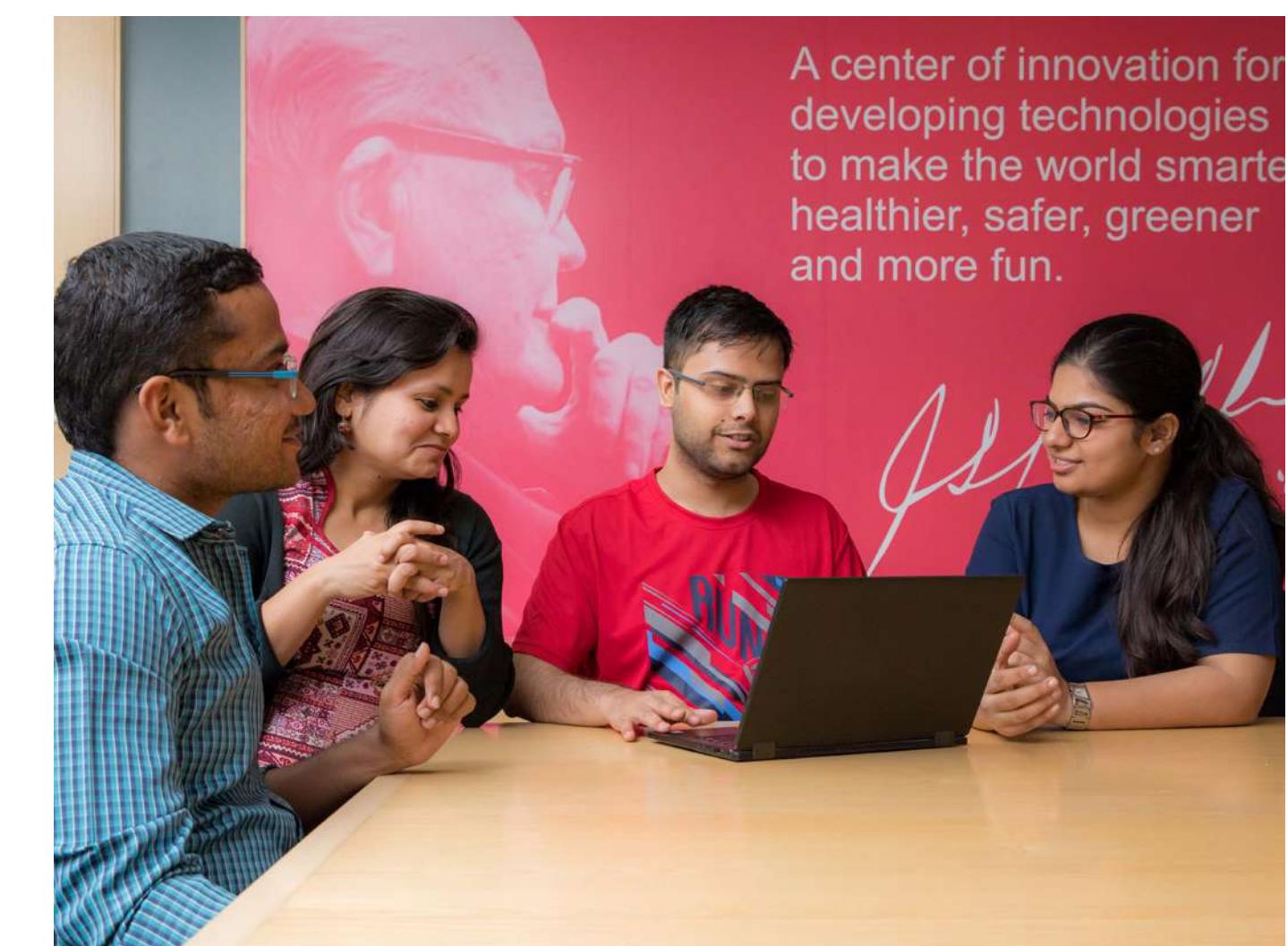
Recognized by the National Association of Female Executives (NAFE)

For 15 years, NAFE has recognized TI for its efforts to advance women's career paths, particularly female executives. We train managers to develop and promote women and have a formal executive succession planning program in place. In 2019, women comprised:

- 33% of our board of directors
- 13% of profit-and-loss positions
- 33% of direct reports to our CEO

Early Career Pivotal Learning Roles program

The Early Career Pivotal Learning Role (ECPLR) program is a 10-month program for selected early-career employees that gives participants the opportunity to learn a different role or new set of skills while working closely with leaders, technical experts and talent from across TI. The ECPLR program creates business impact by taking strong performers and matching them with high-impact problems, giving them the opportunity to find solutions and showcase their results.



Compensation

We offer competitive compensation and designed our compensation strategy to ensure that key talent, who will drive future growth, will remain with the company. Our compensation philosophy is based on pay for performance. Both the employee's contribution to our success and company performance determine an individual's compensation.

TI offers a global profit-sharing program that rewards all TIers across all levels of the organization for contributing to its financial success. TI makes payouts as a percent of eligible earnings based on profitability each year. Some countries where we have operations, such as France and Mexico, have statutory requirements for their profit-sharing programs, which we meet.

Our profit-sharing formula is based on profit from operations (PFO) and begins when TI reaches 10% PFO. The maximum payout is 20% when PFO reaches 35%. All TIers receive the same payout as a percentage of eligible earnings. The compensation and benefits we provide exceed or are in accordance with local laws. We do not maintain a standard entry-level wage for every country; however, we have verified that we pay employees above the local minimum wage in every country where we operate. For the last four years, our profit sharing plan has paid out at the maximum level possible, equating to a 20% bonus for all eligible employees.

Pay equity

We pay our employees fairly and equitably. TI has long been committed to competitive and equitable compensation regardless of gender, race, ethnicity or other protected characteristics, and we have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.

In 2019, we conducted a separate compensation analysis examining gender and race pay parity (including base, bonus and equity), that considered job type, job level and country. Our analysis confirmed that within the U.S. and worldwide, TI pays women as much as men, and in the U.S., TI pays minorities as much as nonminorities.



Work-life balance and resources

We believe that offering work-life support helps us attract, engage and retain top talent. Across TI, we offer a variety of work-life programs to reduce daily stressors that can interfere with workplace satisfaction and productivity. While initiatives and goals vary globally depending on specific work cultures and government-subsidized programs, examples include:

- Counseling sessions, on-demand resources and referrals for child care and elder care through our Employee Assistance program.
- Concierge services for vacation planning, making reservations or other personal transactions.
- Adoption support and reimbursement.
- Flexible work arrangements and the ability to work remotely.
- Discounted child care, seasonal children's camps and parent's night out events.
- Complimentary dry cleaning and packing services.

Work-life recognition

Working Mother magazine's "100 Best Companies for Working Mothers," 22nd year

In the U.S., TI supports families in a variety of ways, including:

- Parental leave: TI supports new parents with time off to bond with babies and recover from giving birth. New mothers and fathers receive four weeks of paid parental leave. Birth moms receive a total of 12 paid weeks of leave (eight weeks of paid maternity disability leave and four weeks of parental leave).
- Dependent care: TIers can contribute pre-tax money to pay for qualified dependent care expenses using their flexible spending account.
- Child care: We partner with the Learning Care Group to offer TIers a discount on early education and child care services, including before- and after-school programs and summer camps for children ages six weeks to 12 years old. This care network includes more than 900 U.S. locations.
- Private lactation rooms: To support new mothers returning to work, TI offers private lactation rooms equipped with a phone, comfortable seating, a refrigerator and a medical-grade pump.

Balancing work with life

Angela, an HR manager at TI and mother of two, feels she is a better parent because of work.

"You don't have to be perfect to be a great parent. I had to embrace the messiness and imperfection that comes with being a working parent. This has allowed me to have more realistic expectations, be flexible and ask for help. It's not easy to leave my kids and go to work every day, but I remind them and myself that it's important to work hard for the things you want to accomplish."

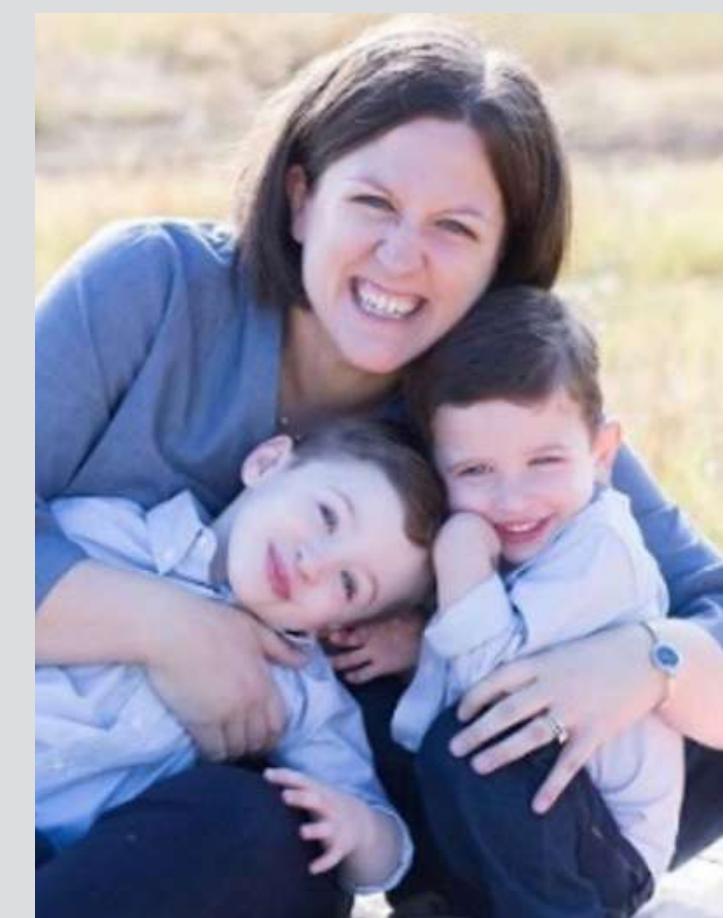


Table of contents

CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

EMPLOYEE SAFETY AND HEALTH

We believe that every workplace injury or illness is preventable, which is why we invest in and incorporate safe and healthy practices into our employees' daily routines. From building awareness to delivering specialized training and putting health and safety controls in place, we implement programs worldwide to reduce the risk for injury or illness.

