

2020 CORPORATE CITIZENSHIP REPORT



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Rich Templeton,
Chairman, President and CEO

CEO letter

Our founders had the foresight to know that 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 benefit.

We take pride in our commitment to being a good corporate citizen – including environmental, social

and governance (ESG) and sustainability priorities – which impact our communities and the world in two ways:

- Our ambitions guide how we run our business and are foundational to ensuring that we operate in a sustainable, socially thoughtful and environmentally responsible manner. Central to these ambitions is a belief that in order for all stakeholders to benefit, the company must grow stronger over the long term.
- Semiconductors are and will continue to play a critical role in creating a better world and helping reduce environmental impacts. Semiconductors reduce energy consumption by making electric motors smarter, electrifying vehicles for a cleaner environment, and preserving natural resources by sensing water and gas leaks. For decades, we have operated with a passion to create a better world by making electronics more affordable through semiconductors. Our passion is alive today and is central to the growing list of the ways in which semiconductors help create a better world.

During 2020, a year impacted by COVID-19, with our ambitions as our guide, we focused on the safety and well-being of our employees, supporting the needs of our customers and caring for our communities by responding to the impact of the pandemic. Our ambitions serve us well in all environments but did so most notably during the uncertainty that many companies experienced last year.

Here are a few highlights from 2020 that mark the progress and continuous improvements in our corporate citizenship, social, environmental and sustainability priorities. We:

- Supported our employees personally and professionally during the COVID-19 pandemic, according to the unique needs of each location, by offering benefits such as four weeks of additional paid time off for those who had related personal situations they needed to address, extended leave benefits for any employee who tested positive for the virus, and additional resources for employees' mental well-being.
- Donated (in partnership with the TI Foundation, TI employees and retirees) nearly \$50 million to support needs in our communities, including more than \$16 million to education and more than \$10 million to COVID-19 relief efforts.
- Reduced our greenhouse gas (GHG) emissions 22.4% from 2015 to 2020 (exceeding our 15% reduction goal) and set a new, five-year GHG emissions reduction goal.
- Reduced our water usage 4.4% versus the previous year, exceeding our water conservation goal of 2.6%.
- Reused or recycled nearly 90% of our waste and surplus materials.
- Received a 100% rating from the Human Rights Campaign Corporate Equality Index for the fifth year in a row.
- Received recognition for the 16th year in a row by from the National Association of Female Executives for efforts to advance women.

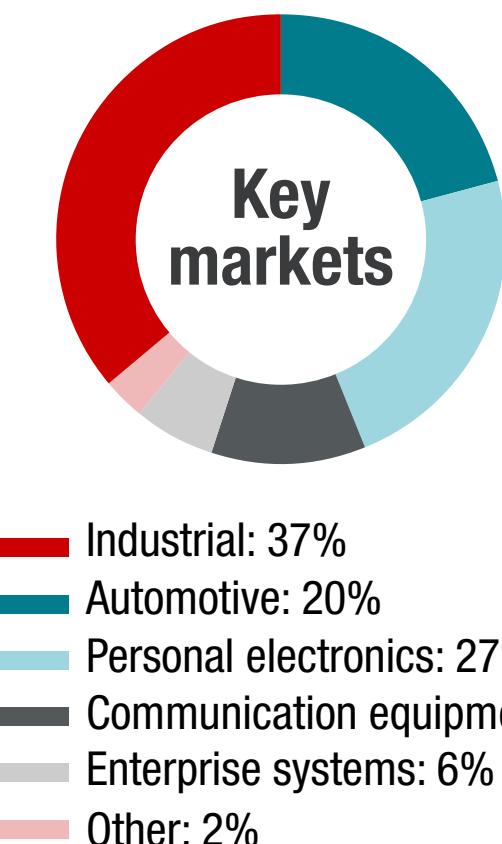
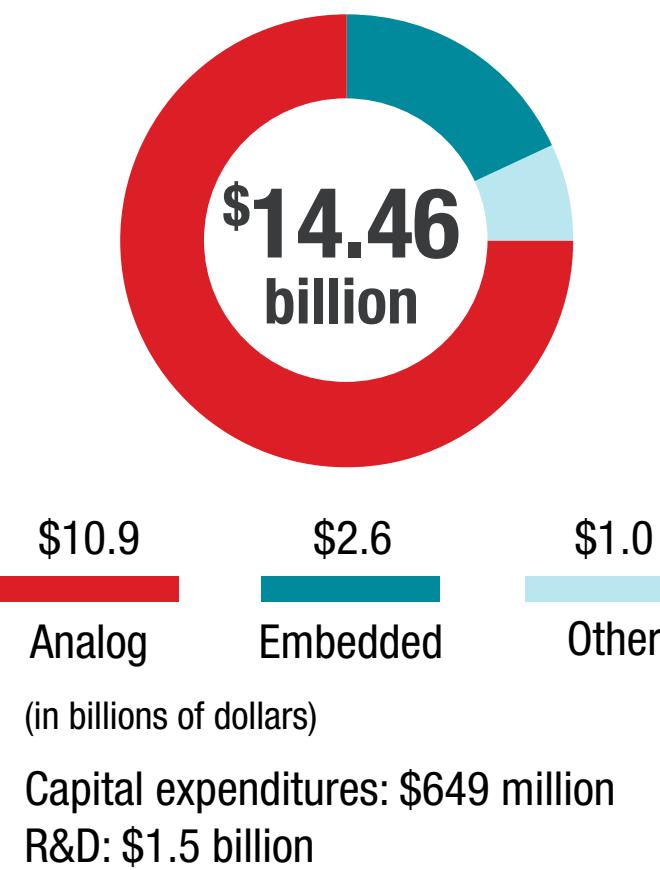
The progress that we share in our 2020 Corporate Citizenship Report underscores our unwavering commitment to being a good corporate citizen. With our ambitions guiding our decision-making and our products helping create a better world, we are confident that our collective efforts will be impactful and long-lasting.

Rich Templeton

Chairman, President and CEO

TI at a glance

- Founded in 1930.
- Headquartered in Dallas, Texas.
- Publicly traded (Nasdaq: TXN).
- Richard K. Templeton is chairman, president and CEO.
- About 30,000 employees:
 - 12,000 in the Americas.
 - 16,000 in Asia-Pacific.
 - 2,000 in Europe.
- 14 manufacturing sites worldwide, producing tens of billions of chips each year.
- ~ 80,000 products for over 100,000 customers.
- Industrial and automotive, the markets with the best opportunities for our products, made up 57% of our 2020 revenue.



Major worldwide locations¹

TI headquarters

Dallas, Texas

Design sites

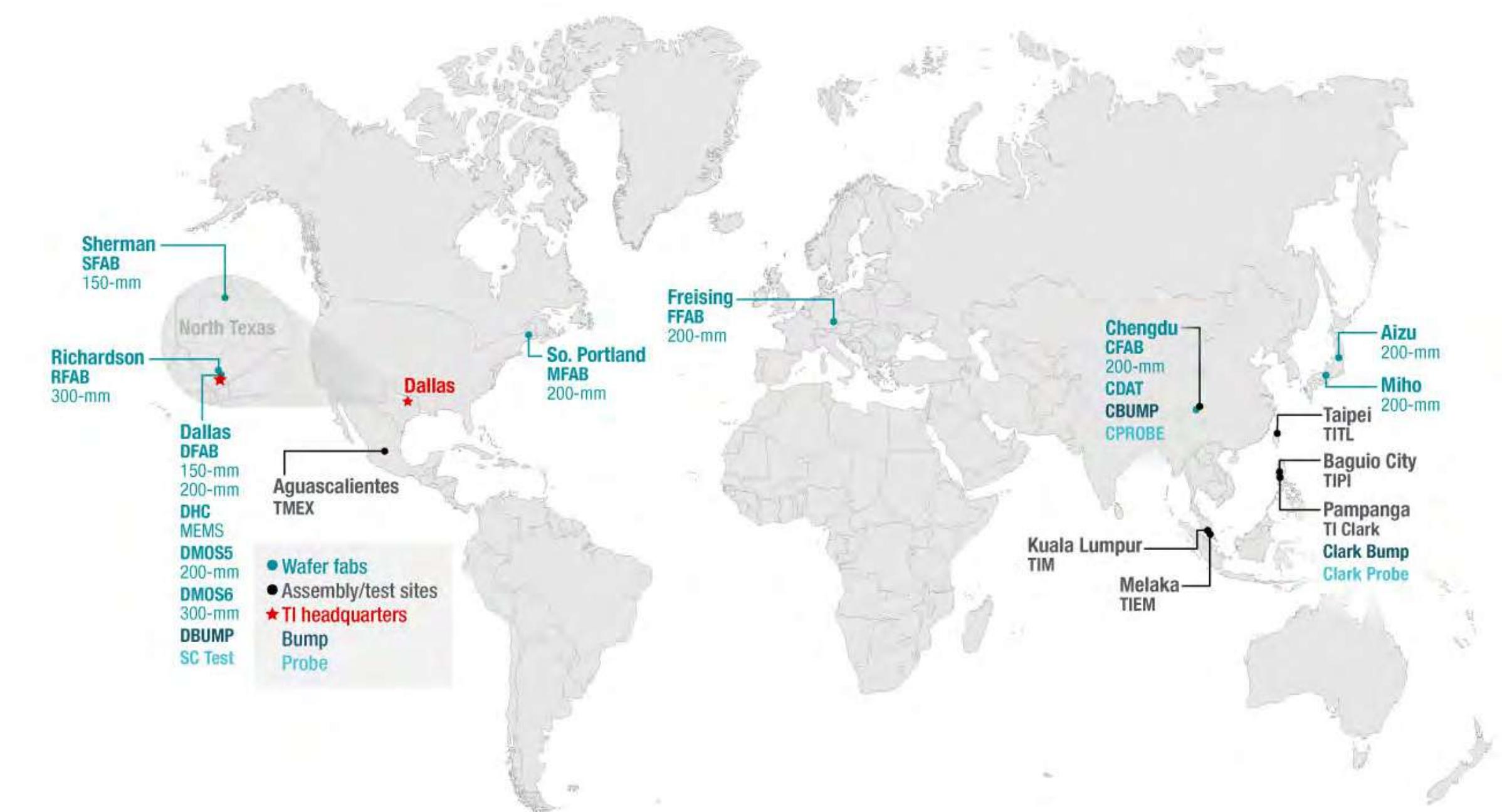
Dallas, Texas
Bangalore, India
Santa Clara, California
Shanghai, China
Shenzhen, China
Sugar Land, Texas
Taipei, Taiwan
Tokyo, Japan
Tucson, Arizona

Manufacturing sites

Dallas, Texas
Aguascalientes, Mexico
Aizuwakamatsu, Japan
Baguio, Philippines
Chengdu, China
Freising, Germany
Kuala Lumpur, Malaysia
Melaka, Malaysia
Miho, Japan
New Taipei City, Taiwan
Pampanga, Philippines
Richardson, Texas

Sherman, Texas
South Portland, Maine

- Wafer fabs
- Assembly/test sites
- ★ TI headquarters
- Bump Probe



¹ TI defines 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, 2020.

Our commitment and report overview

Texas Instruments (TI) has a long-standing commitment to being a good corporate citizen, including a focus on environmental, social and governance (ESG) and sustainability priorities. As with previous years, our 2020 Corporate Citizenship Report provides insight into how we think about – and how we perform – in various ESG areas relevant to our business.

The foundation of our approach to corporate citizenship is a belief that for all stakeholders to benefit, the company must grow stronger over the long term. Our ambitions guide how we run our business and are foundational to ensure that we operate in a socially thoughtful and environmentally responsible manner. They state that:

- We will act like owners who will own the company for decades.
- We will adapt and succeed in an ever-changing world.
- 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 benefit.

For many years, TI has been disclosing ESG strategies, programs and performance using the reporting frameworks developed by the [Global Reporting Initiative \(GRI\)](#)² and the [CDP](#)³. In 2020, TI also adopted the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#)⁴ and the [Sustainability Accounting Standards Board \(SASB\)](#)⁵ reporting frameworks.

We solicit input from internal and external stakeholders throughout the year through regular engagement. We also examine third-party sustainability assessments and benchmark disclosure trends and best practices. We then compare these inputs to our company priorities to determine what topics and disclosures to include in our annual Corporate Citizenship Report.



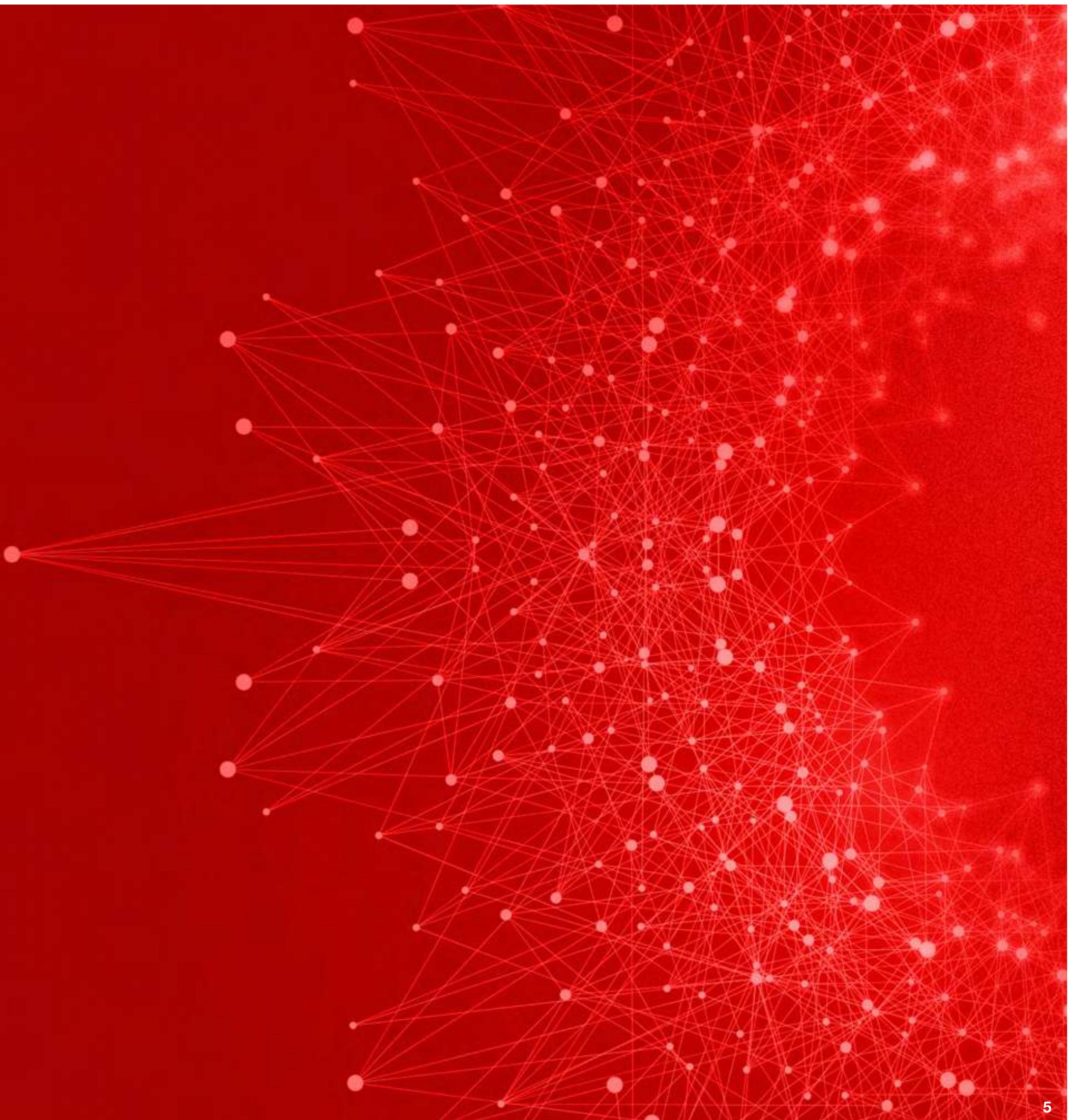
² The GRI is an independent, international organization that helps businesses take responsibility for their impacts by providing them with a global common language to communicate those impacts.

³ The CDP is a nonprofit that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

⁴ The Financial Stability Board established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit and insurance underwriting decisions.

⁵ The SASB is an independent nonprofit organization that sets standards to guide the disclosure of sustainability information by companies to their investors.

Sustainability and environmental impact



Sustainability and environmental impact

We produce about 40 billion semiconductor chips annually across approximately 80,000 different products and deliver them to more than 100,000 customers around the world every year. For decades we have invested in building a lasting stewardship program that conserves natural resources, reduces consumption and mitigates environmental impacts of our operations.

To continuously improve our environment, safety and health (ESH) performance, we set goals to make our manufacturing processes water- and energy-efficient, and we reuse and recycle materials across all operations. Each year, we invest in controls – from personal protective equipment, to emissions abatement, to water treatment technologies – to protect TIers, community and the environment from harm.

Our ESH management system meets certification requirements set by the International Organization for Standardization (ISO) 14001 (environmental management system criteria) and ISO 45001 (occupational health and safety management system criteria). TI's management system contains programs, policies, controls, processes and measurement tools based on industry best practices and international standards.

In 2020, TI was recognized again for sustainable business practices by:

- Barron's 100 Most Sustainable Companies.
- Dow Jones Sustainability Index, North America.
- Fortune's World's Most Admired Companies.
- Newsweek's America's Most Responsible Companies.
- Wall Street Journal's Top 100 Sustainably Managed Companies.



We provide our ESH team with extensive training and tools to implement industry best practices, drive continuous improvement and comply with regulatory requirements. To guide these efforts, we require employees and supplemental contractors⁶ at all manufacturing and assembly/test sites to adhere to our [ESH Policy and Principles](#). TI suppliers must adhere to TI's [Supplier Code of Conduct](#), which uses the [Responsible Business Alliance's \(RBA\) Code of Conduct](#) as its foundation, and includes environmental standards specifically applicable to TI's suppliers. [TI's Living our values – TI's ambitions, values and code of conduct](#) also includes sections on protecting human health and the environment.

For more information about TI's ESH governance, training, policies and grievance mechanisms, see the [ESH Management Approach](#) section of the GRI Index.

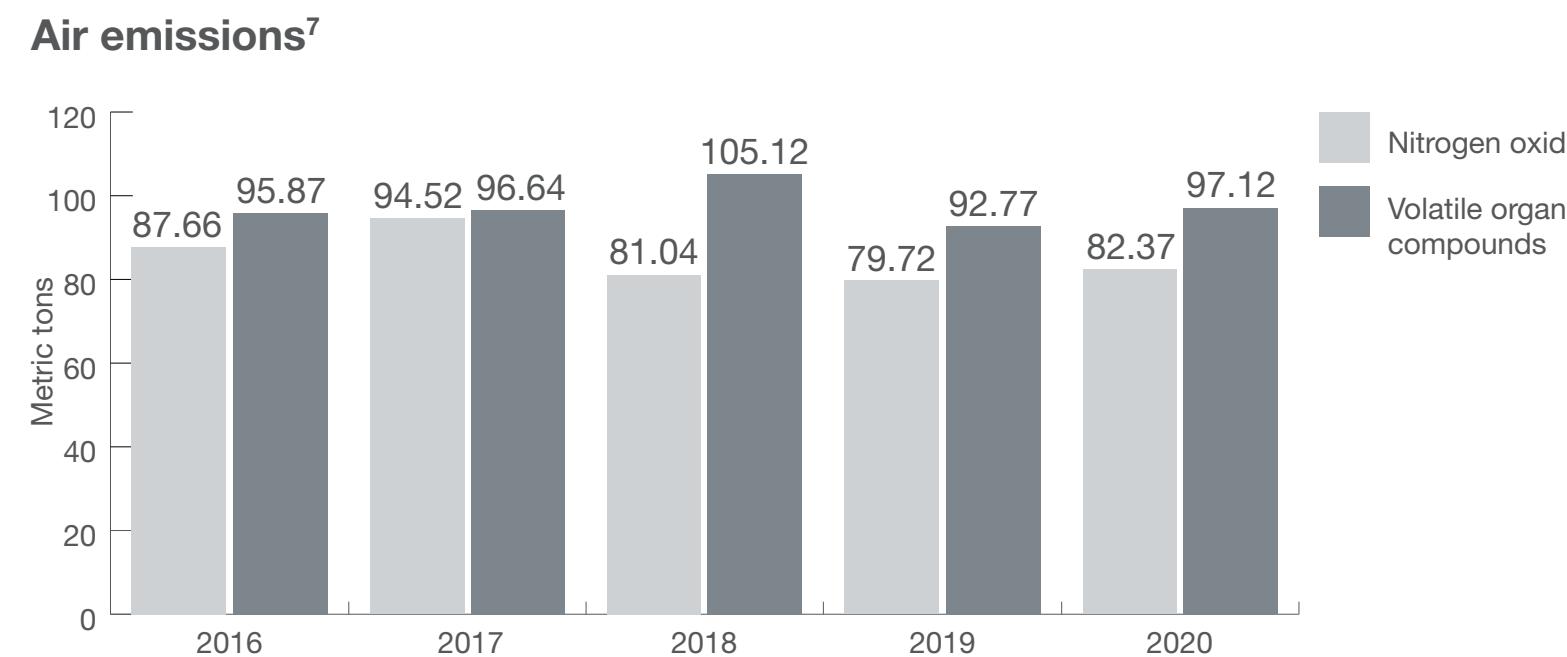
Environmental actions

	Strategy	Goal	Progress
Greenhouse gas (GHG) emissions	<p>TI actions to reduce emissions:</p> <ul style="list-style-type: none"> • Use alternative gases and chemicals. • Install emissions abatement devices. • Purchase renewable energy sources. • Optimize product shipping and distribution. • Avoid unnecessary business travel and subsidize employee commuting at certain sites. 	<p>2020 goal: Reduce absolute scope 1 and 2 GHG emissions 15% from a 2015 baseline by the end of 2020.</p> <p>2025 goal: Reduce absolute scope 1 and 2 GHG emissions by 25% from a 2015 baseline by the end of 2025.</p>	<p>By year-end 2020, we reduced GHG emissions by 22.4%, exceeding our goal.</p> <p>Since 2005, we have reduced per-chip GHG intensity by 69%.</p>
Energy	<p>TI actions to reduce energy consumption:</p> <ul style="list-style-type: none"> • Design and operate buildings and fabrication sites to optimize efficiency. • Upgrade and refurbish tools and equipment. • Secure reliable and renewable energy sources. • Use sensors and other automated controls. • Implement routine energy conservation projects. 	<p>2020 goal: Reduce energy intensity levels per chip at U.S. manufacturing sites 25% from a 2010 baseline, with a stretch goal of 50%, to achieve the U.S. Department of Energy's Better Buildings, Better Plants program goal by the end of 2020.</p> <p>2025 goal: Reduce energy intensity worldwide 50% from a 2015 baseline goal by the end of 2025.</p>	<p>By year-end 2020, we reduced energy intensity levels per chip by 40.6% from our 2010 baseline.</p> <p>From 2016 to 2020, we conserved 1.3 million British thermal units (MMBtu) of energy – the equivalent of powering more than 35,000 homes for a year.</p>
Water	<p>TI actions to reuse, reclaim and reduce water consumption:</p> <ul style="list-style-type: none"> • Install water recirculation units on thermal processing equipment to reduce the use of city water. • Control water alkalinity (pH) in cooling towers to prevent calcium buildup and scaling, saving money and consuming less water required to flush mineral-concentrated water. • Implement tool optimization and water-purification plant projects that conserve water. • Maximize the amount of condensate and microfiltration water directed to cooling towers. • Reuse water with high salt or mineral content (produced as a byproduct of our ultra-pure water system) for toilet flushing. • Reuse water in our central utility plant cooling towers to reduce the amount of water we need from natural sources. 	<p>2020 goal: Reduce water use worldwide by 2.6%.</p>	<p>By year-end 2020, we reduced water use by 4.4%, exceeding our goal.</p> <p>Over the last five years, we conserved nearly 1.4 billion gallons of water – enough to fill more than 2,100 Olympic-sized swimming pools.</p> <p>Since 2005, we have reduced per-chip water intensity by 58%.</p>
Waste and materials management	TI applies a three-step approach to waste and materials management: examine what we need, reuse what we can and recycle what is allowed.	<p>2021 goal: Divert 90% of materials that we generate from landfills.</p>	<p>By year-end 2020, we diverted 89.9% of waste from landfills through reuse and recycling.</p> <p>Since 2005, we have reduced waste per chip by 65%.</p>
Air emissions	TI uses various controls to maintain air quality and keep emissions within permitted and regulatory limits.	TI voluntarily sets site-specific chemical-reduction goals to keep air emissions below permitted limits.	In 2020, TI had maintained compliance with worldwide air emission limits.