Safety

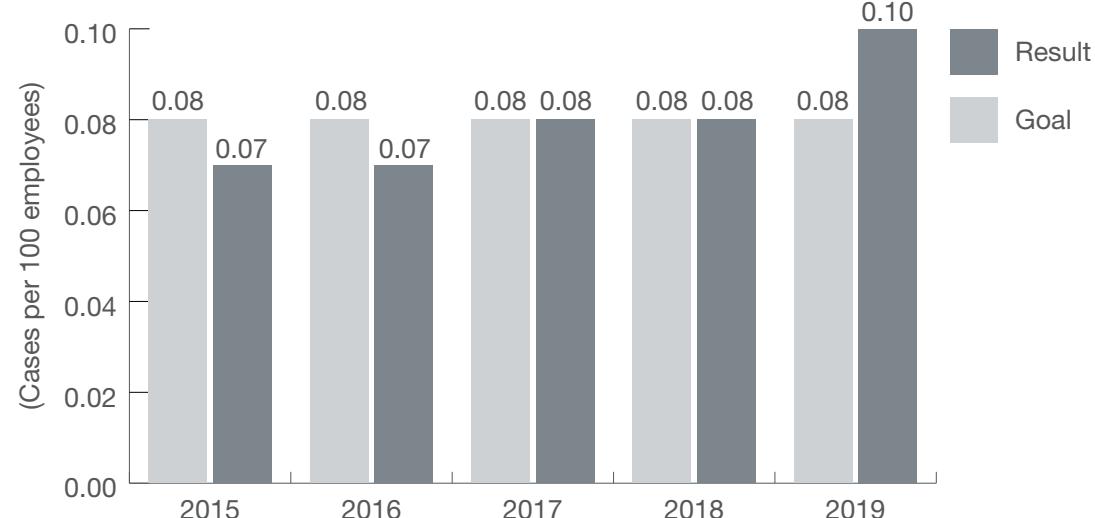
We have established and continue to champion a safety-oriented culture that includes implementing safety requirements and best practices globally to ensure a safe and healthy work environment for all of our employees. To maintain one of the industry's best safety records, we:

- Create and operate safe work sites and maintain proper safety protocols and controls.
- Design and build inherently safe buildings and engineer out equipment risks.
- Deliver relevant and required safety training.
- Inspect our equipment and continuously audit our processes to assess compliance and performance.
- Evaluate, screen and control the chemicals we use in manufacturing.

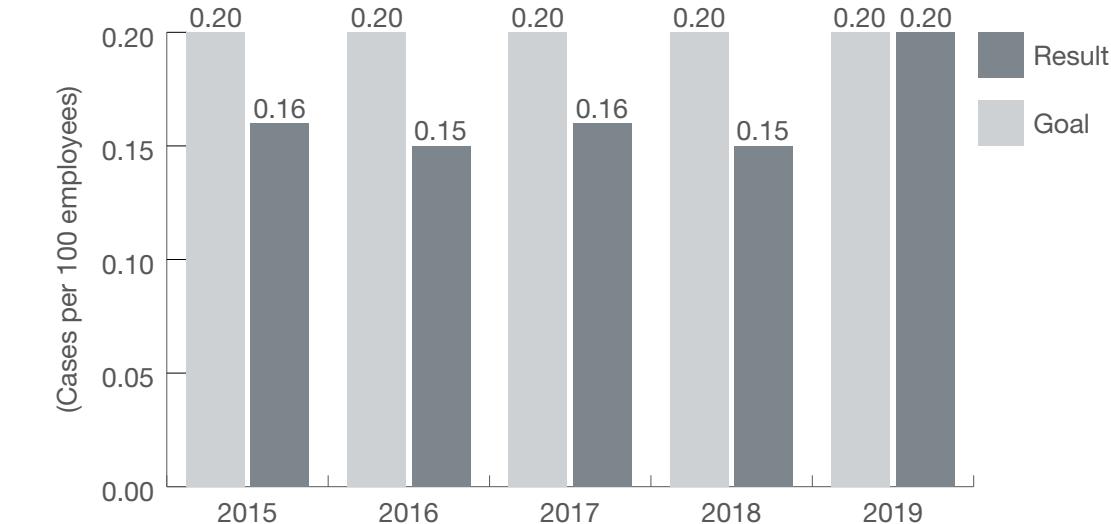
Globally, we aim to achieve zero work-related injuries and illnesses. We also set specific safety goals that include a days away, restricted or job transfer (DART) case rate of 0.08 or less, and a recordable case rate of 0.20 or less.

In 2019, we did not meet our DART goal because our reporting mechanisms became more robust and mature at some of our international locations, which led to more awareness and incident reports. Our DART and recordable rates continue to be the lowest within our industry. In 2018, industry averages were 0.3 for DART case rates and 1.2 for recordable case rates. 2019 industry data is not yet available.

Days away, restricted or job transfer (DART) rate



Recordable case rate



Occupational and general health

To reduce exposure to health risks, we eliminate or limit the use of potentially harmful materials, install ventilation and isolation controls, conduct general hygiene area and individual assessments, and require the use of and provide personal protective equipment where necessary and advisable. We also promote healthy lifestyles both at work and at home to make it easy for our employees to make healthy choices. For example, we:

- Conduct health assessments and provide preventive screenings and immunizations.
- Offer employee assistance programs, counseling and education services.
- Provide integrated disability case management associated with short- and long-term disability, workers' compensation, leave under the U.S. Family and Medical Leave Act, and any work- or non-work-related health concerns.
- Provide health and well-being information and improvement programs.

Additional health and safety data

Description	2018	2019
Recordable cases (employees)	0.15 (48 cases)	0.16 (48 cases)
Recordable cases (contractors) ¹⁴	0.36 (6 cases)	0.27 (5 cases)
Fatalities from work-related injuries (employees)	0	0
Fatalities from work-related injuries (contractors)	0	0
Fatalities from work-related illness (employees)	0	0
Fatalities from work-related illness (contractors)	0	0
High-consequence injuries (employees)	0.007 (2 cases)	0.007 (2 cases)
High-consequence injuries (contractors)	0	0
Hours worked (employees)	58,253,519	59,425,882
Hours worked (contractors only)	3,335,737	3,658,678
Recordable cases from work-related illness (employees)	4	9
Recordable cases from work-related illness (contractors)	1	0

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index



¹⁴ All references to contractors in this report refer to supplemental contractors.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Giving and volunteering



One of our three ambitions is to be a company that you'd be proud to be a part of, and one that you'd want as a neighbor. For decades, TI, the TI Foundation and Tlers have risen to the challenge and give generously of their time and money to impact the communities around us.



[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

INVESTING IN STEM EDUCATION

Our commitment to build equitable communities through the transformative power of education remains our highest giving and volunteering priority. TI has invested tens of millions of dollars of TI Foundation and company funds in programs and organizations that improve STEM learning outcomes for students experiencing significant educational disadvantages — either because of the color of their skin, their family's income level, their school district or where they live.

Equity in STEM learning

TI has a long history of supporting programs aimed at narrowing learning divides in the classroom, from introducing the Head Start program in the 1980s for pre-K children in one of the poorest neighborhoods in Dallas, to supporting programs that transform the STEM learning experience for underserved K-12 students in North Texas today. Recent contributions and support include:

- \$8.2 million in funding from the TI Foundation since 2012 to remodel the South Dallas Lancaster ISD (LISD) into a STEM district. LISD students, nearly 90% of whom come from economically disadvantaged homes and are 96% Black and Latinx, now outperform other North Texas students in math and science.

- A \$4.6 million multiyear grant from the TI Foundation to implement a K-12 “STEM for All” concept in a high school feeder pattern in the Richardson ISD for 16 schools and 10,000 students, 63% of whom are Black and Latinx, and 59% of whom are experiencing economic disadvantages.
- Long-time support for the National Math and Science Initiative’s College Readiness program, and STEM professional development and training programs for public school teachers and principal candidates.
- Financial support for Urban Teachers and Teach for America programs to recruit, train and retain effective math and science teachers.

TI’s STEM Squad tour

Our commitment to the classroom learning experience also includes volunteerism. TIers routinely engage with students at Richardson Independent School District’s (RISD) Hamilton Park Pacesetter Magnet to get them excited and confident about learning math and science, whether through TI “STEM Squads,” reading days, or after-school tutoring and mentoring.

Evaluating our impact

Over the past five years, TI and the TI Foundation have given more than \$150 million toward education in the U.S. Specific to STEM education, the TI Foundation alone has invested more than \$50 million between 2010 and 2019 in programs that improve learning outcomes and opportunities for students who have historically been underrepresented.

One example of an education initiative that we fund outside of the U.S. is TI Hope Schools, designed for students in rural and impoverished areas of China. We have invested in 10 schools through construction, classroom technology and employee volunteerism. Today, these schools are benefiting 48,000 students from the Sichuan, Hubei, Jiangxi and Shaanxi provinces.





Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace
Giving and volunteering

Global Reporting Initiative index

GIVING

Our people are at the heart of everything we do, and TIers across the world are generous with their time, resources and talents to invest and make a difference in their communities. To double the impact of our employee giving in the U.S., the TI Foundation¹⁵ offers a dollar-for-dollar match for U.S. employee and retiree donations – up to \$30,000 annually per person – to eligible nonprofit organizations.