Air emissions

TI manufacturing processes create certain air pollutants that are abated or treated using thermal oxidizers, catalysts and scrubbers before being emitted into the atmosphere.

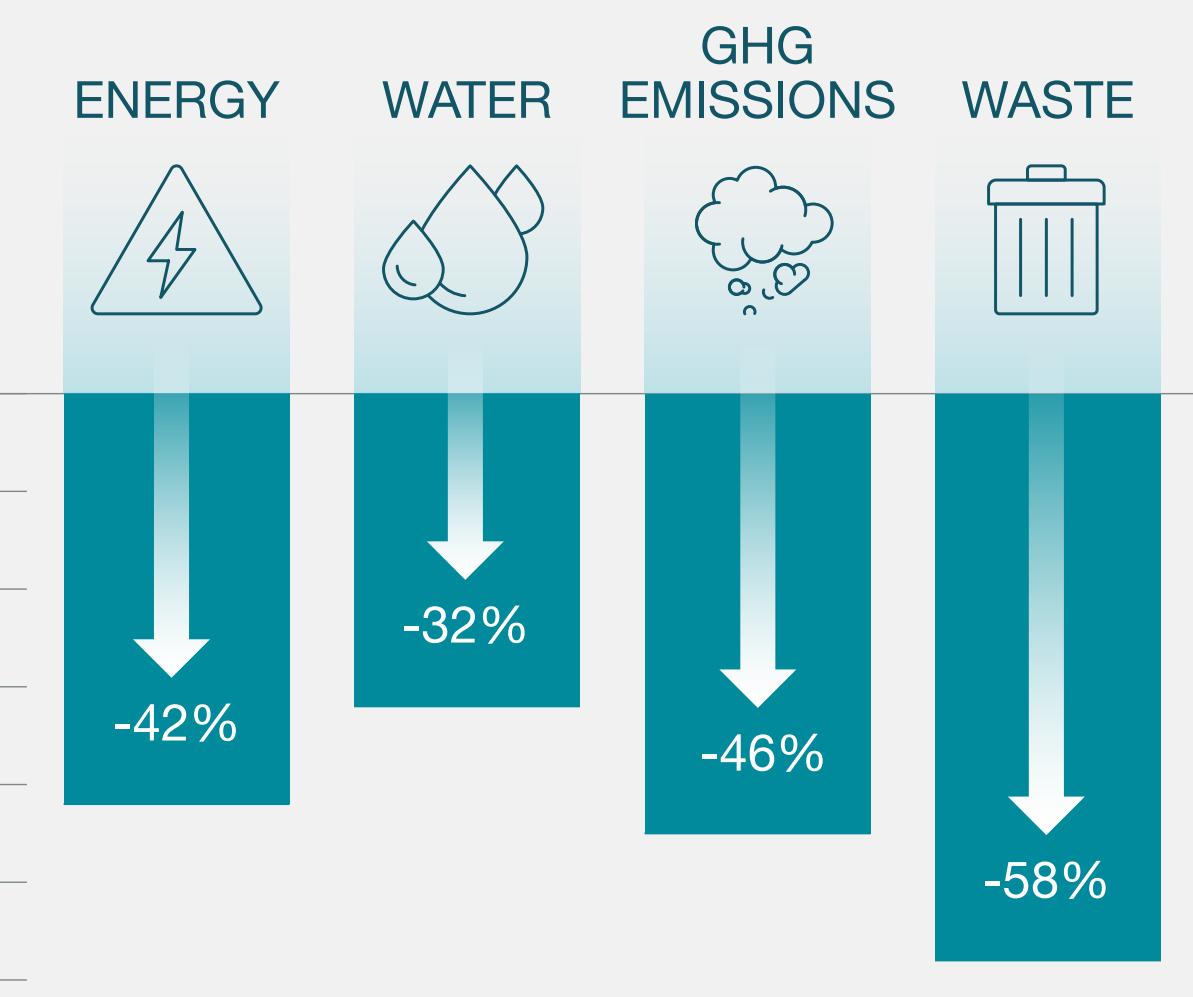
Our air pollution control systems allow us to comply with permit and regulatory limits that serve to maintain air quality in the regions in which our air emissions occur. In the U.S., TI complies with federal and state regulatory and permit limits and reporting requirements. For more information about how TI manages air emissions, see the [ESH Management Approach](#) and [Emissions Management Approach](#) sections of the GRI Index.



Greenhouse gas emissions

TI voluntarily sets greenhouse gas (GHG) emission and energy reduction goals to reduce environmental impacts and improve efficiencies.

2010-2020: Per-chip* efficiency improvements



TI has been working for years to drive efficiencies in its fabrication processes and equipment to reduce material consumption; water, chemical and energy use; and associated air and greenhouse gas (GHG) emissions. When comparing our per-chip data from 2010 to 2020, TI has reduced its manufacturing-related impacts and resource consumption.

Making chips more efficiently

Why is this important?

Being a manufacturer of billions of chips a year, it is critical that we do so efficiently and with a commitment to continued improvement. One way we measure our success is on a per-chip basis in four key areas of sustainability: energy, water, greenhouse gas emissions and waste.

In addition, TI is expanding our 300mm advanced analog manufacturing facilities to strengthen our

manufacturing and technology competitive advantage of lower cost and greater control of our supply chain. An important additional benefit of 300mm manufacturing is lower emissions and energy consumption versus older generation factories. Since 2011, when our Richardson 300mm wafer fabrication site came online, we've recognized efficiencies that will continue to positively impact our environmental footprint.

⁷ TI does not include nitrous oxide (N_2O) in its air emissions calculations because the company accounts for N_2O in its GHG emissions data.

* Normalized, or per-chip efficiency data, is a way to develop a baseline and track changes in energy, water, GHG and material consumption based on the number of chips manufactured each year.

Types of GHG emissions and reduction strategies

For years, TI has taken steps to reduce GHG emissions in the company's operations, shipping and distribution and through our supply chain. We measure and report scope 1 and 2 emissions and are evaluating the measurement of scope 3 emissions.

Scope 1

TI directly emits GHG emissions from fabrication, assembly, test, and large design and sales locations. We mitigate these emissions by:

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

Scope 2

TI indirectly emits GHG emissions from electricity and heat purchased for manufacturing or other operations. We reduce scope 2 emissions by:

- Increasing the energy efficiency of our manufacturing systems, buildings and tools. In 2020, we installed more than \$400,000 in LED lighting; recovered waste heat to reduce process heating loads at our Maine fabrication site; and installed electronically commutated heating, ventilation and air-conditioning system motors.
- Pursuing and securing renewable energy around the world.

Scope 3

TI's supply chain, employee travel and commuting, and product distribution network generate scope 3 GHG emissions. We lessen these impacts by:

- Encouraging suppliers to optimize their production and operational efficiencies.
- Shipping items in bulk and from regional distribution centers to reduce number of shipments and transportation-related emissions.
- Limiting business travel and providing videoconferencing capabilities. Like other companies in 2020, we significantly reduced employee travel and commuting emissions given work-from-home safety requirements.
- Providing on-site electric vehicle charging stations, shuttles, and biking infrastructure.
- Subsidizing mass transit and carpooling at select sites.

GHG emissions reduction goal

2015-2020: TI 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, we reduced emissions by 22.4%, exceeding our goal.

2015-2025: TI is working towards a new goal to reduce absolute scope 1 and 2 GHG emissions by 25% between 2015 and 2025.

The 2015-2025 goal will use 2015 as the baseline and include all manufacturing sites as well as nonmanufacturing sites greater than or equal to 50,000 square feet.

Aligning with the semiconductor industry on emission targets

TI is participating in a working group of industry peers to broaden emissions guidance and align on reduction goals in accordance with science-based targets.

Currently, guidance from the World Semiconductor Council focuses only on scope 1 emissions reductions that include fluorinated gases used in today's semiconductor manufacturing. In broadening emissions guidance, the peer working group seeks to:

- Understand the process and details for adopting science-based targets.
- Develop a unique sector-based approach for the semiconductor industry.
- Set milestones to ensure forward progress.
- Determine how the use of baseline years and previous or ongoing reduction strategies should be considered.

Once the group develops and introduces new guidance, we plan to reevaluate TI's current and/or future goals.

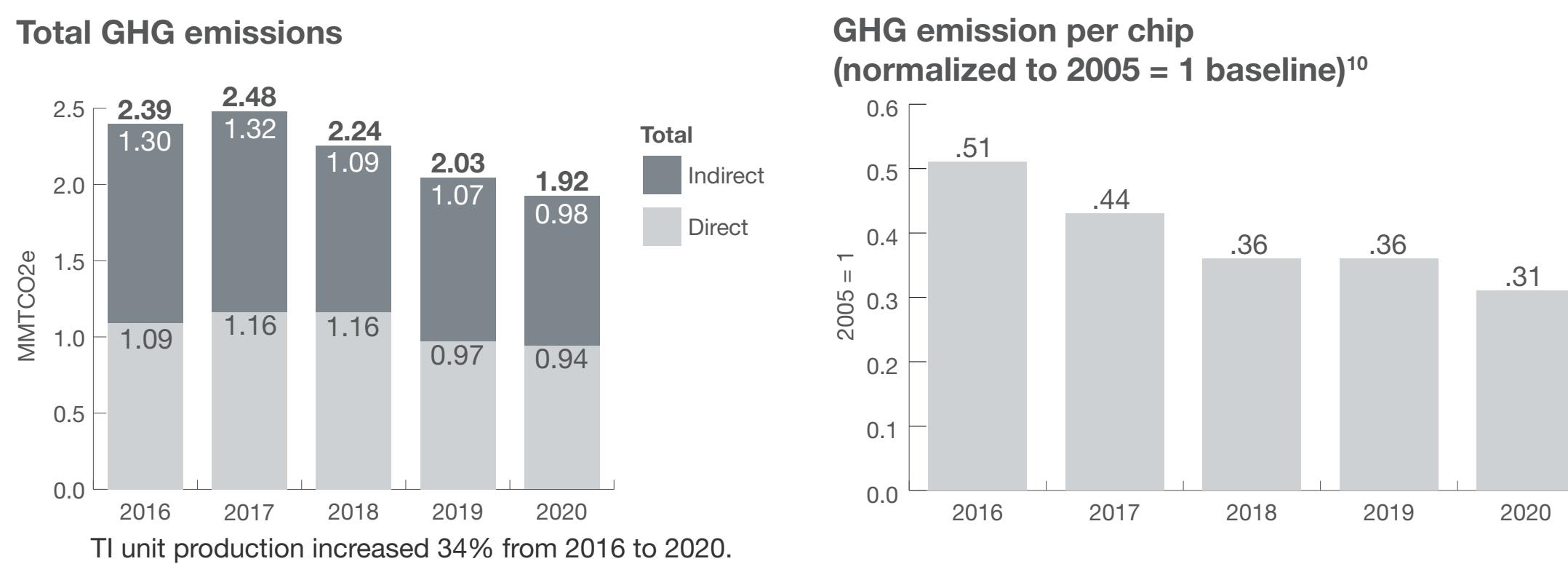
For more information about TI's GHG emissions reduction strategies, see [TI's CDP Climate Change response](#).

Monitoring potential risks

TI faces potential risks and opportunities associated with environmental issues. To learn about our environmental-related risks and opportunities, governance, management strategies, emissions, see [TI's CDP Climate Change response](#), the [ESH Management Approach](#) and [Emissions Management Approach](#) sections of the GRI Index, and our [TCFD Index](#).

Measuring GHG emissions reductions

Increased wafer sizes (which yield more chips per wafer), the efficiency of semiconductor manufacturing machinery and the reduction of chemicals have helped TI reduce normalized⁸ per chip GHG emissions by 69.3% since 2005, despite a significant increase in production. Changes in normalized GHG emissions per chip do occur because of variations in chip production, improvements from manufacturing equipment upgrades and energy-efficiency improvements. In 2020, TI's normalized GHG emissions dropped 15.4% over 2019.



⁸Normalized data is a way to develop a baseline and track changes in a metric year over year.

⁹ The 2018 increase in methane and nitrous oxide was caused by updated emission factors and the inclusion this data from TI's international sites.

¹⁰ We measure GHG emissions intensity to assess the overall GHG efficiency of our manufacturing processes. GHG emissions refer to the total GHGs emitted, which depends on the amount of production. GHG emissions intensity attempts to normalize usage by looking at GHG emissions per unit of output (by dividing our total GHG emissions by our total production). This same definition applies to water and waste intensity per chip data.

In 2021, TI engaged with Apex Companies, LLC (Apex) to conduct an independent verification of the greenhouse gas (GHG) emissions for 2020. As a result, several adjustments have been made to our internal data calculation methodologies. Emissions data from 2015 to 2019 were also revised to be consistent with changes identified for 2020. The data within this report reflects our scope 1 and scope 2 market-based emissions as verified by Apex. For more information, see our [Verification Opinion Declaration from Apex](#).

Scope 1 GHG emissions by type

(metric tons of CO ₂ equivalent)	2016	2017	2018	2019	2020
Carbon dioxide (CO ₂)	77,541	76,574	79,622	78,731	75,190
Methane (CH ₄)	43	44	46	46	44
Nitrous oxide (N ₂ O)	20,742	20,872	24,438	23,440	28,452
Hydrofluorocarbons (HFCs)	36,369	42,059	39,982	36,552	37,532
Perfluorocarbons (PFCs)	806,196	850,379	830,018	669,757	622,526
Sulfur hexafluoride (SF ₆)	55,177	64,537	71,240	62,084	64,061
Nitrogen trifluoride (NF ₃)	92,100	108,869	113,839	94,853	110,701

Scope 2 GHG emissions by type

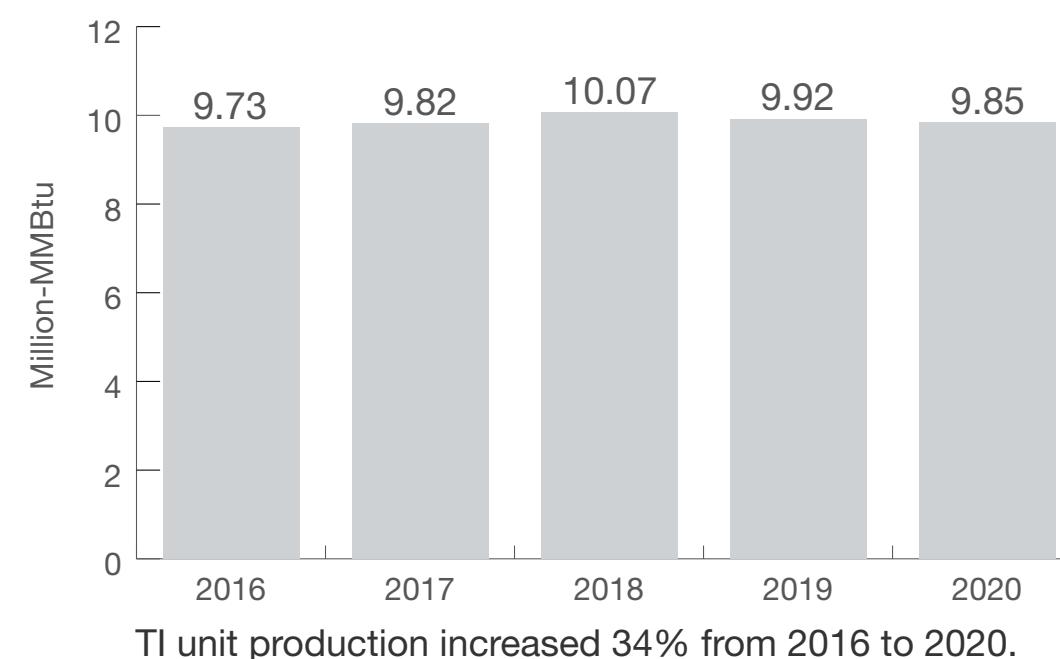
(metric tons of CO ₂ equivalent)	2016	2017	2018	2019	2020
Carbon dioxide (CO ₂)	1,295,628	1,318,254	1,083,128	1,065,885	976,610
Nitrous oxide (N ₂ O)	2,487	2,595	1,679	1,673	1,386
Methane (CH ₄)	362	375	271	269	241

Energy use

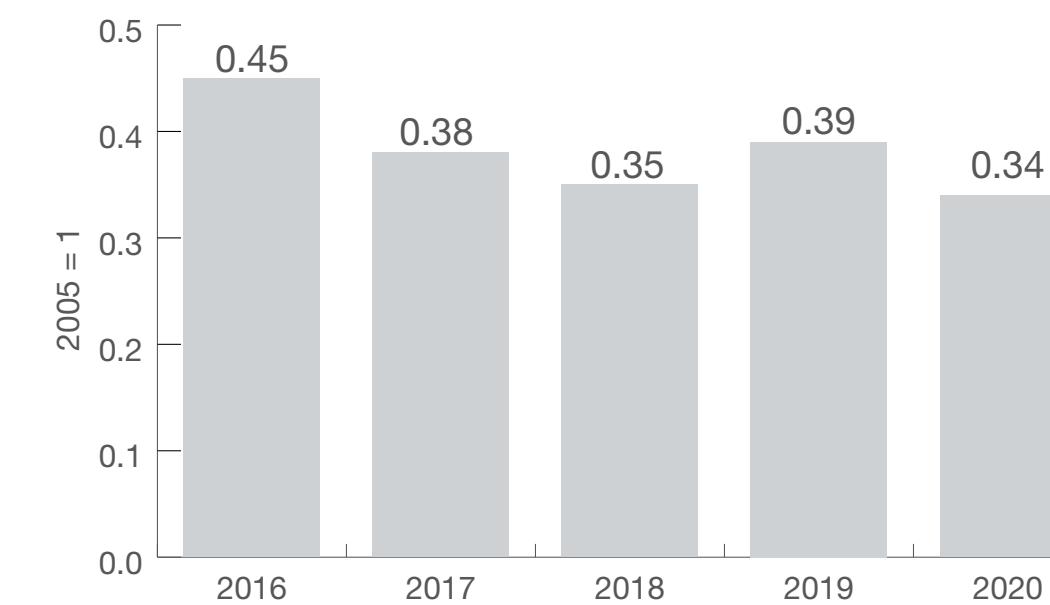
TI's global operations, design, manufacturing, assembly and test sites focus on lowering energy consumption and associated GHG emissions by setting annual reduction goals and implementing efficiency projects. We focus most of this effort on our manufacturing operations because it accounts for about 90% of our total energy use. Some ways we save energy include:

- Securing reliable, affordable and renewable energy sources.
- Building and retrofitting buildings and wafer fabrication plants to optimize efficiency and use more efficient equipment.

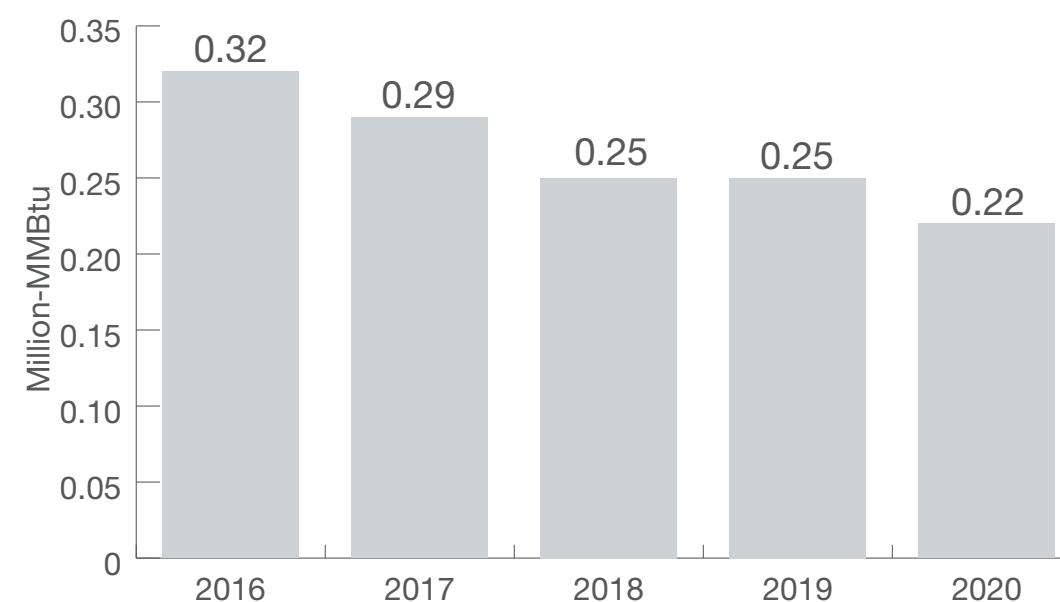
Total energy (million-MMBtu) use



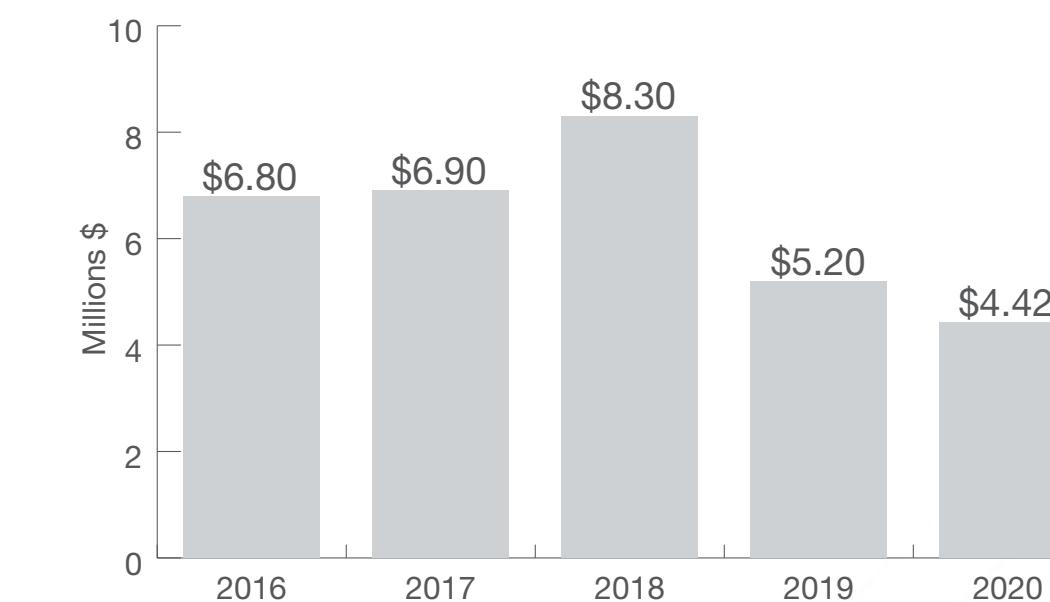
**Energy use per chip
(normalized to 2005 = 1 baseline)**



Energy (million-MMBtu) savings



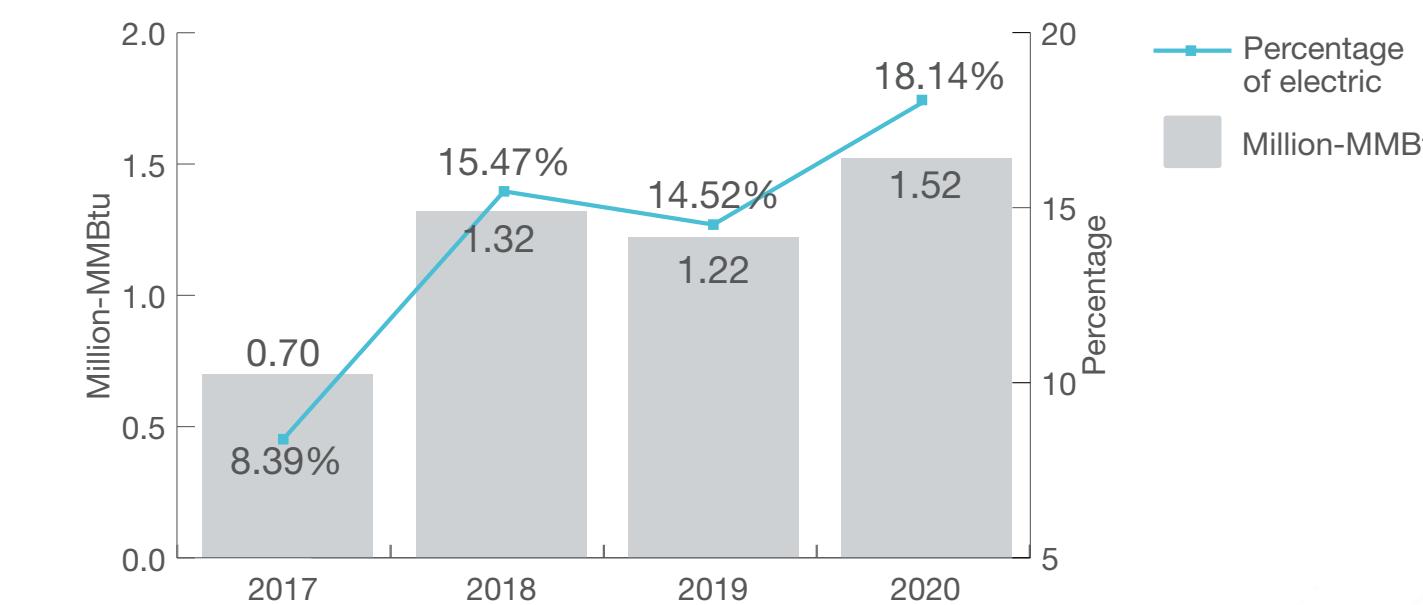
Energy cost savings



Renewable energy

TI secures reliable energy supplies, which include renewable resources where available, cost-effective and that align with our business needs and objectives. For example, we recently secured long-term contracts for 65 megawatts of wind and solar power from new-build projects in Texas starting in 2023.

Renewable electricity as a percent of total electricity



Optimizing efficiency to conserve energy and reduce costs

We implement more than 200 energy efficiency projects each year to reduce GHG emissions and energy costs. Over the last five years, TI conserved 1.3 million MMBtu of energy – the equivalent of powering more than 35,000 homes for a year.

In addition, TI saved \$31.6 million in energy costs over this same period.

Energy use per chip

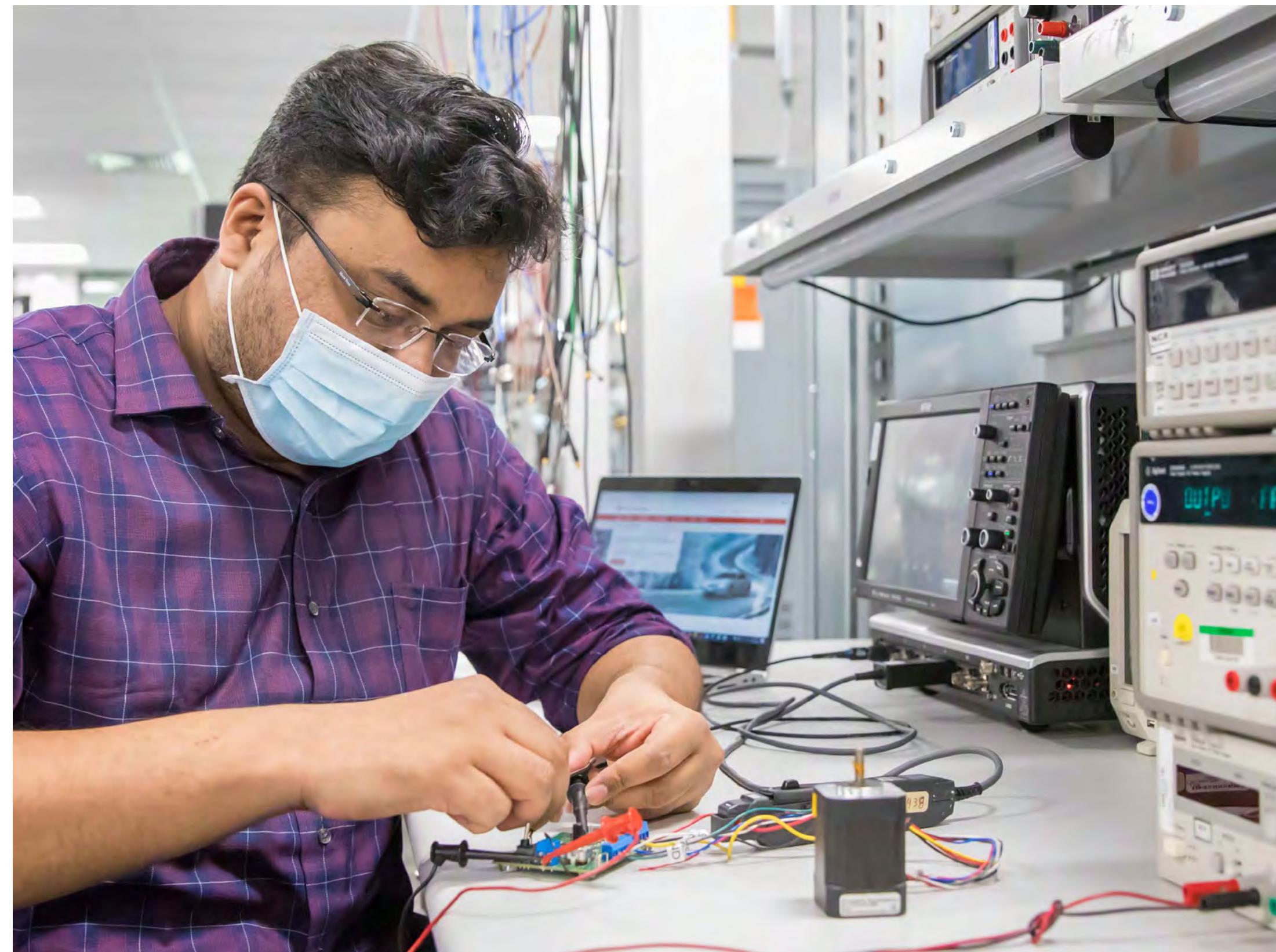
TI set a goal in 2010 to reduce normalized primary¹¹ energy per pattern at U.S. manufacturing sites by 25% by 2020, with a stretch goal of a 50% reduction. This aligned to the U.S. Department of Energy's (DOE) Better Buildings, Better Plants program goal for U.S. companies to voluntarily reduce energy intensity over a decade. By the end of 2020, we reduced energy intensity by 40.6%.

We measure energy use per chip output, or intensity, to assess the overall energy efficiency of our manufacturing processes. TI is making progress towards a new goal to reduce energy use per chip by 50% from worldwide manufacturing sites between 2015 and 2025.

For more information about how TI manages energy use, see the [ESH Management Approach](#) and [Energy](#) sections of the GRI Index.

TI microcontrollers give consumers more control over energy consumption

Smart thermostat usage has increased as consumers become more conscious of their energy consumption and spending. These thermostats offer a number of advantages compared to traditional systems, including remote access, air-quality monitoring and occupancy detection, ultimately reducing energy consumption by up to 40%.



¹¹ Primary energy is the energy content found in natural sources, such as coal or other organic material, that has not been subject to any conversion or transformation process. TI based its DOE goal on 80% production capacity and adjusted calculations for the startup and closure of its facilities.

Energy use by type

(MMBtu)	2016	2017	2018	2019	2020
Energy use total	9,729,088	9,819,449	10,065,223	9,918,412	9,852,837
Indirect energy use total	8,299,969	8,395,568	8,583,221	8,451,209	8,447,890
Electricity	8,245,749	8,340,181	8,531,280	8,403,250	8,399,402
District heating	54,220	55,387	51,941	47,959	48,488
Direct energy use total	1,429,119	1,423,881	1,482,002	1,467,202	1,404,947
Natural gas	1,245,657	1,243,928	1,298,548	1,285,129	1,240,015
Fuel oil (No. 6)	72,243	19,221	12,795	12,435	14,864
Diesel	46,842	40,000	44,655	33,158	25,169
Propane	61,790	118,064	123,407	133,858	122,124
Gasoline	2,586	2,667	2,596	2,622	2,776

TI wireless battery management systems improve driving range and reliability in electric vehicles

Electric vehicles (EVs) are packed with as many battery cells as possible because the more cells, the greater the charge capacity, which means longer distances traveled before needing a recharge. The typical EV has nearly 100 cells that are connected to a monitor in a series by a large amount of heavy-duty copper wire. The weight of all of that wire affects an EV's driving range, reliability and price.

To address the challenge, TI's wireless battery-management systems enable the production of EVs that are lighter, go farther on a single charge, and meet the highest functional safety standards to improve reliability. Consumers can drive EVs more affordably over longer distances without compromising dependability.



Water and wastewater management

Water is an essential part of manufacturing semiconductors and TI is committed to using it responsibly and efficiently. Conserving process and potable water, and treating and recycling wastewater enables us to reduce costs, protect water quality and promote long-term availability. We maintain and optimize our wastewater treatment systems to comply with regulations and permit limits.

Water sources

Our water sources include surface water from local municipal supplies 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.

Water availability

We monitor future water availability for all sites, particularly 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, 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.

Water conservation

TI's water conservation and protection strategies include investing in reduction, recycling and reuse projects while restricting, reducing and monitoring chemicals that can affect water quality. As a requirement of our ESH management system, each of our sites annually evaluates water risks such as availability, quality and groundwater impacts.

Water conservation

In 2020, we reduced water consumption 4.4% year over year, exceeding our 2.6% goal.

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 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 or mineral content (produced as a byproduct of our ultra-pure water system) for toilet flushing.
- Reusing water in our central utility plant cooling towers.
- Purifying and recycling higher-quality production water back to the inputs of our ultra-pure water plants.

Most of the wastewater TI generates is treated on-site to meet local, state or country-level wastewater discharge requirements. We collect any wastewater sludge containing solvents, concentrated metals or acid solutions and dispose of them off-site per regulatory requirements. In some cases, we send these compounds to reclamation facilities for reuse by other industries.

To learn more about our water and effluent management strategies, see [TI's CDP Water Security response](#) and the [ESH Management Approach](#) and [Water and Wastewater Management Approach](#) sections of the GRI Index.

Wastewater management

Our ESH water management standard establishes minimum requirements for water, wastewater, and stormwater quality and management at all TI sites. All TI wastewater treatment plants meet regulatory requirements. Regulations require restricting or removing substances such as metals, toxic organic compounds, nitrates and sulfides from wastewater before discharge.

TI also has internal standards, programs and procedures to ensure that stormwater runoff at all sites complies with local, state and national discharge requirements. We conduct required water sampling to make sure 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 water body in these countries instead of a municipal treatment facility.

Conservation and savings

To save water, TI implements conservation projects and reuses water in its operations. For example, we reuse water from manufacturing processes in cooling towers, scrubbers and irrigation systems to reduce or eliminate the amount of city water these systems need to operate.

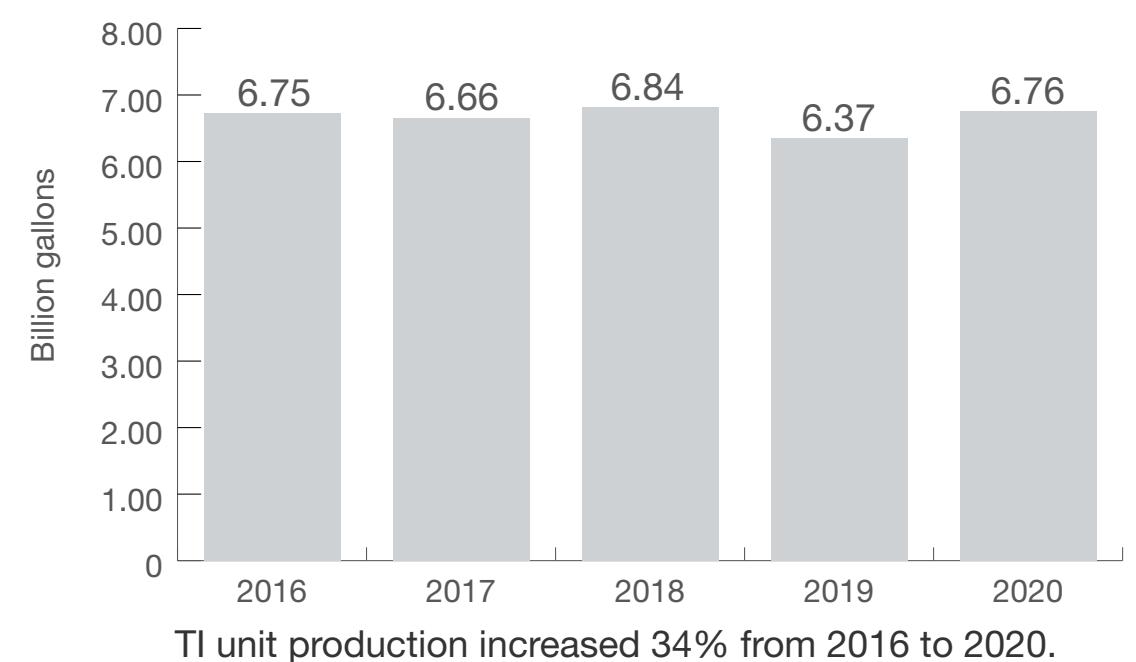
TI completed new conservation projects in 2020 that helped us exceed our water savings goal. While overall water use increased 6.34% over 2019 as production increased to support business growth, our normalized water use per chip dropped to 0.42, down .03 from our 2019 rate, reinforcing our efficient water practices. We also reused 27%, or 1.85 billion gallons, of all water consumed in 2020.

Optimizing efficiency to conserve water and reduce costs

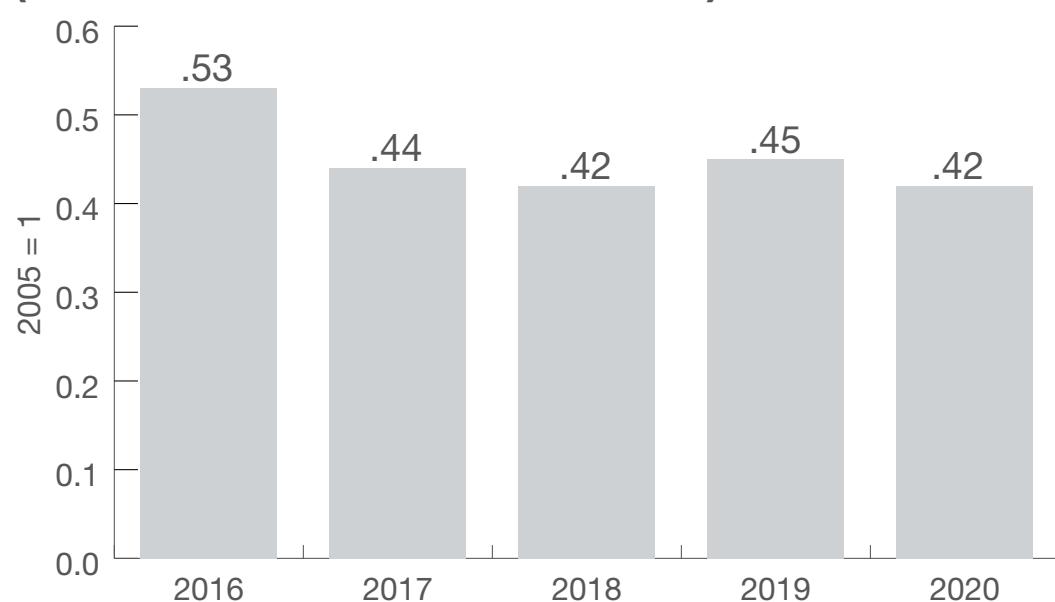
TI implements water-efficiency projects each year that reduce water consumption. Since 2016, we conserved nearly 1.4 billion gallons – enough to fill more than 2,100 Olympic-sized swimming pools.

In addition, TI saved \$8.9 million in water utility costs over this period.