2019 total giving impact: \$45.1 million

In 2019, TI and the TI Foundation gave \$31.7 million and employees donated \$13.4 million to support various education, community, and arts and culture organizations, including:

- \$23.1 million for education
- \$17.6 million for communities
- \$4.3 million for arts and culture

TI funds grants at major TI locations globally based on recommendations from employees, local needs and strategic fit. Each year, sites make funding decisions based on the resources available and the needs of their neighbors. Our giving efforts focus on three areas of community impact:

Education (global): We support programs that help remove barriers to education around the world. In the U.S., we specifically support programs that boost STEM learning for Black, Latinx and female students in under-resourced communities. We consider programs that:

- Enhance teacher and principal effectiveness toward the teaching and learning of STEM concepts for students who historically experience educational roadblocks.
- Improve student engagement and achievement in STEM curricula by providing innovative methods, programs and resources for teachers and classrooms.

Outside of the U.S., we focus our efforts on providing access to education, particularly in rural areas.

Basic human services (global): In the U.S., we consider programs that:

- Address basic needs, including disaster relief, hunger, homelessness and programs for at-risk youth.
- Enrich civic and business climates, resulting in positive community and economic impacts.

Other TI sites outside of the U.S. support organizations and causes that align with the company's values and address community desires.

Arts and culture (Dallas, Texas): We partner with arts and cultural organizations that enrich our headquarters community, making North Texas an attractive place to live and work. These include the Dallas Museum of Art, Dallas Black Dance Theatre, Dallas Children's Theater, Dallas Symphony Orchestra and Dallas Theater Center.

TI and TI Foundation giving (\$ millions)	2015	2016	2017	2018	2019
Education	\$19.36	\$18.70	\$22.83	\$20.23	\$20.11
Community investment	\$5.43	\$7.03	\$7.14	\$8.95	\$8.27
Arts and culture	\$2.20	\$2.68	\$3.44	\$4.19	\$3.28

Employee/retiree giving (\$ millions)	2015	2016	2017	2018	2019
Education	\$1.77	\$1.95	\$2.11	\$1.83	\$3.03
Community investment	\$3.82	\$4.12	\$2.65	\$6.85	\$9.35
Arts and culture	\$0.49	\$0.53	\$0.62	\$1.10	\$1.02

¹⁵ The TI Foundation is a separate 501(c)(3) organization for the U.S. only. A board comprising TI leaders meets quarterly to invest in impactful grants, primarily in North Texas, to organizations that help students from economically disadvantaged schools graduate from high school proficient in science and math; address basic human service needs; and strengthen arts and culture organizations in Dallas, Texas, home of TI's headquarters.

Making a difference in India

Like all public companies operating in India, the India Companies Act requires that TI file an annual report on corporate social responsibility activities. We have been active in Bangalore, India, and its surrounding communities for many years. We identify and vet nongovernmental organization partners that are helping us make a greater impact.

TI provides back-to-school resources for about 18,000 students in 130 schools in Bangalore and distant rural areas. Our company has adopted 16 schools where we provide in-depth support to about 2,000 students, including mentoring, computer labs, science labs, backup power supplies, smart classrooms and learning centers.

"If a child does not have food to eat, clean water to drink or access to basic education, we have to focus on that before we can help them learn STEM topics," said Aditya, who manages TI's corporate citizenship efforts in India.



Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index



VOLUNTEERING

TI employees around the world spend thousands of hours each year making a difference in their communities by volunteering time and talent as robotics coaches, science fair judges, mentors, tutors, college and career-planning advisers and camp coordinators. We provide resources and training to help our employees engage with students through classroom presentations and hands-on activities.

We align TI-sponsored volunteerism with two main areas of philanthropic focus: STEM education and the greatest community needs, including hunger, poverty and homelessness.

Teams around the world making a big impact

Across TI, we have more than 20 global Community Involvement teams who work with local organizations to identify key issues and the most effective ways to address them in their communities. TI has empowered these teams to make funding decisions based on available resources. Their work may range from organizing a volunteer event to recommending a financial grant.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

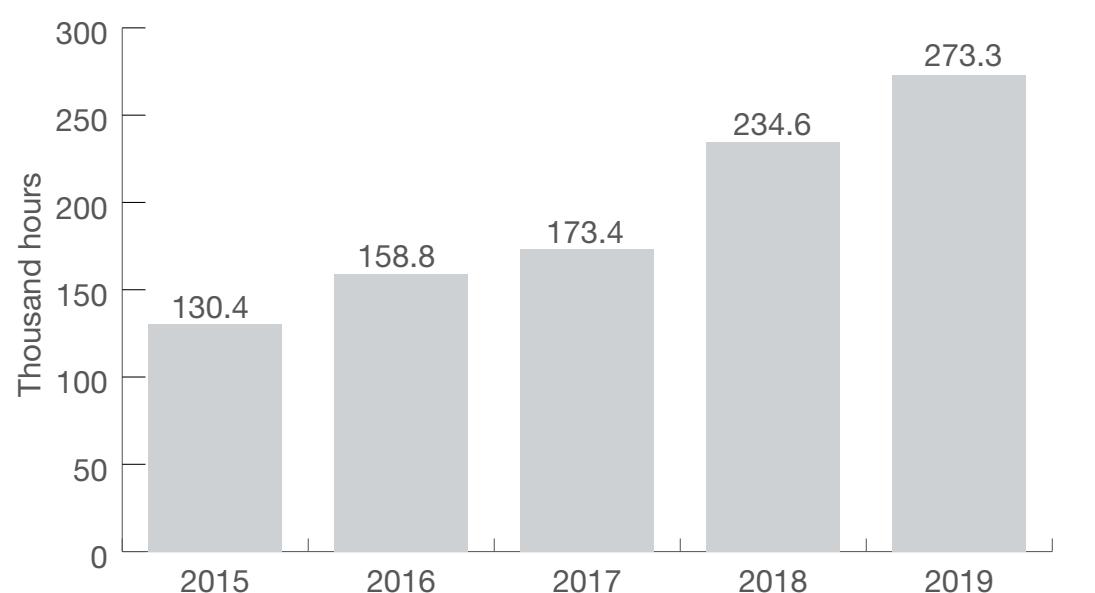
Global Reporting Initiative index

Honoring TIers for enriching their communities

We annually recognize two outstanding volunteers or teams with the TI Founders Community Impact Award, which includes a \$10,000 gift to the nonprofit(s) of their choice. Nine finalists also receive \$2,500 gifts for organizations they support.

In 2019, we honored Gina, an isolation marketing engineer, for her tireless efforts to eradicate a rare and terminal illness, Batten disease. After her young son was diagnosed with this disease, Gina and her husband Matt started Batten Hope, a nonprofit that raises funding and critical materials needed to start the first gene therapy clinical trial for Batten disease at the University of Texas Southwestern Medical Center and Children's Health, both located in Dallas. They have helped raise more than \$1.5 million to help families around the world affected by Batten disease. Gina used her \$10,000 grant for Batten Hope and its efforts to help advance clinical trials.

Volunteer hours



Value of volunteer hours¹⁶



¹⁶ The value is based on Independent Sector, which estimates the value of each volunteer hour in 2019 at \$27.20.





Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Notice regarding forward-looking statements

This communication includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe TI's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

For a more detailed discussion of these factors, see the Risk Factors discussion in the first quarter 2020 Form 10-Q filed with the SEC. The forward-looking statements included in this communication are made only as of the date of this communication, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

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Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Global Reporting Initiative index



TI reports using the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (GRI Standards) as guidance.

This table is an index of general and specific standard disclosures based on GRI guidance. The index provides a simple and standardized way to share information that is both relevant and important to TI and its stakeholders.

GENERAL DISCLOSURES

Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Indicator	Description	Disclosure
102-1	Name of the organization	Our company name is Texas Instruments Incorporated (NASDAQ: TXN).
102-2	Activities, brands, products and services	To learn more about our products, see SEC Form 10-K , Part I, pages 2-3.
102-3	Location of headquarters	Our headquarters is located at 12500 TI Boulevard, Dallas, Texas 75243.
102-4	Location of operations	See our global map on the TI at a glance section of our website.
102-5	Ownership and legal form	For information about our ownership structure, please refer to our SEC Form 10-K , Part I.
102-6	Markets served	For information about the markets we serve, see SEC Form 10-K , Part I, pages 4-5.
102-7	Scale of the organization	On Dec. 31, 2019, TI had 29,051 employees and manufacturing, design and sales operations in more than 30 countries. We have tens of thousands of products and generated \$14.38 billion in revenue (read more at SEC Form 10-K , Part I, Item 1, pages 2-12). The percentage of revenue by region was Asia (60%), Europe (19%), the Americas (13%), Japan (6%) and other (3%). We also have 10 wafer fabrication sites and seven assembly/test sites. Read more at SEC Form 10-K , Item 8, Note 1, page 30).
102-8	Information on employees and other workers	Please see employee data in the Workplace section of the 2019 TI Corporate Citizenship Report. TI does not track the number of employees by employment contract and our part-time workforce is negligible. Full-time employees do the majority of work and are supported by supplemental contractors when needed. The number of these contractors varies throughout the year.
102-9	Supply chain description	See Supply chain in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and our Anti-human trafficking statement . Roughly 80% of our procurement is done with approximately 300 suppliers, of which about 180 are critical to supporting semiconductor manufacturing. We define critical suppliers as those core to the supply strategy of a category procurement team and could cause a major disruption to make or design output. When needed, we outsource the manufacturing of wafers or product assembly and testing.
102-10	Significant changes to the organization and its supply chain	Over the past several years, we have been investing in new capabilities and evolving our distribution network to better align with our strategy to establish closer, more direct relationships with our customers. This gives us better insight into customer needs and allows us to provide better service and greater assurance of supply, among other benefits. As we expand these direct customer relationships over the next several years, we will have less business flowing through the distribution channel; therefore, we will require fewer distributors. TI made no significant changes to its size, structure, or ownership in 2019 and revenue decreased by 9%. For more information, see SEC Form 10-K , Item 1, page 5.
102-11	Precautionary principle or approach	To reduce or avoid negative impacts on the environment, we apply precautionary principles in many aspects of our operations where scientific evidence is insufficient or uncertain. For example, our aggressive chemical and material screening process assures that we do not use materials whose hazards are not understood and able to be controlled.
102-12	External initiatives	Our governance documents guide our business practices, which apply to all sites worldwide and evolve based on changing business needs. We also voluntarily subscribe to industry and international standards that seek to improve companies' environmental, social and governance performance, such as the International Organization for Standardization (ISO). These include the GRI's reporting framework to measure and report our citizenship progress; the Responsible Business Alliance (RBA), which has a specific code of conduct to help ensure worker safety, protection, fairness, environmental responsibility and business efficiency in the electronics industry; the U.S. Green Building Council's LEED Green Building Rating System to design and operate efficient and low-impact manufacturing facilities; and the CDP, which helps investors, companies and cities act to build a sustainable economy.
102-13	Membership of associations	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, such as the RBA and Semiconductor Industry Association, to advance policies that drive growth, promote competitiveness and support TI's shareholders, customers, employees and the communities in which we operate.

Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Indicator	Description	Disclosure
102-14	Statement from senior decision-maker	Read about our commitment to citizenship and sustainability in the CEO message of the 2019 TI Corporate Citizenship Report.
102-16	Values, principles, standards and norms of behavior	<p>TI published its first ethics guide in 1961, which is a historic foundation of our business practices. We recently launched Living our values – TI's Ambitions, Values and Code of Conduct, which describes our:</p> <ul style="list-style-type: none"> • Ambitions: what we desire and are determined to achieve • Values: principles that define who we are and how we behave • Code of conduct: standards we commit to uphold • Policies: rules to govern our decisions and behavior <p>TI's Living our values – TI's Ambitions, Values and Code of Conduct was developed by a core group of leaders with oversight, input and direction by our management committee and executive officers. It is signed by Rich Templeton, our chairman, president and CEO and all TI leaders are accountable for conducting business in accordance with it. Before this code was communicated company-wide, our CEO and senior vice president of HR held about 20 roundtables with top 500 leaders to equip, train and set expectations for how leaders lead and conduct business in accordance with our code of conduct. It is available in multiple languages.</p>
102-18	Governance structure	Read more about TI's governance structure, roles and responsibilities on our governance overview webpage .
102-30	Effectiveness of risk management processes	<p>See Risk management and business continuity in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our risk management and business continuity practices.</p> <p>TI takes a holistic approach to risk management to build a culture that minimizes risk exposures and protects shareholder value. TI's Audit Committee has oversight responsibility for financial risk (such as accounting, finance, internal controls and tax strategy). Oversight responsibility for compliance risk is shared by our board of directors committees.</p> <p>All TI organizations and teams are expected to identify potential risks to our employees, business practices and supply chain, as well as the environment. They conduct formal risk assessments and invest in controls that benefit our company, our customers and our communities. Findings are then validated and monitored until actions have been completed. Each quarter, we report risks and mitigation plans to senior management. Risks also are disclosed annually in our SEC Form 10-K.</p> <p>TI also has an independent Business Continuity Steering Team that oversees the company's business continuity strategy, policy, program and plans. Team members meet regularly to discuss risks, best practices and implementation plans and take a lead role if disruptive events occur. They also provide an annual update to the CFO. Customers may contact www.ti.com/support or their account managers with any risk-related questions, concerns or grievances.</p>
102-40	List of stakeholder groups	TI's stakeholders include employees, customers, shareholders, communities where we have operations, academia, public officials, trade associations, regulatory agencies, non-governmental organizations, analysts, investors, suppliers, contractors, TI retirees and potential employees.
102-41	Collective bargaining agreements	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; therefore, we do not track the percentage of employees covered by such agreements.
102-42	Identifying and selecting stakeholders	We engage with stakeholders who directly influence or have an interest in our operations.
102-43	Approach to stakeholder engagement	We tailor our dynamic engagement strategies, methodologies and communications to the unique interests of the people and organizations that directly influence or have an interest in our operations. Engagement mechanisms generally include meetings, calls and emails and vary in frequency. Our senior leaders regularly share stakeholder feedback on environmental, social and governance matters with the executive team and the board of directors. Stakeholders can ask questions or share opinions through our website, e-mail address and social media channels. Accounting- and audit-related topics are addressed through our accounting and audit hotline. All accounting- and audit-related inquiries received on the hotline are reported to the chair of the Audit Committee of our board of directors.

Indicator	Description	Disclosure
102-44	Key topics and concerns raised	Through informal engagement with stakeholders in 2019, we learned their top questions or issues were related to diversity and inclusion, energy use and renewable energy, water conservation and labor and human rights.
102-45	Entities included in consolidated financial statements	TI has two reportable segments: Analog and Embedded Processing. We report the results of our remaining business activities in Other (see SEC Form 10-K, Part I, Item 1, pages 2-3). This report covers environmental, social and governance topics for all TI-owned entities and facilities that are included in our financial statements.
102-46	Defining report content and topic boundaries	To determine the focus of this report, we formally assess stakeholders biannually and consult with our Citizenship Steering Team (CST). The CST is a cross-functional group of business leaders who contribute to and execute TI's citizenship strategy. Every two years, TI assesses inputs from multiple stakeholders, including senior management, employees, customers, suppliers, investors, community leaders and industry representatives to identify and better understand what our stakeholders believe are our most significant environmental, social and governance impacts. This feedback helps our company to respond to stakeholder concerns proactively. It also guides our corporate citizenship reporting by focusing on content on topics that matter most. The assessment is a four-part process: <ol style="list-style-type: none">1. Identify – We establish a universe of issues based on their applicability, stakeholder interest, industry challenges, what peers are focused on as well as sustainability trends. Members of our CST review and refine these topics before the assessment.2. Prioritize – We prioritize topics based on stakeholder feedback.3. Validate – We review and discuss findings and balance opposing views with our CST and leadership team.4. Integrate – We focus resources to manage the topics of most importance and transparently disclose progress being made in our Citizenship Report.
102-47	List of material topics	In 2019, we completed a stakeholder assessment to prioritize environmental, social and governance topics that are most important to TI and our stakeholders. The assessment included global peer benchmarking and surveying of managers/employees, suppliers, customers, community leaders and investors. After examining more than 50 issues, we categorized issues of importance to both TI and our stakeholders. Top topics include: <ul style="list-style-type: none">• Environmental impact (air and greenhouse gas emissions, energy consumption/use of renewable sources, water/wastewater)• Responsible manufacturing• Materials management• Citizenship (education engagement, volunteering and giving)• Diversity and inclusion• Our employees (recruitment and retention, development, compensation and work-life balance and resources)• Health and safety• Business continuity• Supply chain responsibility (including labor and human rights)• Conflict minerals• Ethics• Information protection• Public policy
102-48	Restatements of information	Any restatements of information are included in footnotes within our 2019 Corporate Citizenship report.
102-49	Changes in reporting	The 2019 TI Corporate Citizenship Report tells our citizenship story and elaborates on our goals and progress in key focus areas. We have restructured the information from last year to integrate our narrative, goals and results more clearly while still reporting in accordance with the Global Reporting Index (GRI) framework. For the 2019 report, we still believe GRI is relevant, but will continue to consider other frameworks and methodologies for future reports.
102-50	Reporting period	The reporting period covers the calendar year 2019.
102-51	Date of the most recent report	Our 2018 report was released in May 2019.
102-52	Reporting cycle	We release an annual citizenship report.
102-53	Contact point for questions regarding the report	For questions about citizenship at TI or this report, contact citizenshipfeedback@list.ti.com .
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This GRI Index contains information and data about TI's topic topics and directs readers to more information where applicable.
102-56	External assurance	We perform extensive internal due diligence to ensure the accuracy of the information and data presented in this report. We currently do not seek independent assurance of environmental, social or governance data. However, EY annually audits financial records of the TI Foundation.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

ECONOMIC STANDARDS

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	Learn more about TI's financial oversight and performance in our 2019 Annual report and proxy statement and SEC Form 10-K .
201-1	Direct economic value generated and distributed	Our Annual Report provides information about our financial performance. For our philanthropic contributions, see the Giving and volunteering section of the 2019 TI Corporate Citizenship Report.
201-2	Financial implications and other risks and opportunities due to climate change	We address implications of climate change by evaluating risks related to the changing climate such as severe weather, water availability, flooding and environmental threats. These broader climate change risks are evaluated by site and region. We invest capital in engineering controls that reduce operational and environmental impacts. Each manufacturing site's financial value is based on product revenue generated and its assets. Any potential revenue loss associated with a climate change or severe weather event generates a potential business interruption loss, which can be offset in part by insurance. TI's Risk Management and Business Continuity office reports companywide risks, such as those associated with climate change, to our chief financial officer.
201-3	Defined benefit plan obligations and other retirement plans	We have various employee retirement plans, including defined contribution, defined benefit and retiree health care benefit plans. Contributions to these plans meet or exceed all minimum funding requirements. For more information, see SEC Form 10-K , Item 8, Note 8, pages 44-49: Post Retirement Benefit Plans. For all U.S. employees (for those who choose to opt into and contribute to a 401(k), we match 100% of their contributions, up to 4% of annual eligible earnings. We match half of that for employees who also contribute to our pension plan. Also, eligible and highly compensated employees can defer a portion of their base pay, year-end bonus and profit-sharing. We offer a global profit-sharing program that rewards all eligible TIers for contributing to our financial success. Some countries, such as France and Mexico, have statutory requirements for their local profit-sharing programs, which we meet.
201-4	Financial assistance received from the government	TI receives 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 SEC Form 10-K Part II , Item 8, Note 4, pages 39-41 and our Tax Policy for additional details.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Market presence

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Employees in the Workplace section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our human resources (HR) leaders are responsible for developing compensation and hiring programs, protocols and processes. The Compensation Committee of TI's board of directors oversees compensation practices for executive personnel. The senior vice president (SVP) of HR and vice president (VP) of Compensation and Benefits oversee employee compensation. This oversight ensures compliance with relevant regulations and that awards are consistent with our values and tailored to the markets in which we operate. We conduct an in-depth analysis of our compensation system to look for any unexplained pay discrepancies and the reasons behind them. If we find disparities, we explore if factors such as market pay ranges, performance or experience support the difference; and if unjustified, we adjust. We offer several channels through which TIers and supplemental contractors can submit questions, concerns or grievances without fear of retaliation, including their supervisor, HR representative or anonymously through the Ethics and Compliance Office.
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	TI does not maintain a standard entry wage for every country; however, we have verified that we are paying employees above the local minimum wage in every country in which we operate. We compensate each employee based on their experience, roles and responsibilities regardless of gender, race, ethnicity or other protected characteristics.

Indicator	Description	Disclosure
202-2	The proportion of senior management hired from the local community	TI's strategy is to hire the best and brightest individuals to work at our company. We hire 99% of our employees in senior positions from the communities where we operate.

Procurement practices

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Management of our supply chain is led by our VP of Worldwide Procurement and Logistics, who reports directly to our CFO. Together, they oversee supply chain policies, performance and risk management. Our director of supply chain responsibility oversees supplier social responsibility and manages supplier diversity.
204-2*	The proportion of spending on U.S. minority and women-owned enterprises	We spent 10% of our U.S. procurement budget with minority and women-owned enterprises in 2019, exceeding our 8.5% goal.

Anti-corruption

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and Living our values – TI's ambitions, values and code of conduct to learn more about our management approach to anti-corruption. We assess all our manufacturing sites for corruption and ethics risks annually using the RBA's self-assessment tools. Additionally, we leverage an industry-leading anti-corruption and third-party management system to assess our external engagements.
205-1	Operations assessed for risks related to corruption	TI operates in China, India, Mexico, Malaysia, the Philippines and Russia/Eastern Europe, which are among countries considered at higher risk for corruption. The semiconductor industry, however, is relatively low risk compared to construction, extractive or other industries in which conducting business requires considerable interaction with government officials. We have policies in place and conduct specific, live training in the high-risk countries to address and mitigate these risks. We regularly assess both our worldwide manufacturing operations and our suppliers for risks related to corruption.
205-2	Communication and training about anti-corruption policies and procedures	TI provides ethics and compliance awareness training to all employees, vendors and third parties, including on anti-corruption topics. The training programs and related efforts are periodically assessed and revised to reflect legal changes and to support continuous compliance improvement.
205-3	Confirmed incidents of corruption and actions taken	Although recorded for internal review and action, we do not currently report such information to the public as it is confidential. We work to resolve any allegations related to corruption successfully and to take appropriate remedial measures.

Anti-competitive behavior

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and Living our values – TI's ambitions, values and code of conduct to learn more about our management approach to anti-competitive behavior.
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	For material legal proceedings involving TI, see SEC Form 10-K, page 15.

Table of contents

CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

ENVIRONMENTAL STANDARDS

Environment, safety and health (ESH)

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See ESH in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. We evaluate potential positive and negative impacts that a proposed project may have on a community by conducting environmental impact assessments before site selection.</p> <p>Our ESH management system facilitates the planning, execution, evaluation and management oversight of activities and strategies. Programs include extensive chemical and material screening, material sourcing, waste profiling and responsible recycling and disposal.</p> <p>To ensure our internal management system is effective, the Worldwide ESH Compliance Support Team and independent third parties perform audits at each facility at least every three years; in interim years, the facilities perform self-assessments. They examine compliance with legal and TI standards and training effectiveness. Additionally, we:</p> <ul style="list-style-type: none"> • Survey employees and external stakeholders. • Conduct legally required inspections and monitor incident rates. • Benchmark against the RBA's self-assessment questionnaire and its Code of Conduct, as well as against peers and members of the Semiconductor Industry Association. <p>We communicate gaps and best practices to other sites, so similar issues will not occur. Each manufacturing site also reports performance using a scorecard that measures energy use, chemical reduction and water efficiency. We share scorecards internally for transparency and best-practice awareness, and as an accountability mechanism. No significant adjustments have been made to our corporate-level ESH management system due to audit findings.</p> <p>Our ESH governance structure includes:</p> <ul style="list-style-type: none"> • Audit Committee, board of directors – Oversees internal controls, compliance and performance. • CFO/SVP of Technology and Manufacturing Group – Establishes and maintains effective ESH leadership, strategic direction and effective communication. • VP, Worldwide Facilities – Holds TI accountable for providing a safe, secure work environment. • VP, Worldwide ESH – Provides leadership, guidance and direction of ESH programs worldwide. • Worldwide ESH organization – Monitors performance and compliance. • Site/building ESH support – Advises and consults in all ESH activities, develops and documents programs to ensure compliance and assesses risks and controls. • Employees and supplemental contractors – Follow applicable ESH regulations, internal policies and standards, work area or assignment procedures, and take ownership of their safety and that of their coworkers. <p>We require 100% of our employees and supplemental contractors at all TI manufacturing and assembly/test sites to adhere to our management system requirements. Other personnel not managed by TI are responsible for following their companies' ESH management procedures as well as applicable regulatory requirements.</p> <p>We offer several channels through which internal and external stakeholders can submit ESH questions, concerns or grievances. All employees and supplemental contractors have "stop work" authority to remove themselves from work situations that they believe could cause injury, illness or environmental harm. They also can contact their supervisor, site ESH staff or anonymously contact the TI Ethics Office. Customers may contact www.ti.com/support and all other ESH-related inquiries can be directed to citizenshipfeedback@list.ti.com.</p>

Materials

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Materials management the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about our management approach. We track materials used at each site as well as progress against consumption goals.
301-2	Recycled input materials used	Most of the purchased materials required to manufacture our products are chemicals. Although most chemicals used in semiconductor processing must be ultra-pure, we collect and reuse oxide slurry at some of our sites. Where feasible, we also collect waste acids from our processes for reuse in abatement equipment.

[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Indicator	Description	Disclosure
301-3	Reclaimed products and their packaging materials	Currently, we are unable to determine the percentage of products reclaimed by product category by customers or end-users. TI participates in various recycling programs but cannot control how customers handle the semiconductors they place in their products, nor their products' end-of-life disposition. We provide detailed information about the substances used in their components so that customers can make informed decisions about end-of-life disposal.

Energy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about how we manage energy. We track energy use at each site as well as progress against consumption goals. Consumption data are calculated from sites that we financially control and that are larger than 50,000 square feet.
302-1	Energy consumption within the organization	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. TI does not sell any energy outside of our company.
302-3	Energy intensity	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. Our energy intensity ratio is 0.38. When calculating energy intensity, we divide the total energy consumption by the number of wafer chips (not including external manufacturing) produced each year. We then compare this to the 2005 baseline to report a ratio, which is based only on internal energy consumption. The energy types included in the ratio are natural gas, gasoline, diesel, electricity, propane, fuel oil, liquid petroleum gas and district heating.
302-4	Reduction of energy consumption	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. Energy conservation savings are based on electricity, fuel and heating projects. The basis for calculation is the estimated annualized reduction for each project and the total is reported as the sum of all the annualized savings estimates. For capital investments over \$50,000, the savings also are validated by taking additional measurements on pre- and post-project consumption.
302-5	Reductions in energy requirements of products and services	The energy required to operate a chip for a year can be as little as 0.15 watt-hours. TI also works to reduce energy use in our products and is often able to achieve a reduction of 7% over prior designs when implementing a new design that performs an equivalent function.