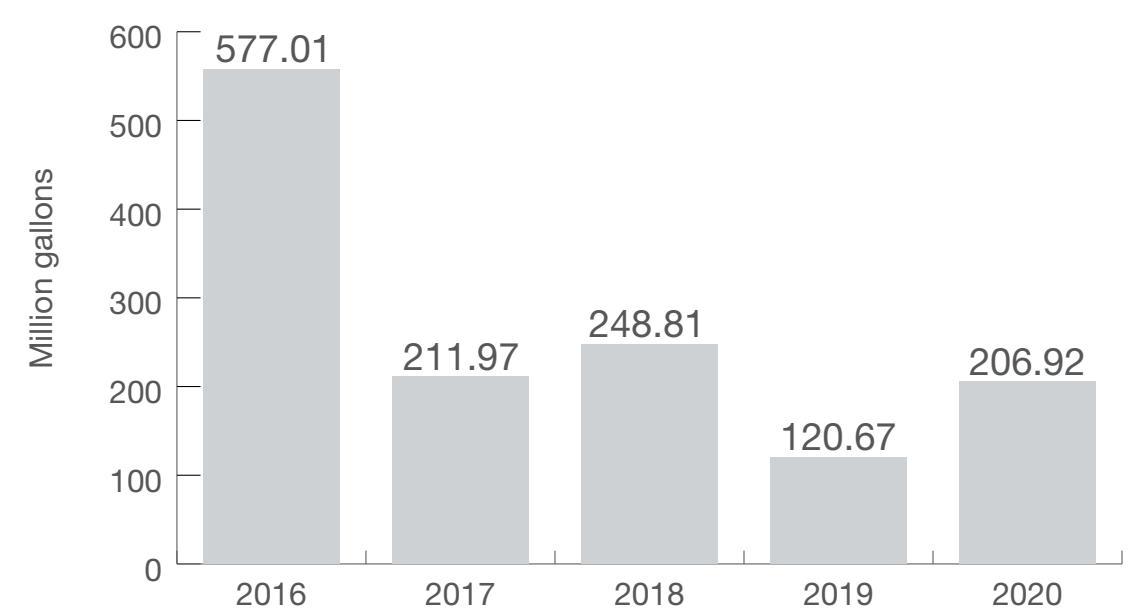
Total water (gallon) use



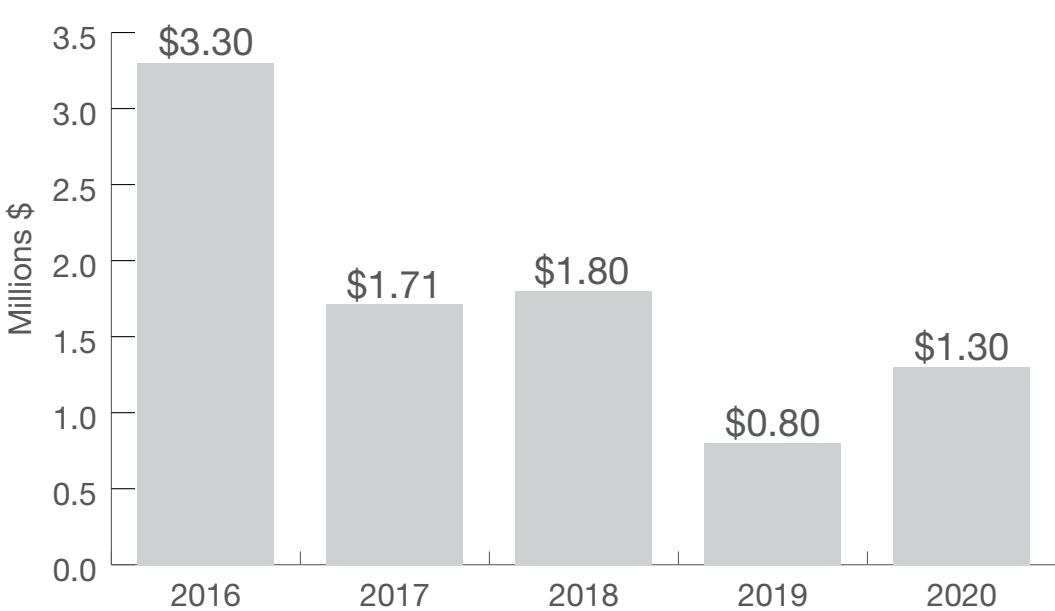
Water use per chip (normalized to 2005 = 1 baseline)



Water (gallon) savings



Water cost savings



Water consumption¹² by type

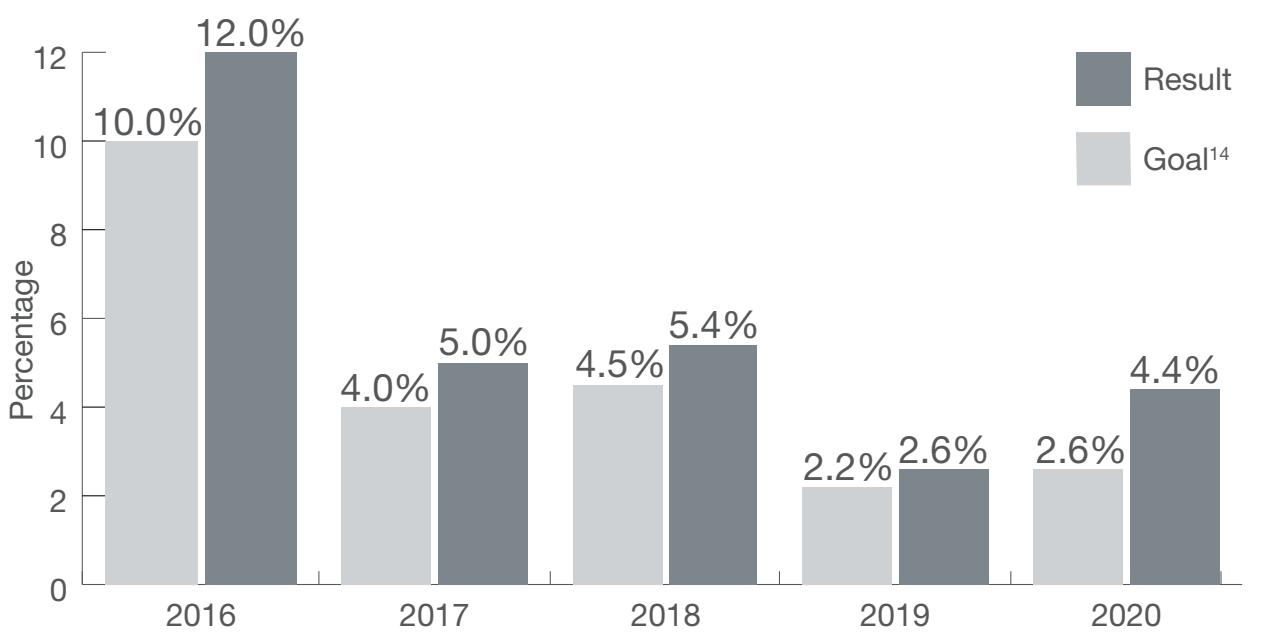
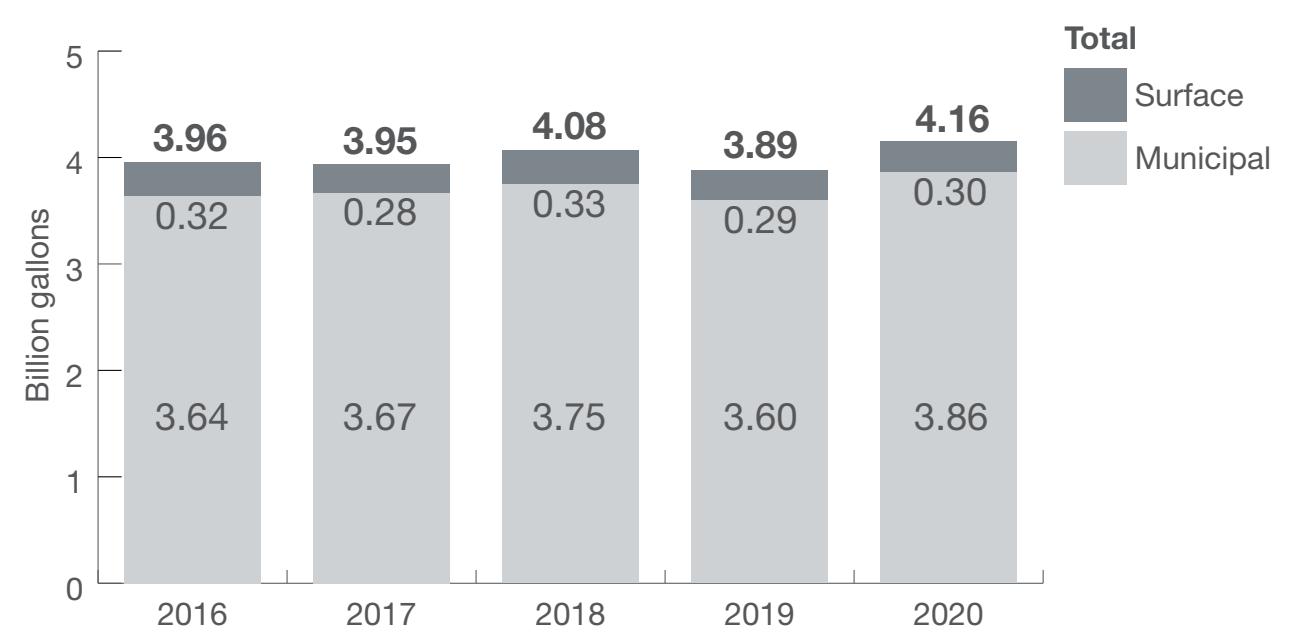
(billion gallons)	2016	2017	2018	2019	2020
TOTAL	6.75	6.66	6.84	6.37	6.76
Municipal	4.275	4.207	4.360	4.294	4.531
Well	0.356	0.395	0.401	0.372	0.372
Rain ¹³	0.022	0.023	0.035	–	–
Reused	2.092	2.032	2.042	1.690	1.856

¹² To calculate water use, we compile municipal billing data and our production metrics. We also measure effluent rates and volumes and analyze industrial wastewater and stormwater samples using standard methodologies set by the U.S. Environmental Protection Agency.

¹³ We elected not to report rainwater collection in 2019 and 2020 because it was not directly measured. We estimated previously reported values based on regional rainfall data and capture area.

Water use

	2018	2019	2020
Change in water storage (megaliters) ¹⁵	0	0	0
Water withdrawal (total megaliters)	18,155	17,664	18,560
Surface ¹⁶	132	0	0
Ground ¹⁶	1,517	1,409	1,408
Sea	0	0	0
Produced	0	0	0
Third party	16,506	16,255	17,152
Fresh (<1,000 mg/L total dissolved solids) ¹⁷	18,155	17,664	18,560
Other (<1,000 mg/L total dissolved solids) ¹⁷	0	0	0
Water withdrawal in water-stressed regions (total megaliters)	3,352	2,674	2,692
Surface ¹⁶	0	0	0
Ground ¹⁶	40	44	35
Sea	0	0	0
Produced	0	0	0
Third party	3,312	2,630	2,658
Fresh (<1,000 mg/L total dissolved solids) ¹⁷	3,352	2,674	2,692
Other (<1,000 mg/L total dissolved solids) ¹⁷	0	0	0
Water discharge (total megaliters)	15,410	14,711	15,735
Surface ¹⁶	1,235	1,098	1,124
Ground ¹⁶	0	0	0
Sea	0	0	0
Third party	14,175	13,613	14,611
Fresh (<1,000 mg/L total dissolved solids) ¹⁷	Unknown	Unknown	Unknown
Other (<1,000 mg/L total dissolved solids) ¹⁷	Unknown	Unknown	Unknown
Water discharge (water-stressed areas, megaliters)	2,860	2,278	2,310
Fresh (<1,000 mg/L total dissolved solids) ¹⁷	Unknown	Unknown	Unknown
Other (<1,000 mg/L total dissolved solids) ¹⁷	Unknown	Unknown	Unknown
Water consumption (total megaliters) ¹⁸	2,745	2,953	2,825
Water consumption (water-stressed areas) ¹⁸	491	396	382

Water use reduction**Wastewater discharges total and by type**

¹⁴ We revised our 2016-2019 water reduction goals to show year-over-year improvement instead of improvement compared to a 2013 baseline.

¹⁵ There is a small amount of water storage (relative to overall usage) in facilities systems, but the year-over-year change is not significant.

¹⁶ 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.

¹⁷ TI does not monitor total dissolved solids continuously at all sites.

¹⁸ TI calculates consumption as water withdrawn minus water discharged.



Material and chemical management

TI believes in responsibly managing the use and disposal of materials and chemicals. We make every effort to purchase only what is necessary to run our business, and recycle, reuse or sell scrap and waste materials. This practice helps protect the environment and reduce the amount of material we send to landfills.

We also educate 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 reducing waste remains the same.

Managing chemicals and gas use

Manufacturing world-class semiconductors involves using hazardous and nonhazardous chemicals and gases, which is why TI's product-management systems have stringent controls in place. We continually:

- Identify and use the safest, lowest-risk materials in operations to protect TIers, site communities and consumers. Where possible, we use high-pressure water instead of chemicals in certain cleanup applications or replace chemicals with environmentally benign substitutes.
- Screen all incoming materials and chemicals before incorporating them into semiconductor manufacturing processes to comply with regulatory and customer requirements. We also incorporate any chemical restrictions and standards into supplier contracts.
- Assess potential ESH impacts of materials as new scientific information becomes available and new regulations go into effect.
- Follow strict standards and protocols for responsibly purchasing, transporting, tracking and disposing of chemicals safely.
- Provide specific procedures and training for the use, labeling, storage and disposal of chemicals or hazardous substances, including the proper use of personal protective equipment.
- Use ventilation controls, abatement systems, leak detectors and appropriate treatment technologies.



We apply a three-step approach to material and chemical management:

Step 1: Examine what we need.

Most of the materials we need are for fabricating semiconductors. When purchasing materials and chemicals, we consider the resulting waste, and whether an opportunity exists to reuse existing materials, purchase recycled materials or use environmentally friendly items instead.

Step 2: Reuse what we can.

We reuse materials and chemicals by:

- Recovering metals from solids, liquids, scrap wafers and other materials.
- Repurposing and reselling used process chemicals, chemical containers and older manufacturing equipment.
- Reusing wafer carriers and food service tableware.

Step 3: Recycle what is allowed.

Our recyclable material and chemicals come primarily from our offices and manufacturing sites. These are managed and regulated differently depending on local requirements.

If concerns about a chemical or other material arise during our screening process, we elevate the matter to our Chemical and Material Review Board, comprising internal subject-matter experts. In the rare event that a chemical or material is necessary for manufacturing but still raises concerns, our manufacturing leaders review the situation and, if necessary, seek a safer alternative or implement more stringent use controls.

Phasing out substances of concern

One challenge facing the electronics industry is reducing or eliminating the use of compounds that are essential but potentially harmful. These include:

- Brominated and chlorinated flame retardants – while these compounds pose no risk in TI products as sold, their improper or unsafe disposal is of concern. Over the last two decades, we've proactively removed these chemicals from 99% of our products.
- Perfluorinated substances (PFOSs) and perfluorooctanoic acid (PFOA) – these oil and water repellants cause potential health effects. TI stopped using PFOSs in 2015 and plans to eliminate PFOAs from fabrication processes in 2021. TI and other chipmakers are working with the Semiconductor Industry Association to devise acceptable alternatives to these chemicals.

Transparency on product substances

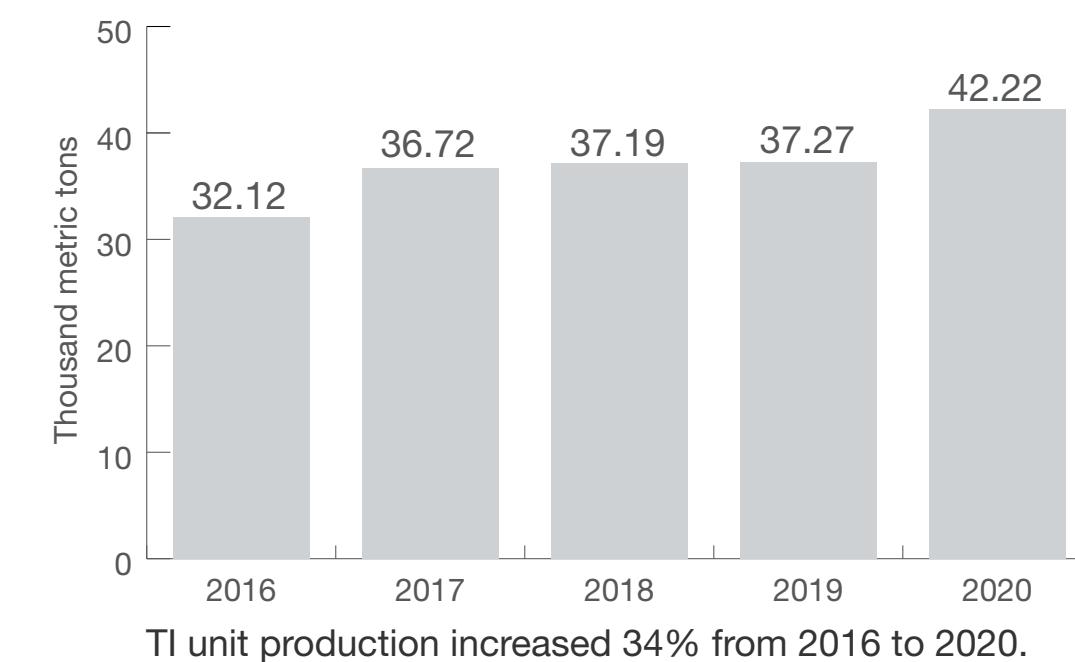
Documents and tools are available to our customers that outlines the measures we take to ensure that TI parts comply with global material restrictions and regulations, including:

- [Controlled Chemical and Materials Specifications](#).
- [List of TI-Restricted Chemicals and Materials](#).
- [TI's Approach to Environmental and Product Stewardship](#).
- A [search tool](#) to find material content, download restricted chemical test reports, or locate product RoHS, REACH and green status.
- [Quality, Reliability and Packaging Data](#).
- [Lead-Free Conversions](#).
- [Low Halogen \(Green\) Statement](#).
- [Environmental FAQs](#).

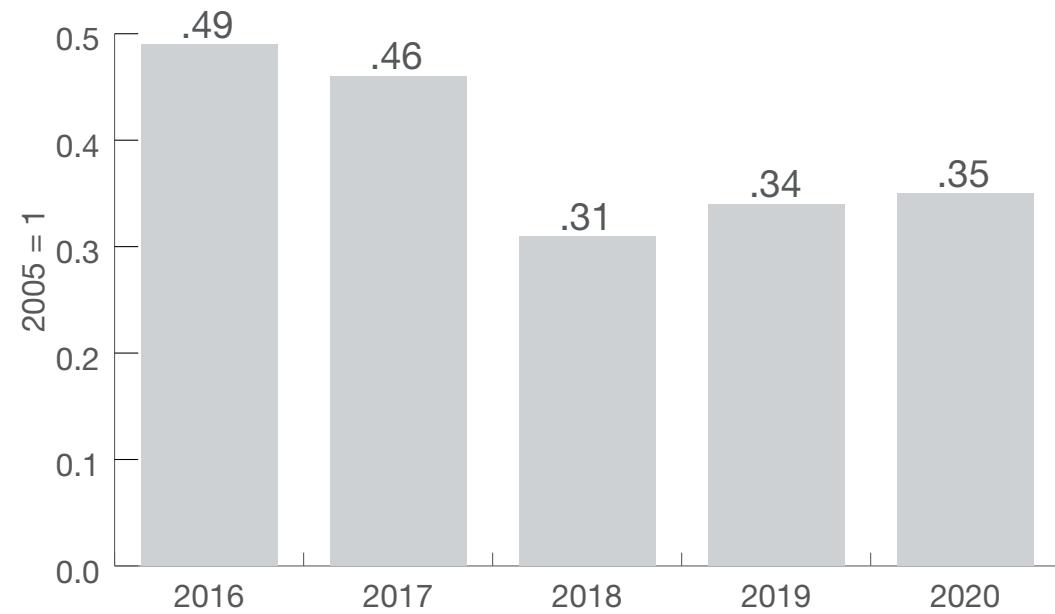
Material use

TI reused or recycled nearly 90% of the 42,220 metric tons of waste and surplus materials generated in 2020. We did this by selling surplus chemicals; recycling certain wastes for use in energy recovery; and recycling scrap wood, paper, glass, metals and organic materials. We properly dispose of waste and materials that we cannot recycle or reuse per applicable federal, state and local laws.

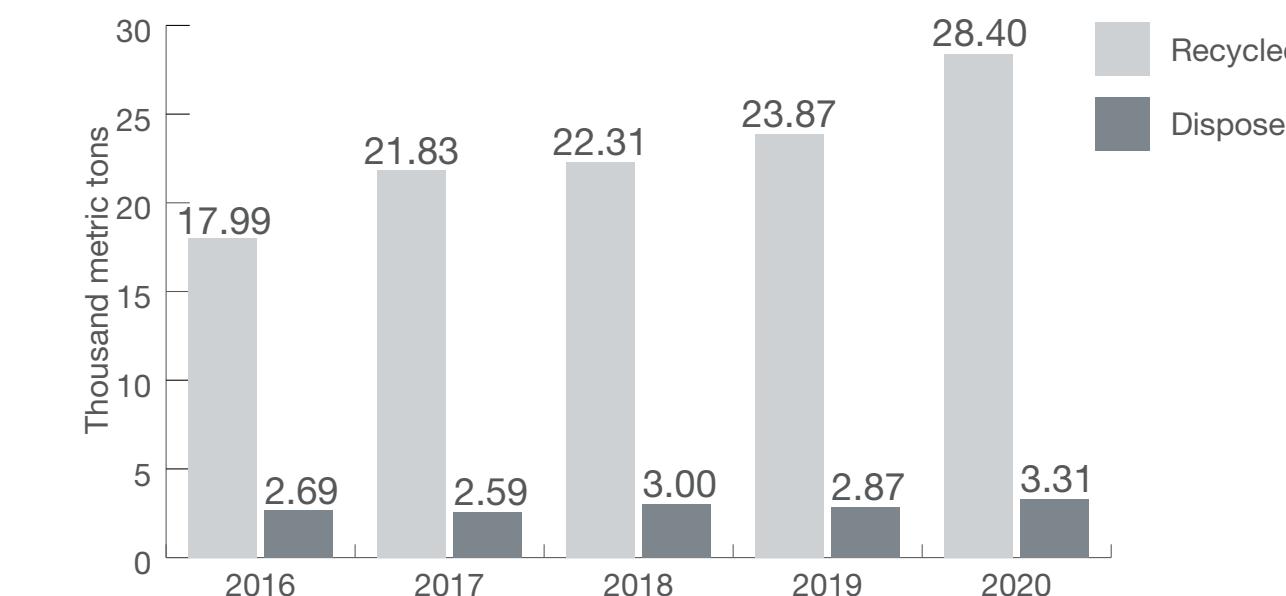
Total materials generated



Waste use per chip (normalized to 2005 = 1 baseline)



For more information about how TI manages materials, see the [ESH Management Approach](#) and [Materials](#) sections of the GRI Index.

Waste by type**Nonhazardous waste****Hazardous waste****Giving used materials and precious metals a new life**

TI's manufacturing operations generate large amounts of scrap and salvage materials, from silicon, to integrated circuits, to manufacturing and testing equipment, to furniture and computers. To breathe new life into these items, we make every effort to reuse them internally, resell them for reclamation on the open market, or donate them to universities and nonprofits. Across the company, we reused or recycled nearly 90% of the materials and chemicals generated in 2020. Our Taiwan site recycles 100% of all waste, and three other sites recycle 100% of their nonindustrial waste.

TI sells scrap and salvage materials to entities that can recycle, reclaim or resell them. In 2020, our U.S. sites sold about 540 metric tons of these materials.