Water

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about water management. Our global water management standard outlines requirements of wastewater programs, sewage treatment programs, stormwater pollution prevention and water reduction activities at each TI site.</p> <p>Our VP of worldwide ESH oversees TI's water strategy, and site leaders monitor water use, compliance to quality standards and progress against consumption goals. We also monitor:</p> <ul style="list-style-type: none"> • Water restrictions and areas of water stress. • Wastewater discharges to ensure compliance is maintained. • Quarterly progress against water reduction goals. <p>TI ensures our management systems operate effectively by using online monitoring tools to track trends. We also routinely collect and analyze samples and conduct both internal and external audits. Additionally, we:</p> <ul style="list-style-type: none"> • Visually inspect wastewater treatment plants multiple times a day to ensure they are operating properly and are not leaking. • Periodically clean the plants and inspect the treatment basins for integrity. • Hire trained or certified operators as required.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Indicator	Description	Disclosure
303-1	Interactions with water as a shared resource	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about how TI interacts with water and works with stakeholders to water as a shared resource. There have not been water impacts directly attributed to our discharges and runoff at any TI site. We achieve this by maintaining compliance with discharge limits in our permits, following TI standards and ensuring sites follow good housekeeping practices to minimize exposure to water pathways.</p> <p>All of TI's main manufacturing and assembly/test facilities set annual water reduction goals based on projects that they have identified as part of our ongoing energy and water reduction program. Sites decide which projects to pursue based on a variety of factors, including economic payback and impact on process system stability and reliability. Public policy and water stress factor into these decisions indirectly. Both public policy and water stress impact the cost and availability of water, which makes water reductions more attractive from a payback standpoint or necessary for system reliability.</p>
303-2	Management of water discharge-related impacts	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about wastewater management. Minimum quality standards for effluents are set by local regulatory agencies and all TI sites manage to permissible limits. Some regulators incorporate sector-specific standards to set their requirements.</p> <p>We consider and monitor all receiving water bodies to ensure no negative impacts from our effluents and discharges. Our internal water management standard includes guidelines that ensure compliance with wastewater, stormwater and sewage discharge permits and other requirements. Sites monitor water quality and have procedures to manage spills or other abnormalities.</p> <p>We report wastewater discharges and the portion of the total water that is discharged through regulated wastewater treatment points to local, state, federal and international regulatory agencies.</p>
303-3	Water withdrawal	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report. Water is supplied from municipal sources and groundwater, plus a small amount of collected rainwater at our Richardson fabrication site in Texas. Consumption data are calculated from water utility bills at sites that we financially control and are larger than 50,000 square feet.</p>
303-4	Total water discharge and priority discharges of concern for which discharges are treated	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report for discharge data. Federal, state or local regulators create wastewater permits that define and determine priority substances that must meet discharge limits. We comply with these limits by treating water in onsite treatment plants, separating concentrated metals and solvents from waste streams and through other measures. TI did not receive any notices of violation for non-compliance with discharge limits in 2019.</p> <p>To anticipate substances that may be regulated in the future, TI participates in several industry workgroups. Together, we research and assess data of chemicals used in production using both standard sampling methodologies and analytical methods as well as those developed by member companies.</p>
303-5	Water consumption and storage	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report for consumption and storage data. Consumption data is typically calculated from total water usage as well as site-specific factors, such as evaporation, irrigation, boiler use or cooling tower use. We verify this data by examining site water balances and discharge flow rates from our wastewater and sewage treatment systems. TI reports water usage data to local, state, federal and international regulatory agencies.</p>

Biodiversity

Indicator	Description	Disclosure
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	<p>See Biodiversity in the Sustainability section of the 2019 TI Corporate Citizenship Report.</p>

Emissions

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Air emissions and Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about how we manage emissions.</p> <p>Our VP of Worldwide Facilities oversees climate change and air quality strategies. Our GHG strategy team – comprising internal environmental leaders and government relations staff, as well as legal, air quality, chemistry and energy experts – coordinates and manages climate change initiatives. Our business units and government relations organization also monitor government initiatives and incentives, as well as business opportunities. We also expect TIers to achieve targets appropriate to their function, including GHG reduction goals.</p> <p>We measure scope 1 and 2 GHG emissions from TI-owned or leased sites larger than 50,000 square feet, which accounts for 97% of our total square footage and more than 99% of our equivalent carbon dioxide (CO₂e) emissions. We do not report data from subcontractors, supplier manufacturing facilities or facilities smaller than 50,000 square feet.</p> <p>We conduct routine monitoring and audits to comply with air quality and GHG regulations and reporting requirements worldwide.</p>
305-1	Direct (Scope 1) GHG emissions	<p>See Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report. The gases included in the data calculation include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).</p> <p>We calculate Scope 1 GHG emissions using relevant guidelines from the Intergovernmental Panel on Climate Change and the U.S. Environmental Protection Agency (EPA), along with published emission factors. These include, but are not limited to, the EPA's Mandatory Reporting Rule, IPCC and eGRID. Our methodology includes accepted quantification methods, emission factors and global warming potential.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>See Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report and our response to 305-1. We have not made any significant changes in emissions that triggered recalculations of base year emissions. Our source of the emissions factors and the global warming potential rates used is the EPA's GHG MRR Final Rule. Scope 2 electricity emission factors are from the U.S. EPA eGRID for U.S. sites and the International Energy Agency for all international sites. All calculations for scope 2 emissions follow either US EPA MRR or IPCC Tier 2.</p>
305-4	GHG emissions intensity	<p>Our GHG emissions intensity ratio in 2019 was 0.36. We calculate this ratio using both scope 1 and scope 2 emissions, which include CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃, as the numerator and the number of chips produced within TI as the denominator. This ratio is then reported as a normalized value, where 2005 is 1.</p>
305-5	Reduction of GHG emissions	<p>TI's global scope 1 and scope 2 emissions decreased by 10.3% from 2018 to 2019 due to upgrading our processes to more efficient systems, a global industrywide reduction in loadings and the sale of our fabrication site in Greenock, Scotland. See greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report for more information about emission reductions.</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>A few refrigerant gases are stored for maintaining refrigeration systems for our chillers. Most R-22 refrigerant equipment has been phased out; however, in 2019, 177 lbs. of R-22 refrigerant was used due to a chiller leak.</p>
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	<p>See air emissions in the Sustainability section of the 2019 TI Corporate Citizenship Report for our U.S. emissions data.</p>

Effluents and waste

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>Information about how we manage effluents and waste can be found in the Sustainability section of the 2019 TI Corporate Citizenship Report, as well as in the Water and Material disclosure of management approach sections of this GRI Index.</p>

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Indicator	Description	Disclosure
306-1	Water discharge by quality and destination	See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship report for water discharge data. We treat water before discharge by neutralizing pH levels, using bio-treatment for domestic waste, and segregating other waste, solvents and metals. Some acid waste streams are segregated for either disposal, recovery or reuse. Water is not reused by other organizations, but our Richardson fab collects and reuses rainwater for irrigation.
306-2	Waste by type and disposal method	See Material management in the Sustainability section of the 2019 TI Corporate Citizenship report.
306-3	Significant spills	Zero significant spills occurred in 2019.
306-4	Transport of hazardous waste	We thoroughly vet and contract with established waste management firms to remove, transport and properly dispose of hazardous waste. Though the regulatory bodies in the countries where we operate differ on what materials they classify as hazardous waste, we do not treat, process, dispose of, import or export hazardous waste generated from our facilities. We also do not ship hazardous waste, as defined in the Basel Convention, across international boundaries.

Environmental compliance

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See ESH in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and in the ESH disclosure of management approach section of this GRI Index to learn more about how we manage environmental compliance.</p> <p>Oversight of compliance is led by:</p> <ul style="list-style-type: none"> • Audit Committee, board of directors – Oversees compliance efforts, risk assessment processes, and internal controls and performance. • CFO – Ensures capital allocation aligns with compliance strategies as well as business practices. • Senior executives – Establish and maintain strategic direction; ensure adherence to customer and regulatory requirements; monitor ESH risks; lead sustainability and ESH initiatives; and communicate performance expectations to the workforce and supplemental contractors. • Worldwide ESH and Procurement and Logistics organizations – Monitor ESH and supply chain compliance. • System and strategy teams – Conduct assessments to maintain compliance. • Site leaders – Develop and document programs to ensure compliance and assess risks and controls. • Employees/supplemental contractors – Follow applicable regulations, internal policies and standards, and work area or assignment procedures.
307-1	Non-compliance with environmental laws and regulations	TI received zero fines or sanctions for environmental noncompliance in 2019.

Supplier environmental assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our management approach.
308-2	Significant negative environmental impacts in the supply chain and actions taken	TI works with thousands of suppliers worldwide and communicates our expectations for responsible environmental performance. We assess strategic and high-risk suppliers against these and other criteria set by the RBA's Code of Conduct – as well as our policies and standards. In 2019, we evaluated more than 179 suppliers with 300 factory locations; our findings revealed no significant negative environmental impacts or issues of concern. As a result, no relationships were terminated.

SOCIAL STANDARDS

Employment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our HR leaders are responsible for developing the programs, protocols and processes that are essential for effective productivity. Specific responsibilities include:</p> <ul style="list-style-type: none"> • Executive compensation: The Compensation Committee of TI's board of directors oversees compensation practices relating to key personnel. • HR strategy: TI's SVP of HR establishes and maintains strategic direction and effective communication, and reports to our CEO. • Recruitment: The SVP of HR and director of Talent Acquisition oversee recruitment efforts. • Retention: Overall employee retention is the responsibility of managers, with support from HR. Site teams are responsible for implementing multi-faceted and tailored retention programs, and for complying with site-specific employment laws. • Diversity: The director of Diversity and Inclusion oversees these programs. • Development: The director of Talent Development is responsible for workforce training and development. <p>We offer several channels through which TIers and supplemental contractors can submit questions, concerns or grievances without fear of retaliation, including their supervisor, HR representative or anonymously through the Ethics Office. We also have multiple avenues to report work-related injuries, illnesses, hazards and risks to supervisors.</p> <p>Labor laws and regulations vary greatly outside the U.S. and many countries where TI operates offer government-provided benefits and other related programs. For example:</p> <ul style="list-style-type: none"> • Outside the U.S., recruiting efforts and programs are unique by country and region, based on local needs. We recruit from the states and countries where we operate, particularly for entry-level and managerial positions, and then train employees for more advanced or senior roles. • Work-life initiatives vary globally, depending on specific work cultures and government-subsidized programs. To refine work-life program offerings, we engage employees and audit our programs annually. This helps us close gaps, remain competitive within the industry and improve services where needed.
401-1	New employee hires and employee turnover by age, region and gender	TI hired 2,140 employees (excluding interns) in 2019. See retention in the Workplace section of the 2019 TI Corporate Citizenship Report for employee turnover data.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	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. Temporary or part-time employees on alternative work schedules less than 20 hours per week are not eligible for benefits.
401-3	Parental leave	We offer paid parental leave to 100% of part- and full-time male and female U.S. employees who are eligible for benefits. We do not track return-to-work and retention rates after parental leave. Outside the U.S., programs vary depending on the government programs offered.
401-4*	Employee tenure at the company by average years of service	The average employee tenure is as follows: <ul style="list-style-type: none"> • Less than 10 years: 50% • 10-20 years: 24% • More than 20 years: 26%

[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Labor/management relations

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment disclosure of management approach section of the GRI index, on the previous page, to learn about our management approach. Our HR leaders are responsible for developing the programs, protocols and processes that are essential for effective employee engagement and productivity.</p> <p>To keep communication channels open and gather and share business information with our teams, we use a variety of communications tools and platforms to facilitate open dialogue, share our expectations and reinforce our values. Our managers are the first to engage TIers, so we invest in their development and training to help them be stronger and foster a mentality that “we are in this together.”</p>
402-1	Minimum notice periods regarding operational changes	In the U.S., TI's policy is to provide 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

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Safety and health in the Workplace section of the 2019 TI Corporate Citizenship Report and the ESH disclosure of management approach section of this GRI Index to learn more about our ESH management approach.</p> <p>The Audit Committee of TI's board of directors oversees the management of the health and safety of our employees, supplemental contractors and visitors to our workplace. Our management approach includes several different elements:</p> <ul style="list-style-type: none"> • Our manufacturing sites have formal ESH committees, which include managers, ESH specialists and TIers. They work with site managers to oversee health and safety management systems. • Formal ESH committees at our manufacturing sites, which include managers, ESH specialists and TIers, oversee health and safety management systems. • Manufacturing and Assembly/Test Safety Councils are comprised of ESH and ergonomics representatives who drive a safety-focused manufacturing culture within our facilities. • Leadership at all levels support and reinforce consistent safety practices, including training and reporting. • Employees are responsible for completing applicable training and keeping their work environment healthy and safe. <p>To reinforce TI's commitment to the safety of our employees, we provide ongoing training so that employees prioritize safety and speak up about any potential hazards. Employees know to correct or report unsafe behaviors and conditions, follow procedures and wear personal protective equipment. We reinforce expectations regularly through safety campaigns, articles, posters and reminder emails.</p> <p>Every year, our ESH leadership team reviews key outcomes of the organization and determines areas of focus and opportunities for improvement. Through routine programs, facility self-assessments and audits, we assess potential safety and health risks and make corrections and improvements per our management system's processes, risk assessments and activities. All incidents are documented and reviewed by a central record-keeping review panel, who is tasked with ensuring the quality and accuracy of each injury investigation and its associated documentation.</p>
403-1	Occupational health and safety management system	<p>TI's safety and health management system – which is third-party certified to ISO 45001 requirements for occupational health and safety – identifies and controls hazards and risks, complies with applicable laws and regulations and investigates incidents and track actions through closure. The management system also provides programs, policies and tools that keep our workplace safe.</p> <p>We use the management system to record performance data; identify trends, weaknesses and hazards; and take steps to remedy flaws. It also ensures the quality of safety and occupational health services and facilitates workers' access to them. Through routine programs, facility self-assessments and audits, we regularly assess potential safety and health risks and make corrections and improvements. All incidents are documented in an electronic incident management system and are reviewed by a central recordkeeping review panel that is tasked with ensuring the quality and accuracy of each injury investigation and its associated documentation.</p>

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Table of contents
CEO letter
TI at a glance
Our commitment and report overview
Sustainability
Responsible business practices
Workplace
Giving and volunteering
Global Reporting Initiative index

Indicator	Description	Disclosure
403-2	Hazard identification, risk assessment and incident investigation	All TI sites are covered by an industrial hygiene program that is designed to identify, evaluate and control potential workplace hazards. We periodically conduct surveys and sampling of work areas, analyze and track this data to identify hazards and determine the risk of injury or illness. We manage TIers' mental and physical health holistically and create monitoring plans to assess progress. Collecting health data also helps us tailor interventions depending on our employees' unique needs. Following all investigations, site ESH leaders communicate lessons learned and corrective action plans to other sites and groups so others can avoid similar issues.
403-3	Occupational health services	See Safety and health in the Workplace section of the 2019 TI Corporate Citizenship Report to learn more about occupational health services. All TI sites are covered by an industrial hygiene program that is designed to identify, evaluate and control potential workplace hazards. The resources we provide TIers to take control of their health include free on-site immunization and preventive screening programs, fitness and nutrition programs, employee assistance programs, and counseling and education services. These provide immediate feedback to help TIers understand any lifestyle changes that are needed to improve their health. We support this effort at work through walking, weight management and smoking-cessation counseling, and our cafeterias offer healthy food choices. Our individual health management service provides coaching and oversight to improve employee well-being. It is offered to TIers who have experienced a significant medical event, have extended work absences, or who are dealing with multiple diagnoses, treatments and providers. Our benefit advocacy service helps estimate the costs of medical procedures and locate affordable and quality health providers as well. We periodically conduct surveys, sample work areas for potential hazards, and investigate the root causes of injuries or illness. We also offer resources to help TIers manage their mental and physical health and create monitoring plans to assess progress. Collecting health data also helps us design custom health improvement programs, depending on our employees' unique needs.
403-4	Worker participation, consultation and communication on occupational health and safety	TI sites have health and safety committees comprised of ESH staff, site management and employees that meet regularly regarding site-specific needs. We also consult with employees and supplemental contractors on various management system programs, training courses and hazard/risk assessments to encourage their input on ways we can address gaps, improve performance and proactively manage risks.
403-5	Worker training on occupational health and safety	We deliver occupational health and safety training per our management system to 100% of our employees and supplemental contractors. We tailor training that is specific to everyone's role and always reinforce our commitment to compliance, our robust ESH standards and our customers' performance expectations. Our training covers safety observations and reporting, procedures and policies and use of personal protective equipment. Employees are expected to share lessons learned and best practices to prevent future incidents and recognize and reinforce safe behavior. Turnkey suppliers are expected to provide health and safety training to their workers. They are responsible for following their companies' procedures as well as applicable regulatory requirements. TI offers guidance as needed.
403-6	Promotion of worker health	Please see TI's response to indicator 403-3 for more information about how we promote worker health.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Please see TI's response to indicator 403-1 and 403-3 for more information about mitigating health and safety impacts. Our Supplier Code of Conduct requires that our suppliers ensure working conditions are safe, and our Supplier Environmental and Social Responsibility Policy outlines our expectations for health, safety and environmental protection.
403-8	Workers covered by an occupational health and safety management system	TI's ESH management system covers 100% of our employees and supplemental contractors. Turnkey suppliers and non-TI managed workers are excluded, as those suppliers are expected to follow their companies' procedures as well as applicable regulatory requirements.
403-9	Work-related injuries	See Employee safety and health in the Workplace section of the 2019 TI Corporate Citizenship Report for injury data, which are calculated based on 200,000 hours worked. Personnel excluded from this calculation are temporary labor provided by turnkey suppliers or non-TI managed workers. The main types of injuries for employees and workers include overexertion/awkward posture/ergonomics; contact with an object (struck by/against); and fall on same level/slip/trip/loss of balance.
403-10	Work-related ill health	See Employee safety and health in the Workplace section of the 2019 TI Corporate Citizenship Report for ill health data. Personnel excluded from this calculation are temporary labor provided by turnkey suppliers or non-TI managed workers. The main types of employee ailments include overexertion, awkward posture and ergonomics. The hazards that caused or contributed to ailments in 2019 were ergonomics-related hazards and noise exposure. We corrected these by putting corrective and preventative measures in place to reduce strain on the body.

Training and education

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Development in the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment management approach in this GRI Index to learn more about our management approach. The SVP of HR oversees our development programs with the support of the director, Worldwide Talent Development.</p> <p>Throughout the year, TIers and their managers regularly discuss performance and development. We also monitor employees' understanding of their own goals and their managers' expectations through surveys. Instead of tracking formal performance reviews, we focus on the quality of the conversation. We believe this focus improves employees' performance and aligns their goals with our priorities.</p> <p>We track attendance in mandatory training programs to ensure compliance and assess training content to ensure it is accurate and relevant. Where needed, we work with facilitators and subject matter experts to improve program content. We also benchmark with training providers and other companies to ensure the effectiveness of our learning modalities.</p>
404-1	Average hours of training per year per employee	Employees globally received, on average, 30.3 hours of training in 2019.
404-2	Programs for upgrading employee skills and transition assistance programs	Employees take part in a variety of development opportunities throughout their careers. Learn more about our development programs in the Workplace section of the 2019 TI Corporate Citizenship Report.
404-3	Percentage of employees receiving regular performance and career development reviews	TI supports employees owning their development plans and does not track the number of employees receiving performance reviews. We have seen greater success in employee engagement, goal setting and alignment with the company priorities by instead encouraging better conversations between supervisors and employees and by providing access to online resources to guide these conversations. We regularly assess employees' understanding of their own goals and manager expectations. Employees and their managers may agree to more frequent reviews.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Diversity and equal opportunity

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure on management approach	<p>See Diversity and inclusion in the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment disclosure of management approach in this GRI Index to learn more about our management approach. The SVP of HR has overall responsibility for diversity and inclusion and is supported by our diversity and inclusion director.</p> <p>We ensure our recruiting efforts and workforce reflect the available pool of talent and measure participation in our diversity initiatives. We also monitor the number of concerns or grievances reported, benchmark our programs and strategies against our peers, and solicit feedback from minority organizations to determine where refinements are needed.</p>
405-1	Diversity of governance bodies and employees	See Governance in the Responsible business practices section of the 2019 Corporate Citizenship Report and Diversity and inclusion in the Workplace section to learn more about the diversity of our governing bodies and employees.
405-2	The ratio of basic salary and remuneration of women to men	<p>We pay our employees fairly and equitably. TI has long been committed to competitive and equitable compensation regardless of gender, race, ethnicity or other protected characteristics, and we have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.</p> <p>In 2019, we conducted a separate compensation analysis examining gender and race pay parity (including base, bonus and equity), that considered job type, job level and country. Our analysis confirmed that within the U.S. and worldwide, TI pays women as much as men, and in the U.S., TI pays minorities as much as nonminorities. See compensation in the Workplace section of the 2019 Corporate Citizenship Report for more information.</p>

Nondiscrimination

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Diversity and inclusion in the Workplace section of the 2019 TI Corporate Citizenship Report, the Employment disclosure of management approach in this GRI Index, Living our values – TI's ambitions, values and code of conduct and our Equal Opportunity Employment Policy to learn more about our nondiscrimination standards.</p> <p>We ensure our recruiting efforts and workforce reflects the available pool of talent and measure participation in our diversity initiatives. We also monitor the number of concerns or grievances reported, benchmark our programs and strategies against our peers, and solicit feedback from minority organizations to determine where refinements are needed.</p>
406-1	Incidents of discrimination and corrective actions taken	<p>Although we compile discrimination allegations for internal review and action, we do not currently report this information since we consider it confidential.</p> <p>We work to resolve any inquiries related to discrimination successfully and to take appropriate remedial measures.</p>

Human rights security practices

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See human rights in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our management approach.
410-1	Security personnel trained in human rights policies or procedures	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% of our security personnel.