Product quality and reliability

Optimizing the quality and reliability of our technologies extends their longevity and helps reduce environmental impacts. Our analog and embedded semiconductors enable our customers to create electronics that are smaller, more efficient, more reliable and more affordable. Our objective is to provide products that solve our customers' problems, delivering them on time with zero defects.

Our TI-owned and regionally diverse manufacturing footprint includes 10 wafer fabrication plants, seven assembly and test sites, and multiple bump and probe facilities across 14 sites worldwide. We manufacture about 80% of our wafers internally. In addition to our internal capacity, we have strong partnerships with external foundries and subcontractor partners to offer supply continuity.

Our manufacturing strategy aims to deliver capacity ahead of demand, strategically investing in 300-mm analog wafer fabrication plant capacity for long-term growth and having the ability to source more than 75% of products from multiple sites for supply continuity. Additionally, we pair our disciplined approach to order fulfillment and inventory management with resilient business continuity processes.

Quality and reliability

Quality permeates every corner of TI. We focus attention on excellence throughout the product lifecycle: in product development, manufacturing and assembly, product testing, and customer support.

TI builds quality and reliability into each step of the product development journey. This helps us build reliable technologies that meet the stringent qualification standards for industrial (Joint Electron Device Engineering Council) and automotive (Automotive Electronics Council Q100) products. We use specialized materials and controls to build high-quality products, test silicon and package technologies and continuously monitor wafer-level reliability. By the time we start product qualification, our goal is to have high data-backed confidence that the product is fully reliable and will meet customers' long-term quality needs.

Commitment to quality and support

We measure customer return performance, which assesses our performance on both resolution cycle time and return parts per billion. Both measures are essential to maintaining high levels of customer service and product quality and reliability.

To drive continuous improvement, we assess, categorize and aggregate the reason for each return to identify systemic improvement opportunities. More than 85% of TI products have not had a single customer return in three years.

TI's [Quality System Manual](#) describes the company's quality-management processes and systems, while its [quality policy and procedures](#) provide the framework to quickly identify and resolve quality issues. We incorporate industry requirements and standards, along with customer specifications and feedback, to mitigate risks and drive improvement throughout a product's life cycle.

We also measure several key performance indicators of product and service quality to make continuous improvements. We developed internal quality standards to comply with numerous industry standards and quality specifications, including ISO 9001, ISO 14001, ISO 45001, International Standard for Automotive Quality Management Systems 16949 and the Underwriters Laboratories rating.

Product longevity

We are committed to [product longevity](#) and continuity of supply for our customers, with life-cycle management policies and inventory and manufacturing strategies that allow us to sell and support products for a decade or more. We routinely evaluate customer quality data, develop quality improvement plans and conduct quarterly internal quality audits to ensure that our products are long-lasting.

Packing and shipping

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

- Pack large quantities of products into each shipment to eliminate multiple deliveries. We also increase packing density to move actual weights closer to charged dimensional weights.
- Use air pillows in packaging that are recyclable, reusable and contain recycled content.
- Eliminate heavy and expensive custom-cut foam, nonrecyclable foam, and foam and cardboard waste.
- Require that suppliers ship all new 300-mm wafers in reusable containers. When empty, we return these containers to the supplier for reuse or we use them internally. In 2020 alone, we reused about 28,000 of these containers, generating about \$800,000 in supplier rebates.
- Reuse packing materials that protect products during shipment (such as bubble pack and foam), shipping materials (such as boxes, crates and pallets), cases that ship precious metal reclaimable items to vendors, and plastic reels used in product distribution.

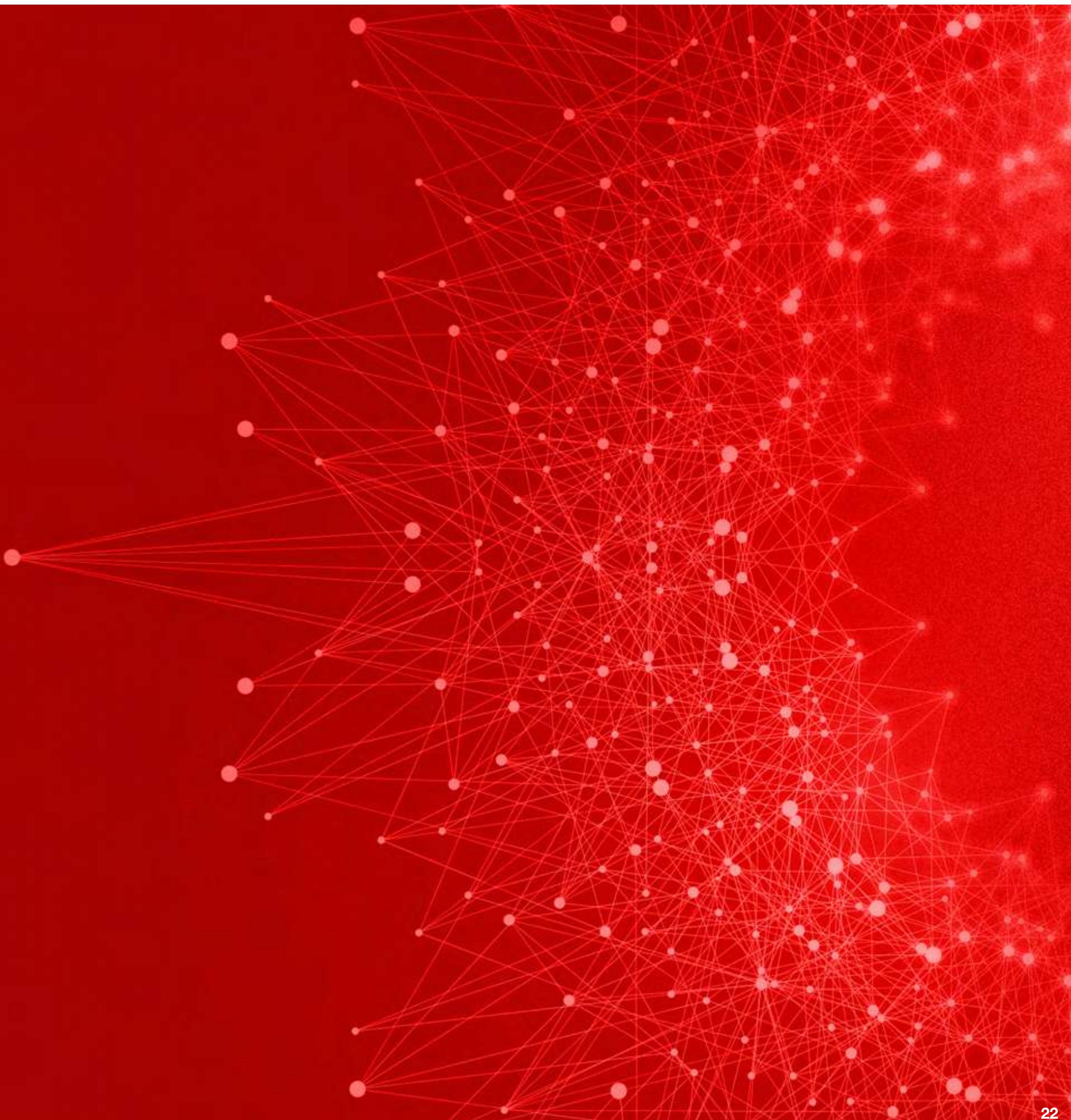
Additionally, TI participates in the European Union (EU) Waste Electrical and Electronic Equipment (WEEE) and EU Packaging and Packaging Waste recycling programs for evaluation modules imported into that region.

We place our distribution centers in regions close to customers to accelerate delivery times, improve efficiency and facilitate product deliveries in the event of a disaster. We work with our customers to understand their delivery needs and ship 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.

In 2020, TI improved the sustainability of shipments from its factories to its assembly/test sites by shipping one wafer pack of 25 wafers instead of two wafer packs of 13 wafers. This helped us reduce plastic packing material by 50%.



Responsible business practices



Responsible business practices

Our ambitions, values and code of conduct

A document called [Living our values – TI's ambitions, values and code of conduct](#) outlines standards for professional conduct at TI. Every Tler plays a critical role in living our values and upholding these principles, which we reinforce through leader involvement, employee engagement and training.

Our ambitions

For decades, we have operated with a passion to create a better world by making electronics more affordable through semiconductors. For many years, we've run our business with three ambitions in mind:

- We will act like owners who will own the company for decades.
- We will adapt and succeed in a world that is 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 win.

Our values and code of conduct

Our values define who we are and how Tlers should behave, which includes being trustworthy, inclusive, innovative, competitive and results-oriented. Each TI employee is also expected to understand our code of conduct, which further translates our ambitions and values into the standards we must uphold, and provides clarity about the behaviors we will not tolerate.

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.

Training

Our sites are in diverse geographical locations with varied risks of corruption, societal pressures, laws and regulations and we give TIers, managers and leaders the training and tools they need to help them make the right decisions.

Every employee receives ethics and compliance training. The topics may vary each year, but over a multi-year cycle, they include TI's code of conduct, environment, safety and health, confidential information protection, information technology security, avoiding workplace and sexual harassment, and other compliance topics. Additionally, employees in specific roles are trained on targeted topics such as human rights policies, export compliance, anti-corruption, insider trading, global competition law and the RBA Code of Conduct.

We also engage top managers on what it means to live our values and uphold our standards of ethical conduct by providing tools to reinforce our culture and ethics and compliance expectations within their organizations.

Our GRI Index contains more information about TI's [Ethics](#), [Anti-corruption](#), [Anti-competitive](#) and [Nondiscrimination](#) practices.

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 HR, or contacting the TI Ethics department directly or anonymously.

Direct contact:

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

Anonymous helpline:

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



Governance

At TI, we believe that good corporate governance is essential to our long-term success. We've had written governance guidelines since 1973, refining them over the years to meet the needs of the company and our shareholders. Our ambitions and values are at the heart of how we operate the company, to build us stronger for the long term.

TI's board of directors is committed to responsible and effective corporate governance and oversees the company's global business strategy. The directors are experienced and diverse in their backgrounds and thinking. The board discusses its governance practices at least annually to ensure that they are appropriate for TI in today's business climate.

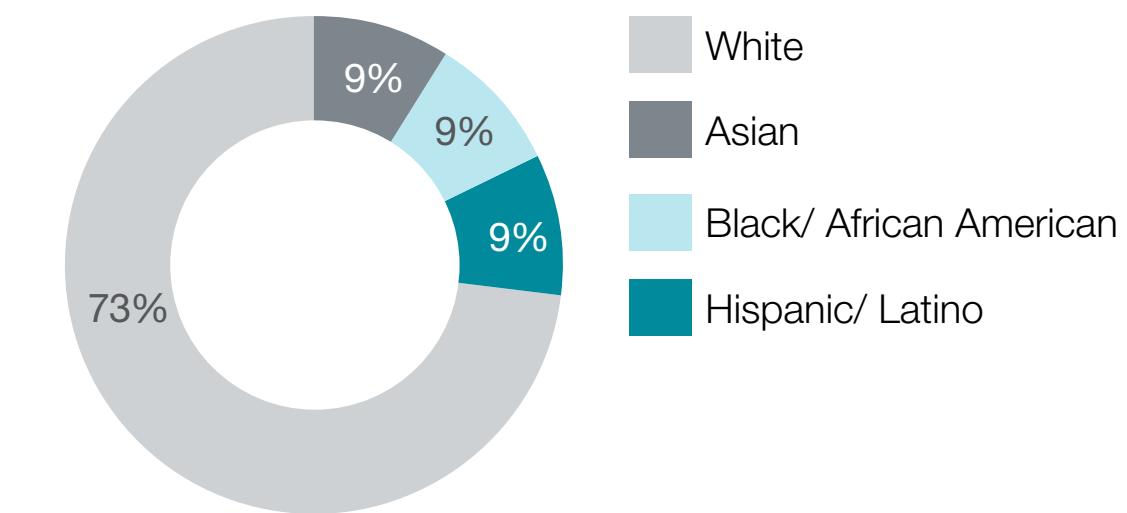
Learn more about TI's corporate governance:

- [Meet Our Board of Directors and Committees](#)
- [Board Oversight of Environmental, Social and Governance \(ESG\) Matters](#)
- [Governance Documents](#)
- [2021 Proxy Statement](#)
- [2020 U.S. Securities and Exchange Commission \(SEC\) Form 10-K](#)
- [2020 Annual Report](#)

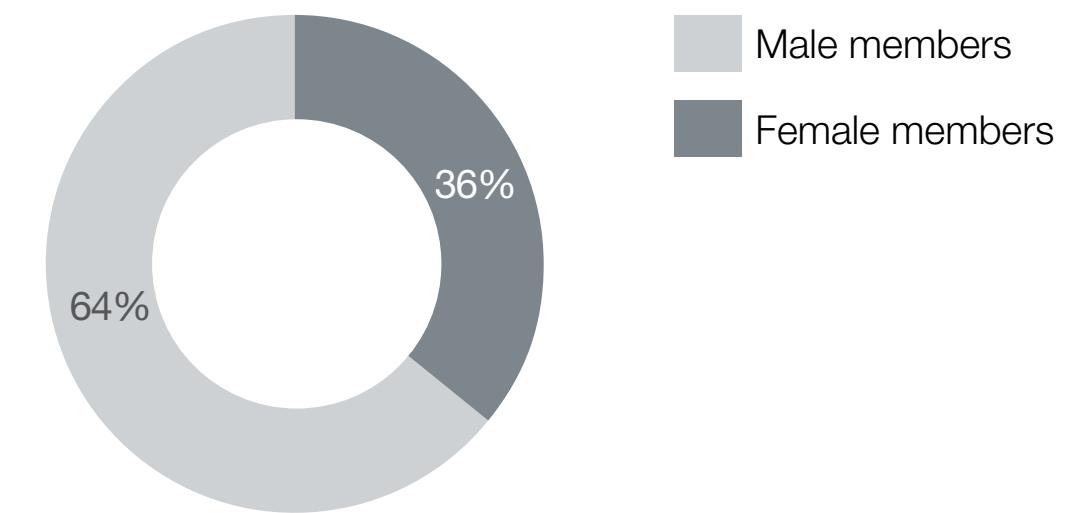
About TI's board of directors

At year-end 2020, TI had a unitary board system with 11 board members, 91% of whom were independent. The age limit to serve is 70.

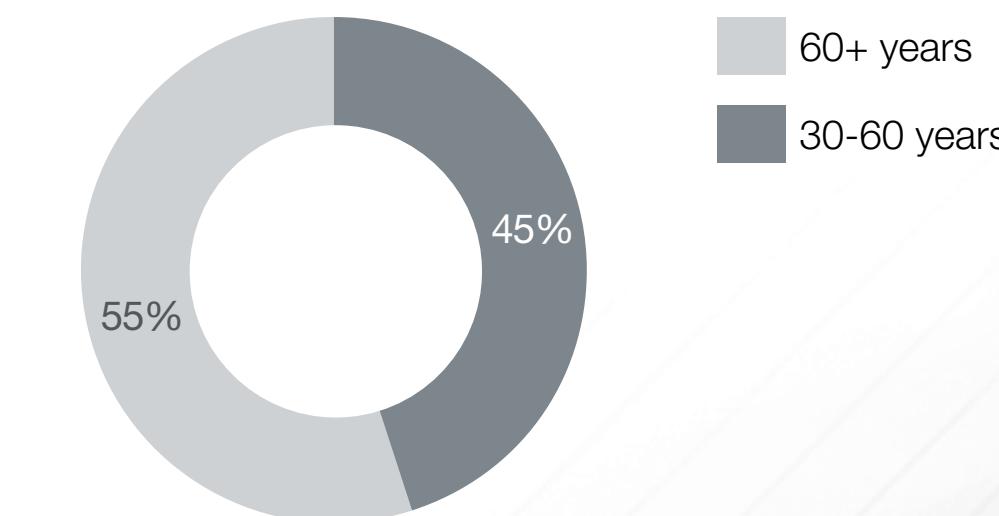
Board members by race



Board members by gender



Board members by age



Supply-chain responsibility

TI buys materials – for fabrication processes, factory equipment, maintenance, logistics services, and nonproduction supplies and services – from approximately 11,000 suppliers of various types and sizes. Integrating responsible business practices into our supply chain helps mitigate risks in our vendors' businesses and in their labor and environmental practices.

Responsible sourcing

Our worldwide procurement teams coordinate buying globally for various goods and services, including setting procurement strategies, identifying and vetting qualified suppliers, negotiating terms and pricing, and determining the best fulfillment methods.

- We collect and carefully consider a supplier's human rights practices and environmental and safety records before making purchasing decisions. We 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, [supplier website](#), 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 by scaling growth; reducing total costs and waste; improving efficiencies; and delivering innovative services, materials and product support.
- TI is a member of the RBA, an industry coalition dedicated to corporate social responsibility in global supply chains, and is compliant with the standards set forth in the RBA Code of Conduct.
- We are members of and routinely engage with industry groups such as the RBA, the Semiconductor Industry Association and Semiconductor Equipment and Materials International to discuss supply-chain best practices and standards.

Supply-chain management system

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 these industry standard bodies:

- International Organization for Standardization (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 potential risks and close gaps. Additionally, the ISO annually evaluates our procurement management system as part of its recertification process. For more information about how TI manages its supply chain, see [Procurement Practices](#), [Supplier Environmental Assessment](#), [Supplier Social Assessment](#) and indicators [102-9](#) and [102-10](#) in the GRI Index.

Supply chain transparency

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

- Annually, independent third-party auditors evaluate select TI facilities against the RBA's Validated Assessment Program protocol standards. We make these reports available to our customers.
- 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 RMI/Global E-Sustainability Initiative's Conflict Minerals Reporting Template with customers.

Supplier diversity engagement

For decades, TI has recognized that engaging minority and women-owned business entities (MWBE) in our supply chain provides TI with unique, innovative and cost-effective products and services.

TI's supplier diversity engagements are concentrated in the U.S., primarily Texas, where company headquarters and several major manufacturing facilities are located. Our business relationships with MWBEs facilitate regional economic growth. Each year, we set spend goals based on the types of projects we have planned and the availability of qualified MWBEs. In 2020, we awarded 12.1% of our U.S. contracts to diverse suppliers, exceeding our goal of 8.5%.

Decades of nurturing minority and women-owned business entities' relationships

For more than 30 years, TI's Worldwide Procurement and Logistics team has been working with organizations around our headquarters city of Dallas, Texas, to increase our purchases from MWBEs. From our initial involvement in the Dallas Together Covenant to our ongoing partnership with the Women's Business Council – Southwest and the Dallas/Fort Worth Minority Business Development Council, we remain committed to investing and supporting MWBEs. Annually, we:

- Set a target for spending with MWBEs, which we've exceeded for over a decade.
- Mentor MWBE owners in our local community to help them sharpen skills such as bidding on contracts, managing inventory, building supplier partnerships and diversifying their client base.
- Financially support the Lillie Knox Investment Award through the Women's Business Council – Southwest, which invests up to \$20,000 per recipient for expansion and business growth.
- Meet with MWBE owners that currently work with TI to determine contract expansion opportunities and verify that they have stability in their client base beyond our company.
- Engage with organizations like the Dallas LGBTQ+ Chamber to further diversify our supplier base.



Expectations of our suppliers

We expect our suppliers to operate in alignment with our values and code of conduct; comply with all laws and regulations; achieve agreed-to levels of performance; and operate in accordance with environmental, social and governance standards. 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](#) draws on industry social, environmental and business operation standards.
- Our [Supplier Environmental and Social Responsibility Policy](#) outlines our expectations for ESH protection.
- Our [Anti-Human Trafficking Statement](#) 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](#) describes our expectations to avoid sourcing metals for our products from smelters that help support wars and human rights violations.
- Our [General Quality Guidelines](#) outline the processes and systems that support our quality expectations. These guidelines include making sure that direct material suppliers are certified to international quality standards.
- Our [ESH Policy and Principles](#) outline our expectation for suppliers' compliance with applicable regulations and TI ESH policies, standards and specifications.

Additionally, we require that our suppliers create their own sustainability policies, standards and processes and operate ethically and legally in the countries where we do business. While these policies, standards and processes vary, suppliers are responsible for monitoring local legislation and ensuring compliance. We also require that suppliers have robust ESH policies and management practices to identify and control risks and prove compliance with related laws and regulations.

Assessing supply chain 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 and concentration in geographic areas to ensure that our procurement and supplier-management processes are rigorous enough to prevent or manage reputational issues, order fulfillment problems, shipping delays or increased 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 maintain supply continuity.

We prioritize the examination of suppliers based on our financial investment, criticality, and the products and services they provide, as well as their geographic location. We require strict adherence to upholding human rights policies; when using supplemental or contract labor providers, we perform 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.

Supply chain risks we assess include:

- Availability of materials and finished goods.
- Business ethics.
- Conflict minerals.
- Environment, safety and health.
- Financial health.
- Labor and human rights.
- Price and trade volatility.
- Quality of materials.
- Supply management systems.

Evaluation tools

TI deploys three assessment tools to routinely evaluate 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 the RBA Code of Conduct sections. The assessments (on a two-year rotation) 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. 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 the RBA code's labor-related sections. The audits include on-site inspections; document reviews to confirm that suppliers are not imposing debts or fees on workers; interviews with workers and management to assess labor conditions, work hours, wages and restrictions on mobility; and inspecting dormitories. If we identify any concerns during this process, our purchasing managers and supply-chain team work with suppliers to develop corrective actions that we then track until closure.
- **Performance measurement program.** For critical suppliers, we include their performance on the assessments described above in a TI-designed biannual supplier performance measurement program called CETRAQ, which stands for cost, environment and social responsibility, technology, assurance of supply, and quality. TI's CETRAQ program is a tool used in considering awards of new or ongoing business and enables us to:
 - Identify risks in supply and quality that need review by 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.

Assessment findings

In 2020, TI assessed more than 250 suppliers. Of those assessments, we evaluated 140 production suppliers that support our manufacturing operations with 332 factory locations; 95% met our expectations. The remaining 5% required corrective actions, including additional training and engagement with workers to explain paychecks and wage withholdings, improve dormitory conditions, enhance policies and recordkeeping, or improve work schedule and timekeeping management.

Regardless of their respective risk rating, we require any supplier with whom we have significant concerns or potential contributing risk concerns (such as those related to hiring activity, working hours, and wages and benefits) to take corrective actions, which we monitor through closure.