Human rights assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See human rights in the Responsible business practices section of the 2019 TI Corporate Citizenship Report.</p> <p>The Audit Committee of our board of directors oversees human and labor rights-related efforts. Our ethics director updates committee members on human rights-related issues annually. If a serious violation occurs between board meetings, the chief compliance officer or the Ethics Office promptly notifies the Audit Committee chair. We require all of our worldwide manufacturing sites to complete third-party self-assessment questionnaires that include a focus on human rights practices. In addition to yearly self-assessment questionnaires completed by all of our manufacturing sites, audits of select sites for human rights risks are conducted internally by TI personnel and externally by independent third-party auditors. In those third-party audits of our facilities, we have encountered no priority findings on human rights.</p> <p>We use our own business practices statement and TI Code of Conduct, along with our membership in organizations such as the RBA, as reference points for our approach to managing human rights issues.</p> <p>We have policies that address diversity and nondiscrimination, workplace safety, child labor, forced labor and human trafficking, working hours and minimum wages, and data privacy. Additional policies guide our actions in specific areas, such as supply chain, environmental health and safety, and privacy.</p> <p>We have several operating procedures in place to safeguard the rights of employees, suppliers and contractors, including labor standards, training and awareness-building practices, freedom to associate and incident reporting tools.</p>
412-1	Operations that have been subject to human rights reviews or impact assessments	TI successfully audited two factory operations for human rights as part of our RBA-validated audit process. We assessed 100% of our worldwide manufacturing sites using RBA's self-assessment tools.

[Table of contents](#)

[CEO letter](#)

[TI at a glance](#)

[Our commitment and report overview](#)

[Sustainability](#)

[Responsible business practices](#)

[Workplace](#)

[Giving and volunteering](#)

[Global Reporting Initiative index](#)

Indicator	Description	Disclosure
412-2	Employee training on human rights policies or procedures	<p>Our sites are required to build awareness of human rights among employees, identify risks and put processes in place to manage them. Any individual's noncompliance with our standards and related labor laws is not tolerated and will result in corrective action, including termination. Site management and human resources personnel monitor and enforce appropriate behavior.</p> <p>We provide training modules related to human rights, ethics and compliance to help managers, security personnel and TIers worldwide – including those in higher-risk countries where we operate. This training helps create and maintain a respectful, humane and nondiscriminatory workplace. Training programs cover topics such as cross-cultural awareness, bullying, security and human rights risks.</p> <p>All employees receive training and guidance on TI's values and ethics, specifically as it relates to integrity and respect in the workplace. In 2019, we provided code of conduct training, which addresses human rights and methods for reporting concerns, to all employees globally.</p>

Local communities

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Giving and volunteering section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our VP with responsibility for corporate citizenship oversees our education, philanthropy and volunteerism programs. Annual updates are provided to the board of director's Governance and Stockholder Relations Committee. The TI Foundation is a separate nonprofit organization; its board meets quarterly and reviews education-related grants in the first quarter of each year.</p> <p>Stakeholders who have questions or concerns about our community, philanthropy and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office. Organizations that want more information about our education grants can contact giving@ti.com. More information about our programs and technologies can be found at ti.com/stem and education.ti.com.</p> <p>We track the effectiveness of our community investment programs, volunteer participation and solicit feedback from employees and nonprofits we serve. This helps us assess our impact and expenditures and make refinements where needed. In support of our Matching Gifts program, we also track employee financial contributions and volunteer hours using an online management system.</p> <p>In the U.S., we have coordinated volunteer projects with the United Way and its service provider agencies since the early 1960s. Outside America, TIers support various causes and organizations, from the Hope School in China to the India Science and Technology Quiz.</p>
413-1	Operations with local community engagement, impact assessments and development programs	<p>TI does not conduct formal community impact assessments because our sites are in existing industrial areas that do not negatively impact vulnerable populations. We assess environmental impacts and risks at all sites. At each of our sites, we engage with community leaders to identify local needs so that we may support them through corporate, TI Foundation and employee giving as well as by providing volunteers (see the Giving and volunteering section of the 2019 TI Corporate Citizenship Report to learn more).</p> <p>Stakeholders who have questions or concerns about our community, philanthropy and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office.</p>
413-2	Operations with significant actual and potential negative impacts on local communities	<p>TI announced in January 2020 the closure of two, 150-millimeter wafer production sites in North Texas over the next three to five years. Each facility, which is more than 50 years old, has about 500 employees. While there are no immediate changes to staffing, we will transfer many of the workers to other Dallas-area manufacturing sites. Those who do not get new roles will receive severance packages and transition assistance.</p>

Supplier social assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and our Anti-human trafficking statement to learn more about supplier social assessments.
414-1	Percentage of new suppliers that were screened using social criteria	We do not have a process to track the percentage of new suppliers being screened. However, we do screen any new supplier that is deemed critical or provides on-site services to our factories.
414-2	Significant negative social impacts in the supply chain and actions taken	See our Anti-human trafficking statement for more information about how we manage social impacts in our supply chain. In 2019, we assessed 179 suppliers with 300 factory locations and our findings revealed no significant negative social impacts or issues of concern. As a result, no relationships were terminated.

Public policy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Public policy in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn about our management approach. The vice president of Worldwide Government Relations provides a written quarterly update of government relations activities and progress to our leadership team and board of directors, and also makes a formal presentation to the board's Governance and Stockholders Relations Committee annually. Political activities and contributions reflect U.S. activity only. Employees and other stakeholders can contact our vice president of Worldwide Government Relations or the TI Ethics Office with any questions.
415-1	Political contributions	TI's political activities and contributions reflect U.S. activity only. We do not make political contributions in any country outside the U.S.

Marketing and labeling

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Responsible manufacturing in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Overseeing product responsibility at TI includes: <ul style="list-style-type: none">• Audit Committee, TI's board of directors: Oversees internal controls, compliance and performance.• CFO: Ensures that capital allocation for product development, manufacturing and sales align with TI's strategies.• SVPs of each business line: Ensures new designs and current products meet customer and regulatory requirements.
417-1	Requirements for product and service information and labeling	Both our customers and the countries where we operate have different label requirements based on the type of materials shipped to ensure they meet substance restrictions and other requirements. For example, to consolidate global regulatory substance information for semiconductor products, packing labels meet the combined efforts of the IPC-Association Connecting Electronics Industries and the Joint Electronic Device Engineering Council J-STD-609, along with the Chinese chasing arrow symbol. It is our ongoing objective to comply with these ever-changing regulations and import/export laws while still ensuring the timely delivery of our products. By default, we use TI standard labels and create custom labels per customer requirements if needed. We share information on the possible environmental and social impacts of our products on our Eco-Info page and in our product content tool . We also provide applicable safety information in our product literature. Our Restricted Chemicals and Materials program requires material suppliers and external manufacturing to provide appropriate information for TI to assess compliance with restricted chemicals and materials requirements at least annually. We assess and indicate on our labels and through our website the compliance status of integrated circuit components to all known regulatory and industry requirements.

[Table of contents](#)

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Customer privacy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Information protection in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our chief information officer oversees information protection and we have governance and compliance structures in place to ensure issues are elevated and addressed:</p> <ul style="list-style-type: none"> • Senior leaders from major business units and support entities review current cybersecurity threats, assist in prioritizing security actions and help build awareness and support within their organizations. • Our Confidential Information Protection Council focuses on ensuring that confidential information and trade secrets are appropriately classified and protected. • Our Privacy Committee, comprised of cross-organizational representatives, helps ensure appropriate protection of personally identifiable information of TIers, customers and business partners. <p>If employees identify potential threats or have questions or concerns about IT security, we have internal channels in place to assist them. Customers and suppliers also can contact us directly if needed through their account managers and other channels.</p> <p>We regularly review and test our controls to ensure protections are functioning as they should. We do this by conducting external penetration tests, internal vulnerability assessments and audits at the site and business level. We also evaluate our practices against industry standards and vet with external experts. We address any identified deficiencies.</p>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Although recorded for internal review and action, we currently do not report privacy complaints or breach incidents publicly since we consider such information confidential.

Table of contents

CEO letter

TI at a glance

Our commitment and report overview

Sustainability

Responsible business practices

Workplace

Giving and volunteering

Global Reporting Initiative index

Socioeconomic compliance

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach.
419-1	Non-compliance with laws and regulations in the social and economic area	TI received zero material fines and non-monetary sanctions related to social and economic issues in 2019.

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