Goals and results

	2016		2017		2018		2019		2020	
	Goal	Result								
Targeted suppliers completing environmental and social responsibility assessments	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Production suppliers rated as low risk for all facilities on environmental and social responsibility SAQ assessments	80%	86%	85%	88%	85%	87%	90%	89%	90%	95%

Conflict minerals

TI is committed to ensuring that company products do not contain minerals derived from sources that finance or benefit armed groups in the Democratic Republic of Congo (DRC) or adjoining countries. We believe that the purchase of minerals from illicit mines is an important concern globally and that companies should not purchase from such mines.

Our approach

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

We have a [Conflict Minerals Policy](#) to identify and remove conflict smelters from our supply chain. These conform with the OECD's Due Diligence Guidance, which requires establishing 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.

For more information about how TI manages conflict minerals, see our [SEC Form SD filing](#) and [Supplier Social Assessment](#) in the GRI Index.

Making progress

Over the past several years, we've worked diligently to audit smelters to eliminate conflict minerals from our supply chain. These minerals include tin, tantalum, tungsten and gold that are mined from smelters that directly or indirectly finance or benefit armed groups in conflicted regions.

We've continued to improve our audit process and close the gap of undeterminable smelters, year after year. To date, none of the smelters evaluated from our research and information gathering is financing or benefiting armed groups.



Smelters potentially in the supply chain for TI's integrated circuits

	2018	2019	2020
Conflict-free	100%	100%	99.6% ¹⁹
Committed to audit	0%	0%	0.4%
Undeterminable	0%	0%	0%

¹⁹Of the 236 smelters potentially in the supply chain for TI's integrated circuits, the RMI certified 235 as processing conflict minerals from conflict-free sources. The remaining smelter, Heraeus Germany GmbH Co. KG, experienced a lapse in its certification due to an administrative-related factor, but was actively working with the RMI to reactivate the certification. This smelter was compliant with RMI's RMAP process as of July 23, 2021.

Labor and human rights at TI

TI is committed to protecting and upholding human rights and ensuring individual dignity, freedom and respect in its operations and across its supply chain. In our business and manufacturing operations, all employment is voluntary, and work hours and pay are fair and consistent with local labor standards and laws. We do not use child labor in any area of our business.

Employees have the freedom to associate, the right to collective bargaining or both, as provided by local statute. We also regularly conduct global employee surveys and virtual and in-person roundtable discussions to better understand site-specific work environments.

Proactively managing human rights risks

To manage human rights and eliminate violations, TI conducts periodic risk assessments and due diligence with its suppliers using the OECD Guidelines for Multinational Enterprises. We also conduct third-party audits, on-site interviews and assessments in high-risk geographies to ensure the protection of employees' and contractors' rights. We assess labor standards, training and awareness-building practices, freedom to associate, and incident reporting tools.

For more information about how TI manages human rights, see the [Human Rights Assessment](#) and [Human Rights Security Practices](#) sections in the GRI Index.

How we address concerns

Employees have multiple ways to contact internal authorities to express workplace concerns and improvement opportunities. Anyone is encouraged to report allegations of human rights abuse, discrimination or other complaints through their direct supervisor, human resources, our ethics director or anonymously by contacting our ethics line. When we learn of concerns, we immediately evaluate the situation and work to address it.



Risk management and business continuity

Understanding our risks

TI continuously monitors, plans and trains for both unanticipated and emerging operational risks, such as cyberattacks, natural disasters, extreme weather events, pandemics, geopolitical issues, social unrest, terrorism, or supply-chain or product-distribution delays. We mitigate disruptions to our business by continuously monitoring these risks, developing and modifying plans to address them, and training employees on crisis response. On an ongoing basis, we also monitor changes to environmental conditions, supply continuity, and the global regulatory and political landscape.

Risk management

Process and planning

TI has a disciplined business continuity planning management system and policy that provides the framework to prepare for and manage risks systematically. 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 and 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, revenue and 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 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 and employees with management responsibilities to identify issues that may have an immediate or future impact. We teach leaders how to assess and prioritize risks based on severity and potential impact on our people or products. We also ask leaders to evaluate and update contingency strategies based on lessons learned from either real events or scenario-based exercises. To prepare for unforeseen events, we conduct drills, training, tabletop exercises and site-level exercises.

Planning for the unexpected

We operate a 24/7 year-round security communication center. We activate our emergency response system depending on the nature and severity of an incident. During an incident, our emergency response team assembles to quickly identify the appropriate resources, services and infrastructure required to mitigate potential loss and coordinate our response and communications. Each TI site has emergency response liaisons trained to coordinate efforts locally or globally, if necessary, and deploy the best response strategies. We also provide humanitarian support and disaster relief to communities where we operate when natural and other catastrophes occur.

Our commitment to assurance of supply continuity

Our regionally diverse manufacturing footprint gives us the flexibility to source more than 75% of products from multiple manufacturing sites, the majority of which are TI-owned, to meet customer demand and better support unpredictable markets or disruptions.

Additionally, our disciplined crisis management and business continuity program helps minimize impact to the flow of products and services to customers caused by internal or world events – including geopolitical changes, natural disasters and pandemics.

Information protection

TI works continuously to identify and eliminate potential threats to its IT infrastructure, proprietary technologies and confidential information. This protection is key to business growth and profitability, and maintaining compliance with such regulations as the General Data Protection Regulation and the China Cybersecurity Law.

To protect our company, technology and intellectual property (IP) from potential cybersecurity threats, we employ various defensive and monitoring techniques based on industry frameworks and cybersecurity standards. We also collaborate with experts and industry partners to exchange information about threats, best practices and trends.

Reducing cybersecurity 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 cybersecurity 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 Technology.

Using guidance from these organizations and information collected from our assessments, we develop cybersecurity 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 access requirements for specific IP or 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 take these types of actions:

Defend

- Restrict access to data on our computers, servers, networks and other IT systems.
- Implement technical measures to protect TI's web presence from external attacks, including protections for ordering products online at TI.com.
- Deploy industry-standard protections, such as multifactor authentication, malware defenses and access review processes.
- Conduct risk and compliance assessments of third parties that request access to our IT resources and information.

Monitor

- Monitor and limit the use of USB or thumb drives and external hard drives.
- Monitor IT systems and respond to alerts regarding inappropriate activity.

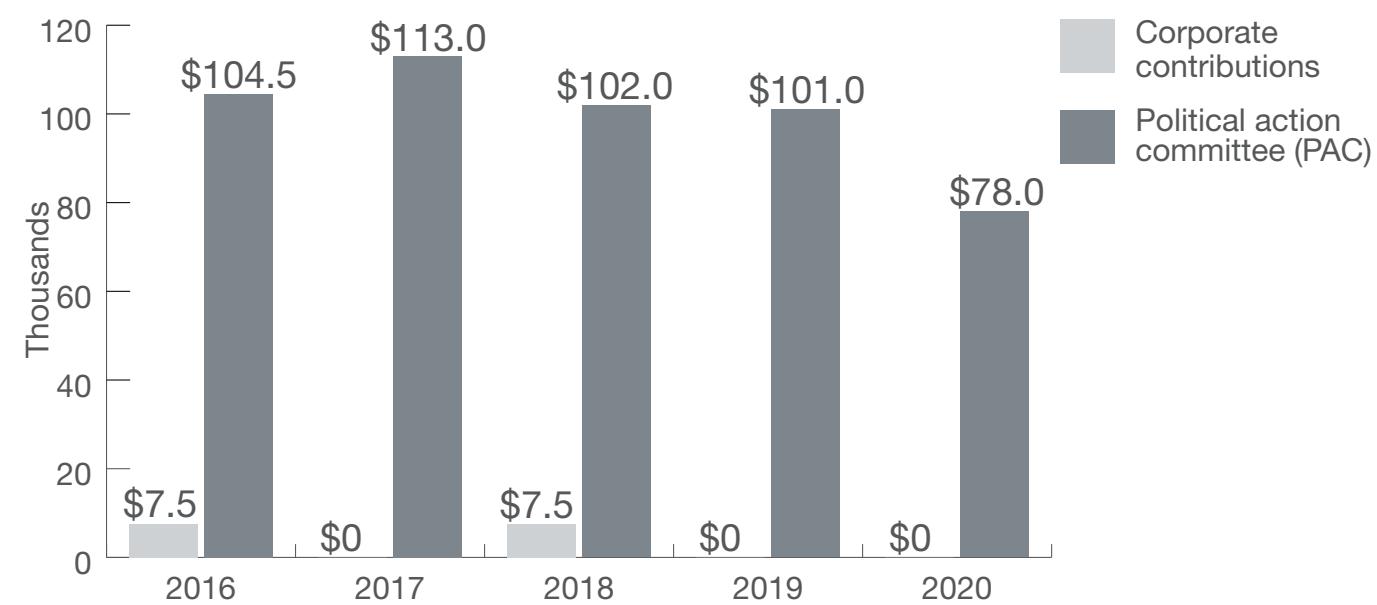
Train

- Send simulated phishing and spear-phishing emails to employees and accompanying education and awareness communications.
- Deliver cybersecurity awareness and confidential information protection training to all TIers and specialized security training to our IT team.

Public policy

TI works with governments to advocate for policies that promote its growth, innovation and competitiveness. We collaborate with many [associations](#) on various policy objectives. We are more active in some organizations than others and we may not align on all positions. For more information about our advocacy process, see [Public Policy](#) in the GRI Index.

Political expenditures²⁰

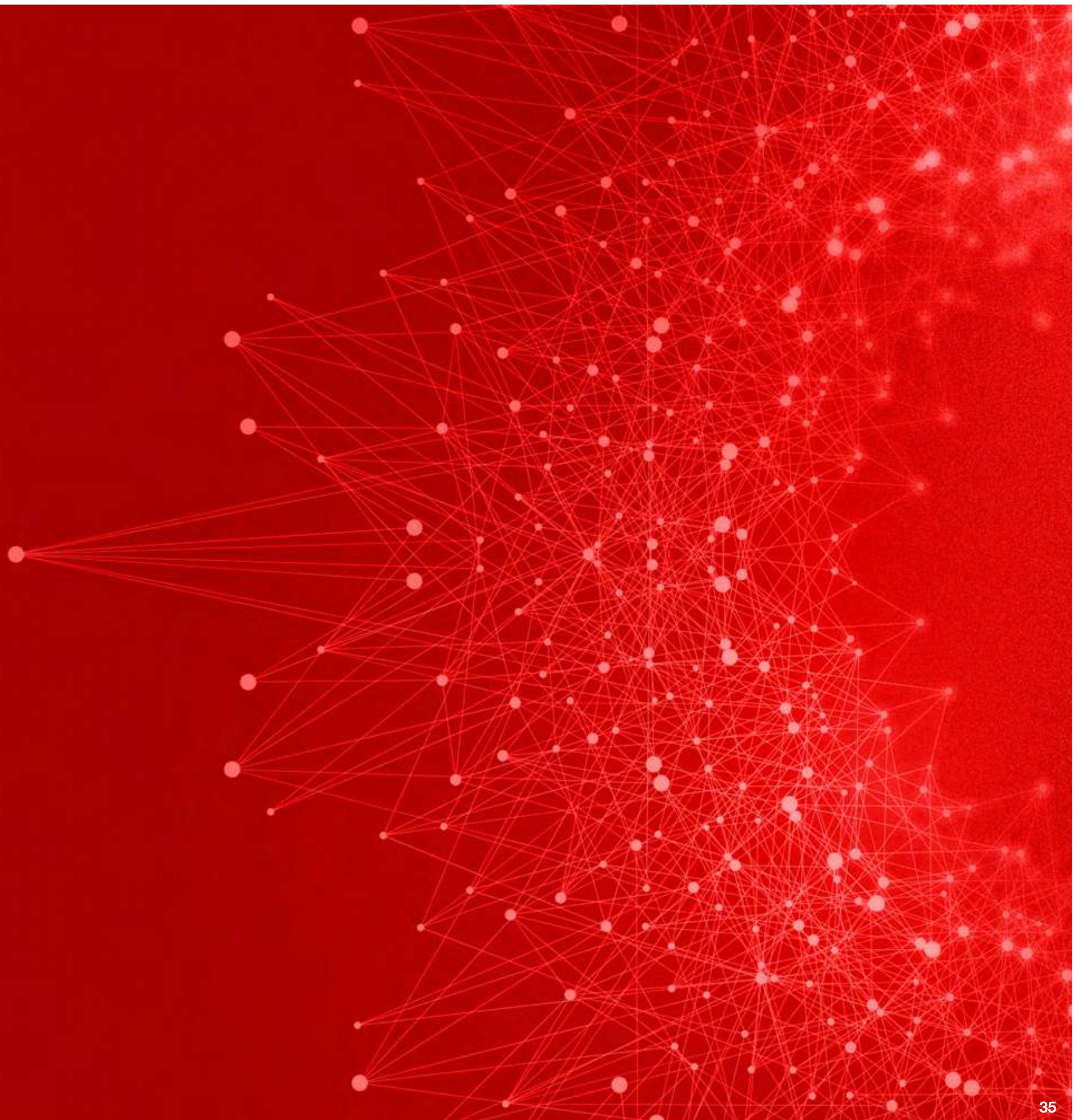


TI's [Government Relations](#) website has more information about the company's political activities, TI's Political Action Committee (PAC), the political activity of employees, and related policies and expectations. TI's PAC is 100% employee-funded, regulated, transparent and nonpartisan. The TI PAC enables employees to voluntarily join together to support federal, state and local political candidates whose positions align with the company's business objectives.



²⁰ TI chose not to make any corporate contributions to local ballot initiatives in 2017, 2019 and 2020. 2020 PAC contributions were impacted due to COVID-19.

Workplace



Workplace

Our people, known simply as Tiers, are living our values every day to make our company passion a reality – to create a better world by making electronics more affordable through semiconductors.

Diversity and inclusion

We have worked to create a culture where ideas are respected and encouraged, where we seek to remove barriers, and where our people know that they can succeed and build long-term careers. We are focused on building awareness and equipping leaders with the tools and resources to advance inclusion, as well as recruiting and retaining diverse talent through development and intentional career mobility.

"We believe that building an inclusive culture depends on every Tiler. From the small, day-to-day decisions to the bigger, company-impacting actions, we are co-creating a culture of diversity and inclusion – and thereby building a stronger TI."

– Yesenia Moore, vice president of Diversity & Inclusion



In 2020, we were recognized for our diversity and inclusion efforts by:

- CAREERS and the disABLED magazine's Top 50 Employers.
- Human Rights Campaign Corporate Equality Index, 100% rating.
- Minority Engineer magazine's Top 50 Employers.
- National Association for Female Executives, Top Companies for Executive Women.
- Woman Engineer magazine, Top 50 Employers.
- Working Mother magazine, 100 Best Companies for Working Mothers.

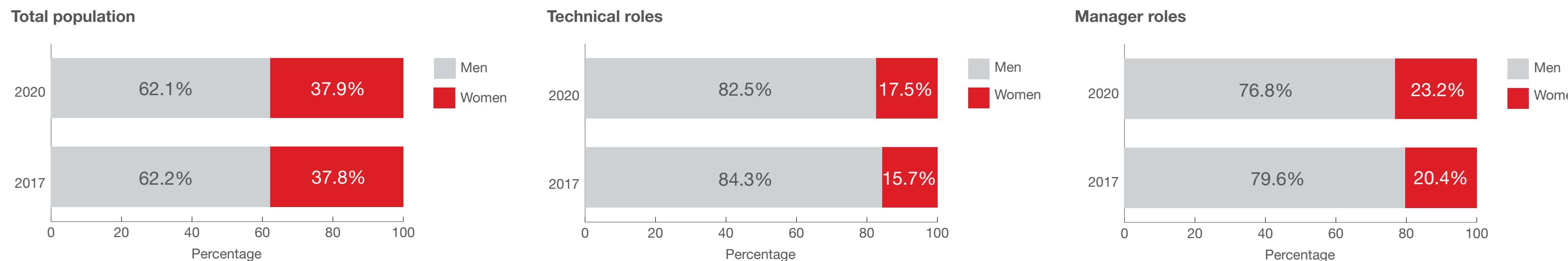


Workforce representation

For decades, TI has stated its commitment to diversity and inclusion. As part of that ongoing commitment, we regularly assess our workforce relative to availability across gender, race and ethnicity demographics. This work allows us to understand where we have gaps and informs where we need to place more emphasis to continue our progress toward having diverse representation at all levels. Our diversity and inclusion efforts represent a long-term commitment and, while we certainly have more work to do, the progress we've made in recent years is encouraging.

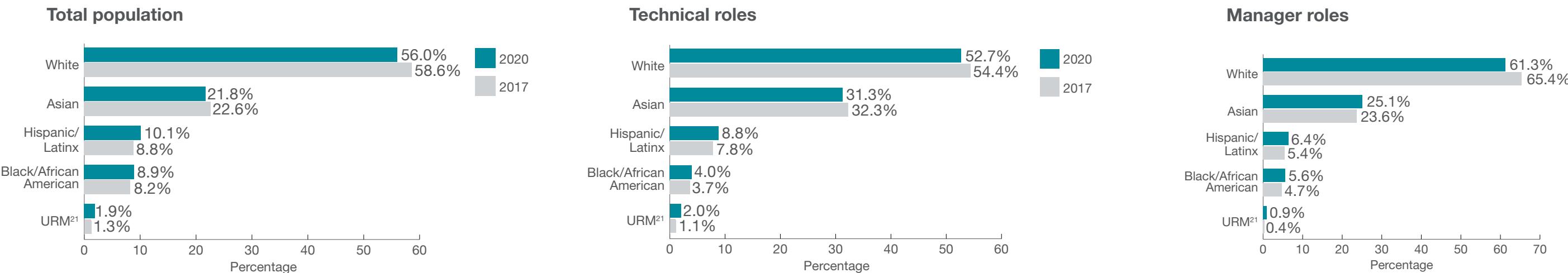
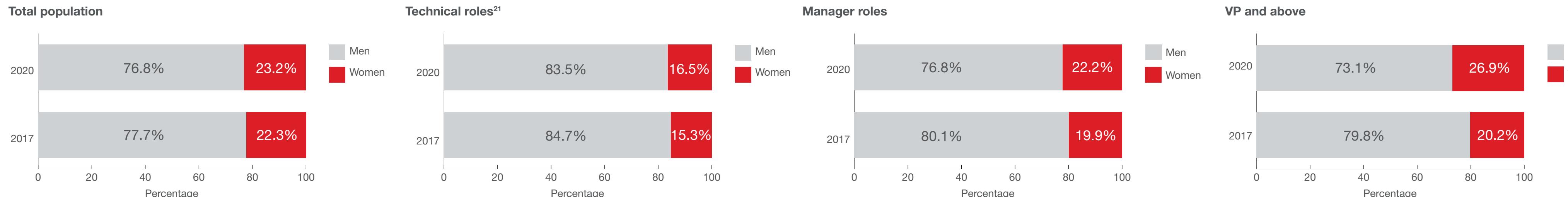
Assessing external workforce availability, particularly in engineering, brings to light that women and underrepresented minorities are not reflected in engineering majors and careers at the same levels as men and non-minorities. For this reason, we are focused on growing the engineering pipeline through partnerships with universities and nonprofit organizations. Read more about our recruitment strategy and investment in education.

Worldwide



Our workforce data includes gender representation (for worldwide and U.S. populations) and race/ ethnicity representation (for U.S. population) for the following groups of employees: worldwide, technical, manager and vice president and above. This composite view best reflects the progress in our diversity efforts in hiring, career progression and retention across our workforce.

United States



²²We define underrepresented minorities (URMs) as Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, or two or more races. Any data differences less than 100% are attributable to a small percentage of undisclosed data.

Focusing on inclusion

We engage and support TIers through 15 grassroots and employee-led employee resource groups (ERGs) and programming.

ERGs

For more than 30 years, the TI Diversity Network (TIDN) has helped educate employees and surface topics that matter to employees through ERGs. Our journey started in 1989 with the women's and Hispanic/Latinx ERGs and today includes thousands of members, forming a strong employee-led diversity network supported by 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 and our business objectives. Each ERG is led by a team of employees and sponsored by at least one TI executive.

Our ERGs continue to make progress and foster an inclusive environment. Some examples from 2020 include:

- Our TI Pride (LGBTQ+) network expanded to create a new chapter in India to enable an inclusive work environment for our LGBTQ+ employees and allies in India.
- Our Black employee network and the TIDN sponsored a widely attended series called Courageous Conversations that helped deepen understanding about social issues, racial equity and why these topics matter at TI. These sessions provide TIers an open space for dialogue, to listen to and learn from one another and see our differences as strengths.

For more information about how TI manages diversity and inclusion, see [Diversity and Equal Opportunity](#) in the GRI Index.



TI's employee resource groups

- Able employee network
- Bangladeshi employee network
- Black employee network
- Chinese employee network
- Christian employee network
- Indian employee network
- Jewish employee network
- Korean employee network
- Muslim employee network
- New employee network
- Pride employee network
- Unidos employee network
- Veterans employee network
- Vietnamese employee network
- Women's employee network

Recruitment and global rotations

TI's ability to grow and thrive depends on recruiting and retaining the best talent in the industry.

Candidates choose TI because we offer:

- Exciting and impactful work across several markets, businesses and product lines.
- The opportunity to collaborate with the brightest minds in technology.
- Competitive pay and benefits packages 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 around the globe. Many college students start their TI careers through our internship programs or as a recent graduate entering through one of our many global rotation programs across functions such as sales and applications, finance and operations, information technology, human resources, product marketing engineers, application engineers, and digital marketing and communications.

These rotation programs offer new employees hands-on, meaningful experiences from their very first day on the job and provide training and development opportunities to make an impact at TI quickly.

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

TI's recruiting partners

TI forms strong networks and recruits diverse talent among female, underrepresented minority and LGBTQ+ candidates through partnerships with:

- Advancing Minorities in Engineering (AMIE).
- Association of Cuban American Engineers.

- Black Engineer of the Year Awards (BEYA).
- Hispanic Engineering Awards Achievement Ceremony.
- INROADS.
- Institute of Electrical and Electronics Engineers (IEEE) Women in Engineering.
- National Association of Black Accountants (NABA).
- National Black MBA Association (NBMBAA).
- National Society of Black Engineers (NSBE).*
- Out & Equal.
- Out in Science, Technology, Engineering and Math (oSTEM).
- Recruit Military.
- Society of Hispanic Professional Engineers (SHPE).*
- Society of Women Engineers (SWE).*
- U.S. Army Partnership for Youth Success (ArmyPaYS).

* TI also serves on its corporate advisory board

Creating careers for active military, veterans and individuals with disabilities

For decades, TI has been actively engaging various organizations to recruit qualified individuals from underrepresented groups. We partner with veteran services offices at U.S. universities and two-year technical institutions to promote career opportunities.

TI also has had a multi-year relationship with Getting Hired to promote career opportunities for veterans and people with disabilities. Additionally, TI has had a longstanding relationship with EmployAbility Dallas, which supports the hiring of people with disabilities.

For more information, see indicator [401-1](#) and the [Labor/Management Relations](#) section in the GRI Index.

Retention

Retaining employees with institutional knowledge, technical and operating expertise, and relationships is a top priority for TI. We also recognize that retaining women and minorities, who are traditionally underrepresented in technology, is critical. We invest in these groups with tailored career development plans, mentor programs and executive interaction to develop and encourage professional growth.

We also track turnover by region in order to tailor initiatives for improvement. In 2020, turnover was 7.1%, down from 8.5% in 2019. As an indication of the longevity of our workforce, in 2020, 26% of our employees had worked at TI for more than 20 years.

Building inclusion awareness with leaders

TI requires new managers to take Creating an Inclusive Environment, a course that focuses on:

- Recognizing biases and stereotypes that can affect workplace decisions.
- Identifying those who've been excluded and inviting them to the table.
- Engaging everyone and encouraging their voices and contributions.
- Advocating for those with different perspectives to support their personal success.



A center of innovation for developing technologies to make the world smarter, healthier, safer, greener and more fun.

Development

At TI, performance, development and career discussions intersect to support an employee's career journey. This starts with goal setting, regular performance feedback conversations to help identify strengths and development areas, the creation of an individual development plan to build capability for current and future roles, and career conversations that help articulate an employee's career goals and the steps needed to make it happen.

We have rigorous processes and tools to identify talent early and to grow talent from within so that we can build diverse talent pools for critical roles and prepare potential leaders when the right leadership opportunities emerge. This includes:

- Talent assessments to help reduce bias in talent decisions, provide a broader view of talent within the organization and accelerate development.
- Biannual talent review discussions within each organization.
- Focused leader development programs to accelerate the development of women in technical roles and those in specific business roles.

Employees own their career and development with the support of their managers, human resources and the programs and resources we provide. We invest in learning, development programs and resources to advance and develop our employees' capabilities and skills.

Performance management

At TI, managers regularly assess performance and conduct formal and informal feedback conversations with team members. Each year, we encourage formal discussions at three intervals: beginning-of-the-year goal setting, mid-year check-ins and end-of-year reviews – with managers and employees documenting their discussions.

Engaging early career talent

Make an Impact program

Make an Impact is our global, one-year development program for recent college graduates. Participants learn from facilitators, peers, managers and mentors through, case studies, group projects and reading assignments. In 2020, 1,515 recent college graduates participated.

Early Career Pivotal Learning Roles program

The Early Career Pivotal Learning Role program is a 10-month program for selected early-career employees in which participants learn a different role or a new set of skills while working closely with leaders, technical experts and talent across TI. The program focuses on business impact by taking strong performers and matching them with significant challenges, allowing them to find solutions and showcase their results.



Engaging managers

LEADERSHIPmatters

We help new supervisors, frontline managers and managers of managers effectively transition into their leadership roles through our LEADERSHIPmatters curriculum. We offer these employees training, 360-degree assessments, peer coaching and team building activities to strengthen their leadership skills, communication and collaboration.

Business leader development

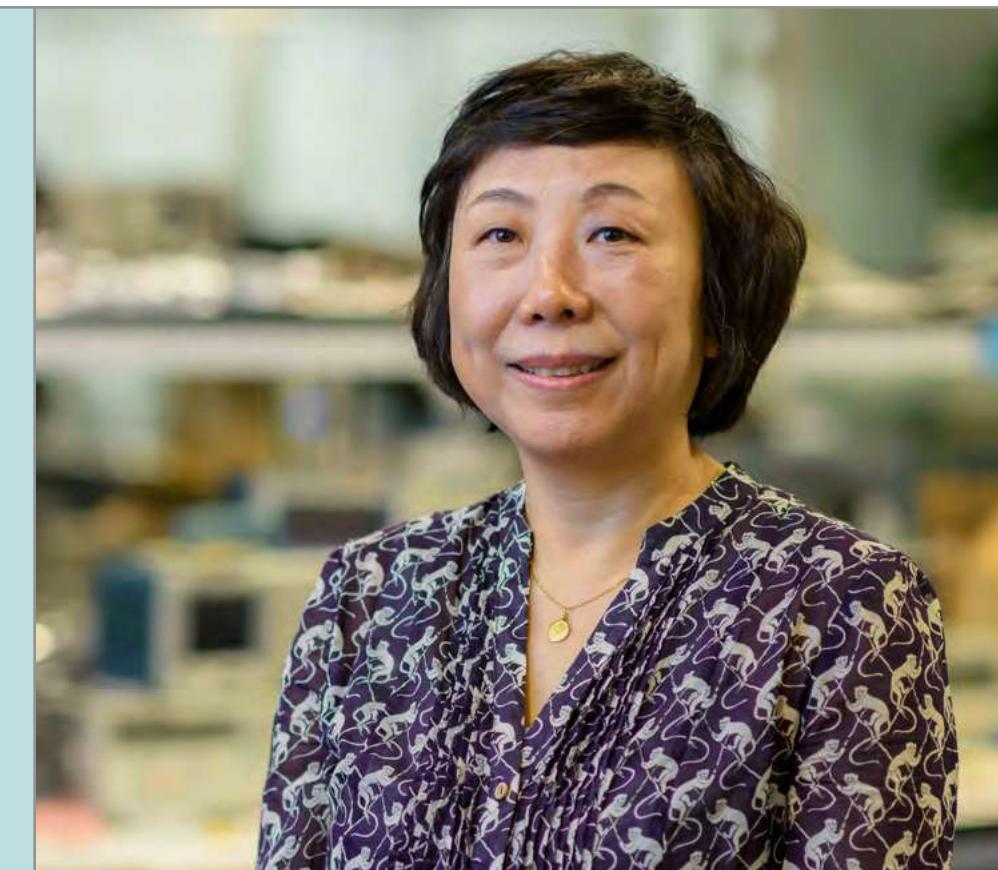
TI's Business Leader Development program accelerates development and readiness for product and business leadership roles. The program includes four interactive work sessions designed to give participants a deeper understanding of profit-and-loss leadership roles and culminates in a two-day business simulation exercise.

Encouraging technical development

The TI Tech Ladder, first introduced in 1968, is a technical career path with increasing 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 business objectives.

Mentoring women to help them develop and excel

Xiaolin, a technical leader at our company, is committed to supporting the next generation of women innovators. She advocates for and mentors women to help them develop and excel in their careers. "There have been people in my life who have helped me grow. In turn, I have to view myself as an enabler. The approach shifts from 'I make an impact' to 'I and others together make an impact.' I, as an individual, can only contribute so much, but if I give young people opportunities to grow, that's powerful. You become a ladder that others climb to accomplish their goals and make an impact."



We also provide technical development for our engineers to improve their skills in foundational engineering areas, and we also provide the opportunity to develop soft skills such as leadership, communications and influence. TIers also can participate in technical conferences, workshops, lectures and symposia.

Investing in female talent today and tomorrow

The number of women in technical roles continues to increase as we continue to focus on developing and building female talent. As a result of these efforts, we have also seen a progression in the number of women in managerial roles.

Formalized development programs like Women for Technical Leadership help us retain, develop and progress women into leadership roles. We also provide intentional opportunities for women through our women's employee resource group (WIN, or Women's Initiative), along with peer-to-peer connection and mentoring programs. These opportunities give women, including those in early career technical roles, the opportunity to form important relationships and have visibility into how other women at TI have successfully pursued technical or managerial career paths.

We are also committed to building and filling our talent pipeline by investing in science, technology, engineering and math (STEM) talent for the future. In Dallas, we have a strategic partnership with Girl Scouts of Northeast Texas, which focuses on STEM learning, careers and leadership to encourage more girls to pursue STEM education and careers. And, in 2001, TI female executives created High-Tech High Heels, a nonprofit organization working to close the gender gap in STEM professions. Many TIers today serve on the board and in volunteering and mentoring roles.

For more information about how TI manages employee development, see the [Training and Education](#), [Employment](#) and [Labor/Management Relations](#) sections in the GRI Index.

Compensation

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

One of the unique aspects of TI's compensation strategy is a global profit-sharing program that rewards all TIers for contributions to the company's financial success. TI makes payouts as a percentage of eligible earnings based on profitability each year.

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 a payout based on the same percentage of eligible earnings. Our profit-sharing plan has paid out at the maximum level possible for the last five years, equating to a 20% bonus for all eligible employees.

For more information about how TI manages compensation, see the [Market Presence](#) and [Nondiscrimination](#) sections and indicators [202-1](#), [405-1](#) and [405-2](#) in the GRI Index.

Extending benefits to support TIers and their families during their pandemic

The health and well-being of our employees is a top priority. To support our employees personally and professionally during the COVID-19 pandemic, we offered:

- Four weeks of additional paid time off for TIers who had personal situations they needed to attend to related to COVID-19.
- Online learning resources to help parents who were juggling schooling or caring for children while working from home.
- Eight free counseling sessions to support emotional well-being.
- Online exercise classes and nutrition resources through a free interactive fitness app.

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 2020, 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. We offer and encourage our employees to take full advantage of various programs to reduce daily stressors that can interfere with well-being, workplace satisfaction and productivity. While initiatives and goals vary globally depending on specific work cultures and government-subsidized programs, examples include:

- Flexible work arrangements and the ability to work remotely.
- Concierge services for vacation planning, making reservations or other personal transactions.
- On-demand resources and referrals for child care and elder care through our Employee Assistance program.
- Counseling sessions.
- Adoption support and reimbursement.

Addressing elder care challenges during the pandemic shutdown

When New Hampshire-based Tler Thomas learned that his father had only a few months to live, Thomas and his sister planned to take long weekends off work so that they could travel to his home in West Virginia and share in his care. When the pandemic hit, they faced another unexpected challenge: a third-party company that had agreed to provide care when they couldn't drastically reduced its services. Thanks to a TI benefit that gives employees four weeks of paid time off to manage personal situations they are facing because of COVID-19, Thomas was able to work partial days remotely and spend time caring for his father.

"Because of TI, my dad could stay home for the last six months of his life," said Thomas, who is an applications and marketing manager. "That's invaluable. I'm very grateful."

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 – Tlers 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 Tlers a discount on early education and child care services, including before- and after-school programs and summer camps for children ages 6 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.

To refine work-life program offerings, we engage employees and audit our programs annually. This helps us remain competitive within the industry and improve services based on employee feedback.



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 and controls into our employees' daily routines.

Safety

We have established and continue to champion a safety-oriented culture that includes implementing safety requirements and best practices globally to provide 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 worksites and maintain proper safety and ergonomic protocols and controls.
- Develop and maintain internal standards, which in many cases exceed regulatory requirements.
- Design and build inherently safe buildings and engineer out equipment risks.
- Deliver relevant and required safety training and provide personal protective equipment.
- Inspect our equipment and continuously audit our processes to assess compliance and performance.

Health

To reduce exposure to health risks, TI applies rigorous industrial hygiene standards that establish the minimum requirements necessary for the safe use and proper storage of hazardous chemicals and other materials. These standards include hazard communication and training, chemical labeling, and hazardous waste management.

Additionally, we eliminate or limit the use of potentially harmful materials, install ventilation and isolation controls, conduct general hygiene and individual assessments, and require the use of and provide personal protective equipment where needed. We regularly monitor worker health through our monitoring programs.

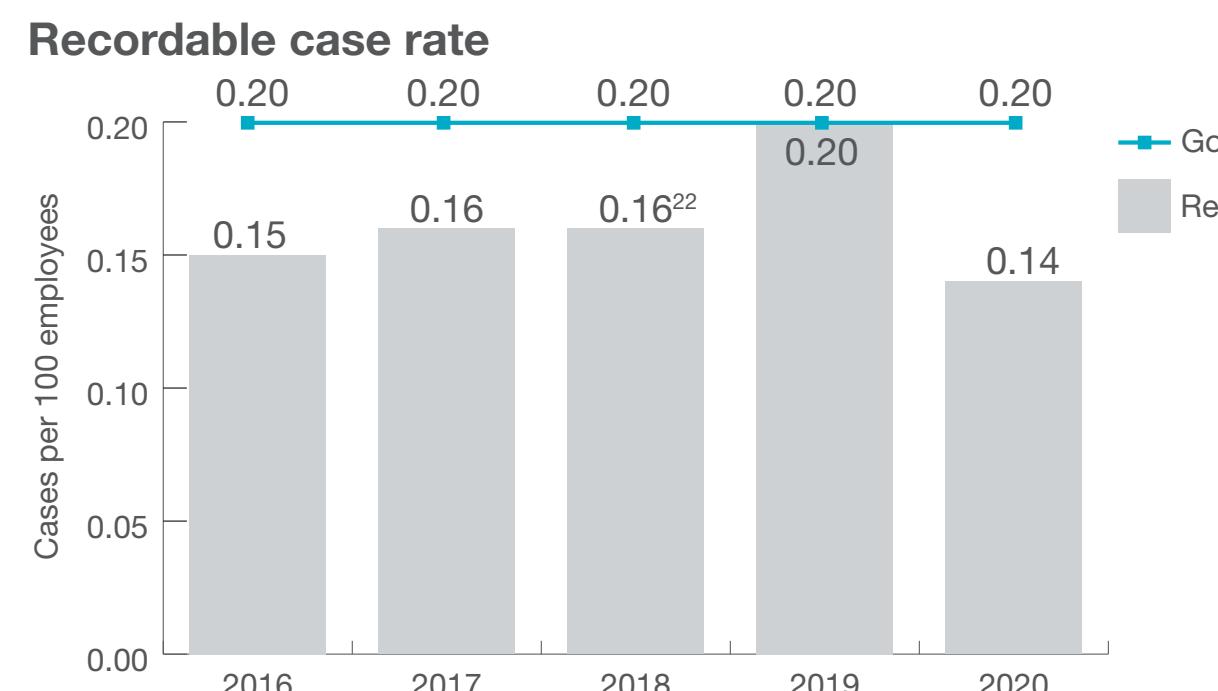


The resources we offer to TIers to take control of their health vary by country, depending on the extent of government health benefits available. In the U.S., we provide free on-site flu vaccines and preventive screening programs, fitness and nutrition programs, employee assistance programs, and counseling and education services.

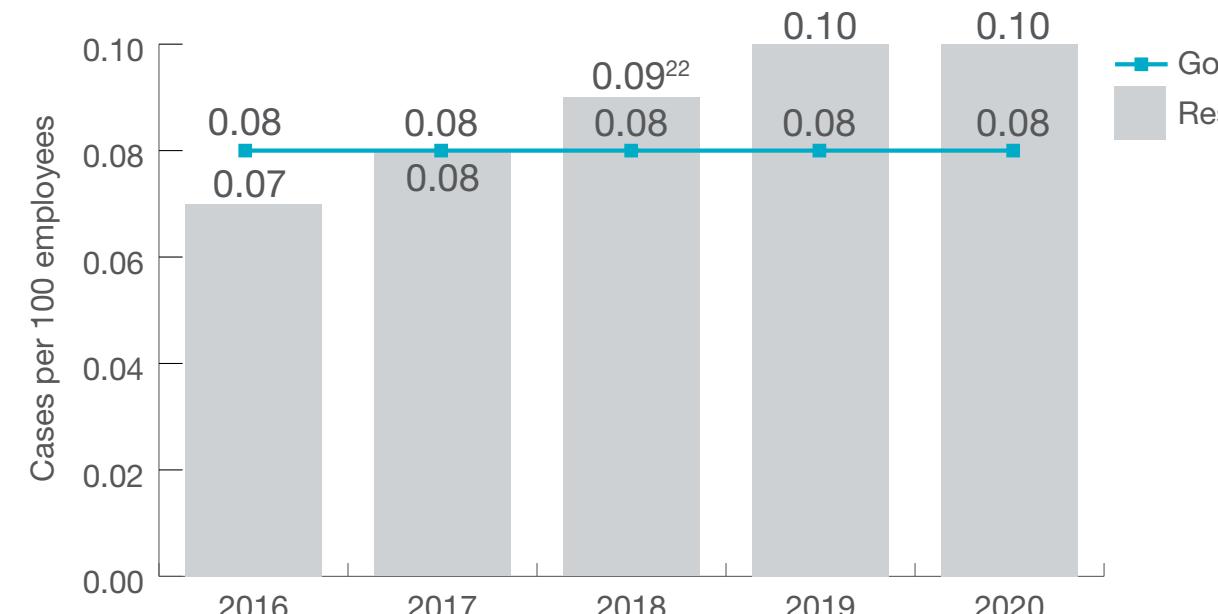
Our health management service provides coaching and oversight to improve the well-being of TIers who have experienced a significant medical event; have extended work absences; or are dealing with multiple diagnoses, treatments and providers. Our benefit advocacy service helps estimate the costs of medical procedures and assists with locating affordable and quality health providers. For more information, see the [Occupational Health and Safety](#) section in the GRI Index.

2020 performance

We 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 2020, we exceeded our recordable case rate goal and nearly met our DART goal. Our DART and recordable rates continue to be among the lowest in the U.S. semiconductor industry, according to the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. TI's DART rate was 0.10, while the industry average was 0.40 in 2019 (2020 industry data is not yet available).



Days away, restricted or job transfer (DART) rate



²² TI's 2018 case rate was incorrectly reported as 0.15 and DART was incorrectly reported as 0.08 in previous Citizenship reports. We corrected these rates in our 2020 report.

²³ Refers to supplemental contractors, who receive daily work instruction from TI managers.

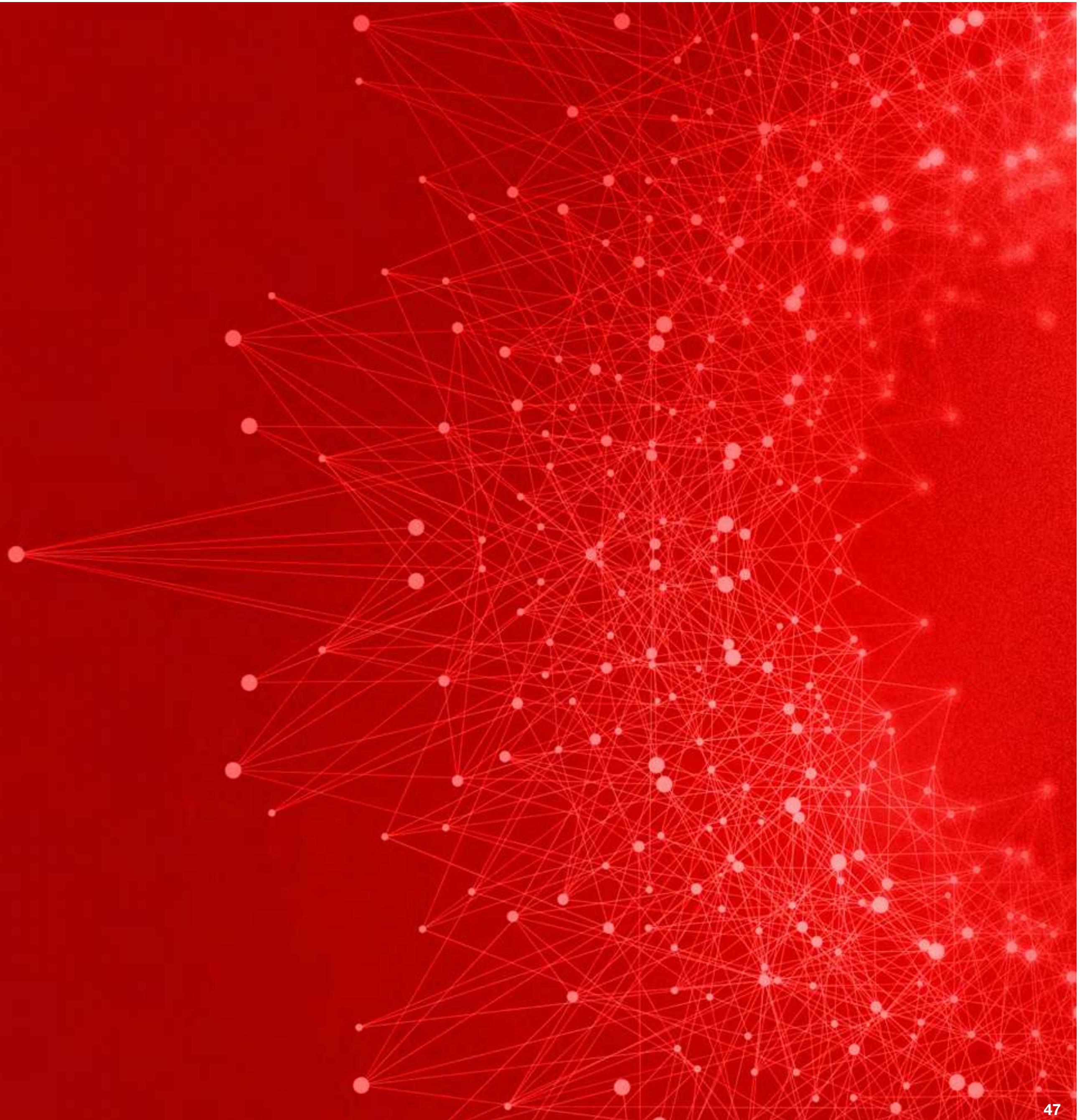
²⁴ The high-consequence work-related injury metric uses recovery time, instead of lost time, as the criterion for determining the severity of an injury. Lost time is an indicator of the loss of productivity for an organization as a result of a work-related injury; it does not necessarily indicate the extent of harm suffered by a worker.

²⁵ Hours reported are worldwide. TI employees and do not include turnkey or supplemental contractors.

Additional health and safety data

Description	2018	2019	2020
Recordable cases (employees)	0.15 (48 cases)	0.16 (48 cases)	0.14 (41 cases)
Recordable cases (contractors) ²³	0.36 (6 cases)	0.27 (5 cases)	0.19 (3 cases)
Fatalities from work-related injuries (employees)	0	0	0
Fatalities from work-related injuries (contractors)	0	0	0
Fatalities from work-related illness (employees)	0	0	0
Fatalities from work-related illness (contractors)	0	0	0
High-consequence injuries (employees) ²⁴	0.007 (2 cases)	0.007 (2 cases)	0.01 (3 cases)
High-consequence injuries (contractors)	0	0	0
Hours worked (employees) ²⁵	58,253,519	59,425,882	59,410,887
Hours worked (contractors only)	3,335,737	3,658,678	3,084,874
Recordable cases from work-related illness (employees)	4	9	10
Recordable cases from work-related illness (contractors)	1	0	1

Giving and volunteering



Giving and volunteering

One of TI's three ambitions is to be a company that we're personally proud to be a part of and would want as our neighbor. Beginning with the example set by our founders, TI, the TI Foundation and Tlers have exemplified this ambition by giving generously of their time and money to positively impact the communities around us. At our core, we believe that strong companies build strong communities and strong communities build strong companies.

Giving

We invest in programs targeted at priority issues within our major site communities through corporate giving and the TI Foundation. The TI Foundation is our company's 501(c)(3) philanthropic organization in the U.S. Founded in 1964 and funded solely by TI, it has distributed nearly \$300 million since its inception through grants and matching gifts. The TI Foundation aims to improve the quality of life and community, primarily in Dallas – TI's headquarters city – through well-considered and well-measured investments in education, human services, racial equity and the arts, as all are critical to a thriving, fair and diverse community.

Our largest area of philanthropic giving is targeted at improving education. In the U.S., we focus our education investments on science, technology, engineering and math (STEM), with a specific emphasis on underrepresented students. Globally, we support efforts that increase access to education as well as enhance STEM education. TI also makes grants at major sites based on recommendations from our employee-led community involvement teams, local needs and strategic fit.

The TI Foundation also supports TI employees' and retirees' community-mindedness by matching their monetary contributions up to \$30,000 per year, and the value of their volunteer hours up to \$1,000 per year.



The TI Foundation's focus areas

Education

Increase the number of Black, Latinx and female high school graduates with strong math and science skills by increasing the number, effectiveness and retention of great K-12 STEM teachers and principals who are knowledgeable, capable and passionate about leading all students to good STEM outcomes.

Human services

Strengthen programs and services for critical needs among racially and economically marginalized populations. Preserve emergency funds for site communities and employees devastated by natural or human-caused disasters.

Racial equity

Support programs that dismantle barriers to racial equity, with an emphasis on police training and practices that reinforce accountability so that all people are policed equitably, and our communities are safer places to live and work.

Arts

Sustain the arts that make Dallas culturally inclusive and vibrant through multi-year grants to premier organizations that emphasize diversity in reach and programming, and through transformative grants to diverse groups that have the capability to become larger in reach and impact.

Our employees worldwide are generous in their giving to nonprofit organizations to make a difference in our communities. Organized efforts include our annual U.S. workplace giving campaign with United Way, with whom we have a decades-long relationship. In total, TI, the TI Foundation, employees and retirees gave more than \$12 million to United Way in 2020. Globally, our community involvement teams held fundraising campaigns focused most heavily on COVID-19 relief efforts.

For more information about how we manage community citizenship, see [Local Communities](#) and indicator [201-1](#) in the GRI Index.

Responding to a global pandemic

The TI Foundation preserves emergency funds for its site communities and employees impacted by natural or human-caused disasters. Our commitment to disaster relief was clear in 2020, a unique year during which we invested at higher-than-normal rates given the devastating impact and resulting needs created by the COVID-19 global pandemic.

In 2020, TI, the TI Foundation, employees and retirees gave more than \$10 million to COVID-19 relief efforts in communities where we operate around the world, including funding for:

- Local United Way organizations, including \$5 million from the TI Foundation to United Way of Metropolitan Dallas for relief, recovery and rebuilding efforts.
- The North Texas Food Bank and Second Harvest of Silicon Valley.
- Direct financial support and donations of medical supplies to response and recovery efforts in China, Germany, India, Israel, Mexico, Malaysia, and the Philippines.



Volunteering

Our employees have a decades-long history of giving back and are known for their generous spirit. While the COVID-19 pandemic drove how and where TIers gave their time and resources in 2020, it didn't change why they gave and volunteered – to build stronger communities.

When TI canceled in-person volunteer events and on-site donation drives, many employees turned to virtual engagement to continue making a difference. For example, they facilitated video meetings with students to help them with math and science homework, and to mentor them and answer career questions.

Honoring outstanding community contributions

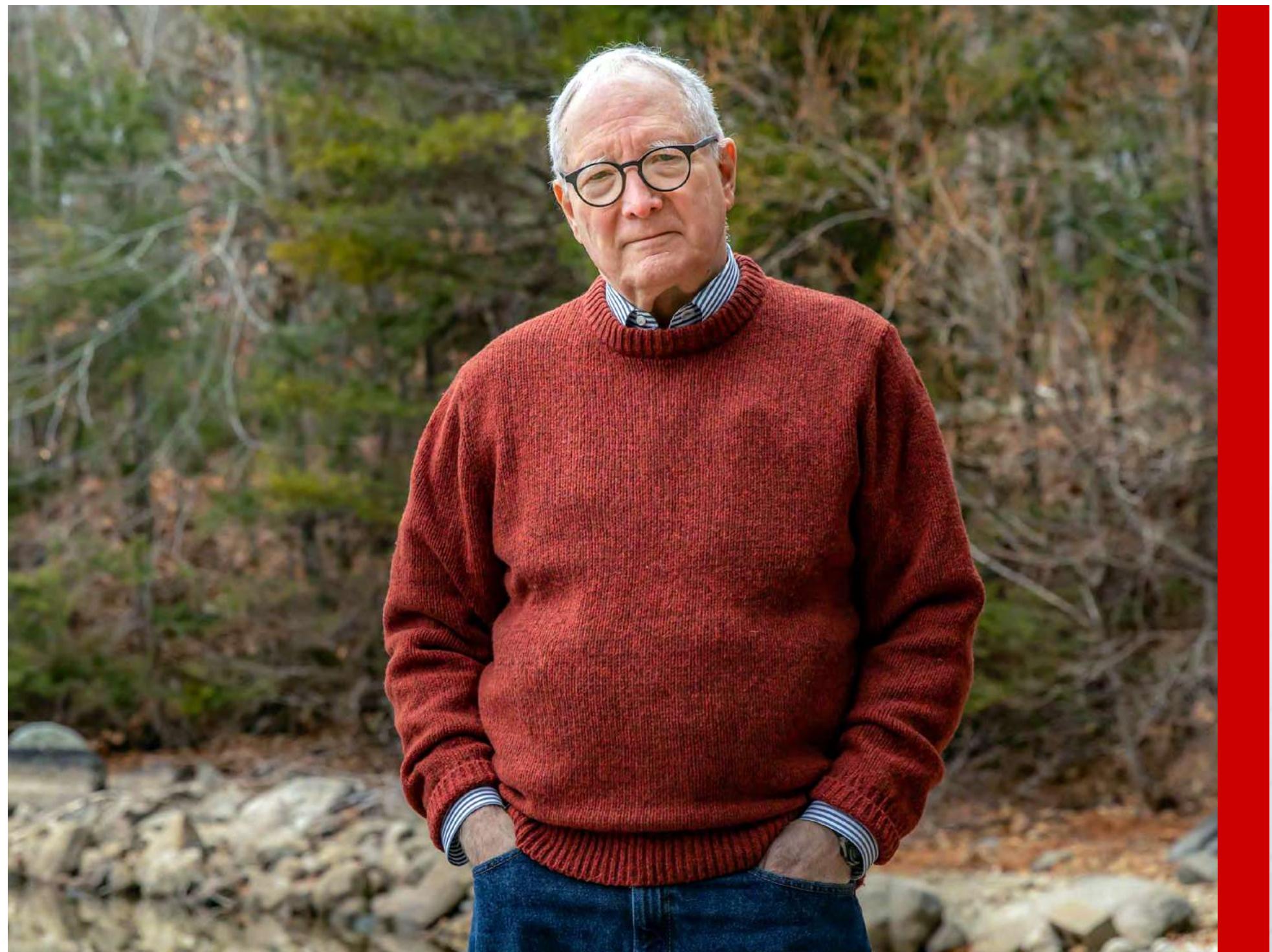
Bill, vice president and senior tax counsel at TI, received the 2020 TI Founders Community Impact Award. The annual award honors an employee who exemplifies the community-minded values of the company's founders.

Bill has given generously to numerous civic, arts and charity organizations and legal services to those in need. Bill has also served on the boards of the Dallas Opera and Museum of the American Railroad.

"Giving back connects you to the community, improves the community and develops your personal skills and networks," he said. "TI's programs make volunteering and contributing easy."

Bill received a \$10,000 grant to direct to a nonprofit organization of his choice. Five finalists also received \$2,500 grants for the nonprofits of their choice.

They made celebratory birthday videos for homeless children, read books to students via video, assembled hygiene bags, collected nonperishable food items to donate to food banks, made companion calls to the elderly and the homebound, and sent messages of gratitude and encouragement to teachers and health care workers.

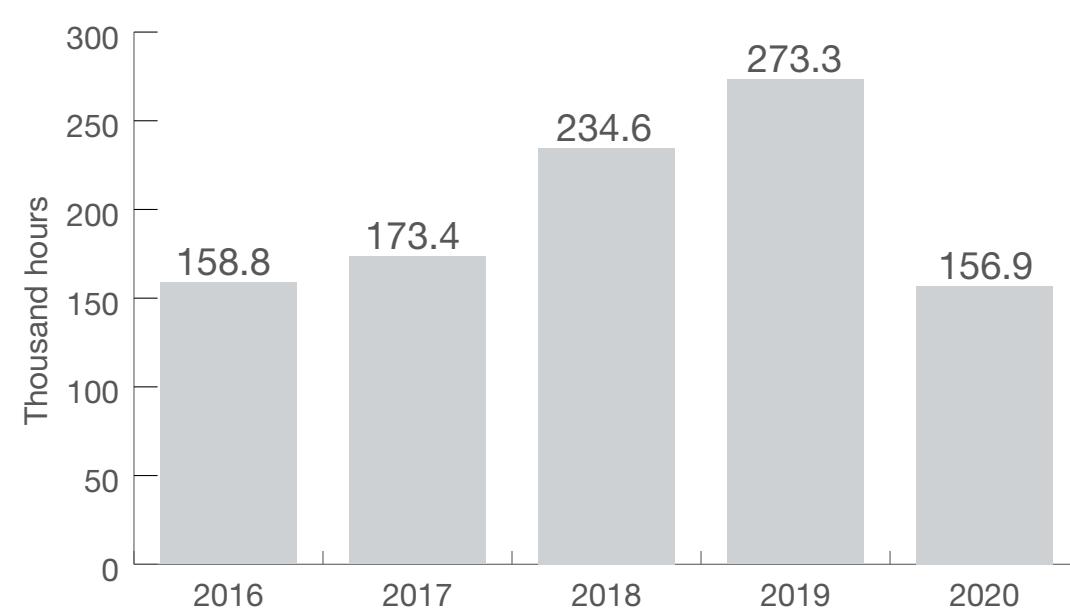


Matching employee generosity for greater impact

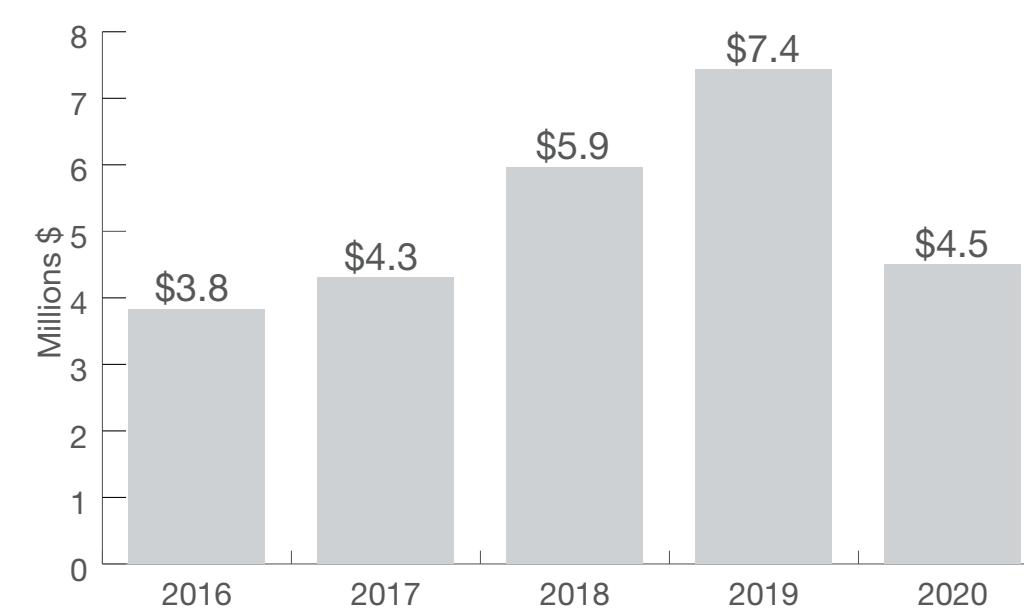
We believe that when we can combine grants from the TI Foundation with employee giving and volunteering, we can make a stronger impact. In 2020, TI and the TI Foundation granted nearly \$26 million, and employees and retirees donated nearly \$14 million to support various organizations. To double the impact of our employee giving in the U.S., the TI Foundation matches employee and retiree donations to eligible nonprofit organizations. In 2020, the TI Foundation provided more than \$10.4 million in matching gifts and volunteer hours.

In 2020, the TI Foundation provided more than \$10.4 million in matching gifts, including more than \$365,000 to match the value of hours that Tiers volunteered. While our overall volunteer hours dropped in 2020 due to fewer in-person volunteering opportunities because of the COVID-19 pandemic, we are proud of the support Tiers gave when and where it was needed most.

Volunteer hours



Value of volunteer hours²⁶



²⁶Values are based on Independent Sector, an independent organization that estimates the value of each volunteer hour in 2020 at \$28.54.



A living legacy of investing in education

To help students in North Texas, the TI Foundation has invested \$50 million in the last decade to increase the number of Black, Latinx and female high school graduates with strong math and science skills.

One of the hallmarks of these investments has been multiyear grants to Dallas area K-12 school districts where STEM learning needs are significant, yet opportunities are low. We believe that STEM learning is ultimately critical to lifelong employment opportunities. These grants have transformed entire school districts into STEM districts, embedding STEM concepts into all coursework and across all grades.

In 2012, through an [initiative with Educate Texas and the Lancaster Independent School District](#) (Lancaster), the TI Foundation and Educate Texas invested more than \$10 million to create a districtwide model that embedded STEM teaching, thinking and problem-solving skills, making STEM education accessible to all students. Lancaster students are 97% Black and Latinx, and 89% are economically disadvantaged.

By 2020, Lancaster had increased Algebra 1 proficiency by 51%, exceeding state standardized test scores instead of trailing by 24% previously. District students also are now accepted at higher rates to a broader section of colleges and universities with highly selective admissions.

The TI Foundation began replicating the STEM district model in 2018 through a three-year, \$4.6 million grant for Lloyd V. Berkner High School and its feeder schools in the [Richardson Independent School District in North Texas](#). This zone serves 16 schools and more than 10,000 students, the population of which is 64% Black and Latinx, and 59% experience economic disadvantages.



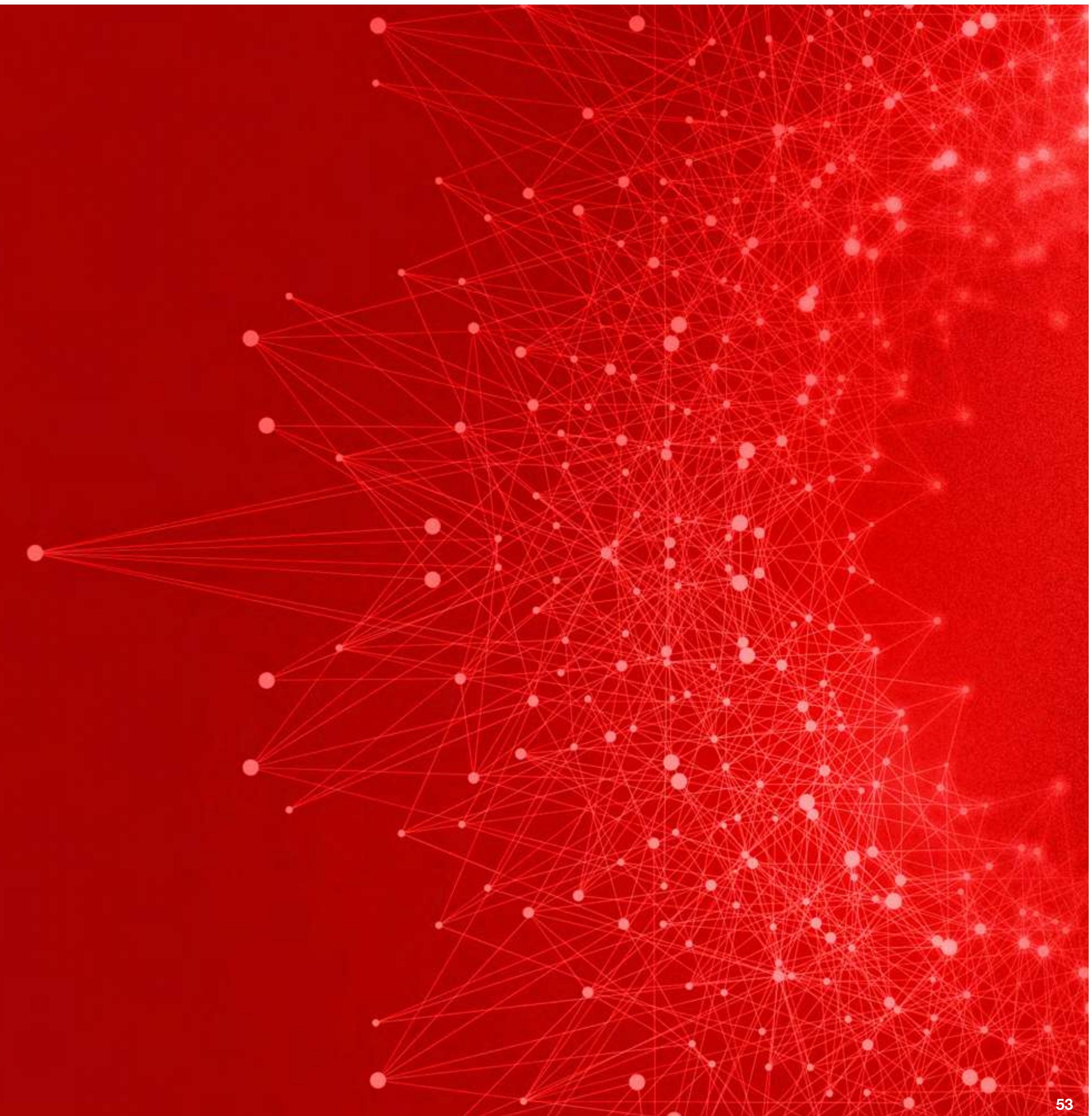
Notice regarding forward-looking statements

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 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 of 2021 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. We undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

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Appendices



Task Force of Climate-Related Financial Disclosures

In 2020, TI began disclosing environment-related management strategies, risks and opportunities, and greenhouse gas (GHG) emissions using the Task Force of Climate-Related Financial Disclosures (TCFD) framework to meet stakeholders' information needs. This index includes information that is not material to TI, but may be considered important to TI and to our stakeholders.

Governance

Subtopic	Description	Response
Board oversight	Describe the board's oversight of climate-related risks and opportunities.	See Board Oversight of Environmental, Social and Governance (ESG) Matters and TI's CDP Climate Change response .
Management's role	Describe management's role in assessing and managing climate-related risks and opportunities.	See Board Oversight of ESG Matters and TI's CDP Climate Change response .

Strategy

Subtopic	Description	Response
Risks and opportunities	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	See TI's CDP Climate Change response .
Impact on organization	Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	See TI's CDP Climate Change response .
Resilience of strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	See TI's CDP Climate Change response .

Risk management

Subtopic	Description	Response
Risk assessment processes	Describe the organization's processes for identifying and assessing climate-related risks.	See TI's CDP Climate Change response .
Risk-management processes	Describe the organization's processes for managing climate-related risks.	See TI's CDP Climate Change response .
Integration into overall risk management	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	See TI's CDP Climate Change response .

Metrics and targets

Subtopic	Description	Response
Climate-related metrics	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process.	TI has not defined metrics to assess climate-related risks at this time.
Scope 1, 2 and 3 GHG emissions	Disclose scope 1, scope 2 and if appropriate scope 3 GHG emissions and the related risks.	See the GHG Emissions section of TI's 2020 Corporate Citizenship Report and CDP Climate Change response .
Climate-related targets	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	See the GHG Emissions section of TI's 2020 Corporate Citizenship Report and CDP Climate Change response .

Sustainability Accounting Standards Board

In 2020, TI began disclosing using the Sustainability Accounting Standards Board (SASB) on topics that SASB deemed significant to semiconductor companies. This index includes information that is not material to TI, but may be considered important to TI and to our stakeholders.

Topic	Indicator	Description	Response
GHG emissions	TC-SC-110a.1	Gross global scope 1 greenhouse gas (GHG) emissions and the amount of total emissions from perfluorinated compounds.	See the GHG Emissions section of TI's 2020 Corporate Citizenship Report or TI's CDP Climate Change response .
	C-SC-110a.2	Discussion of long- and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets and an analysis of performance against those targets.	See TI's CDP Climate Change response .
Energy management in manufacturing	TC-SC-130a.1	Total energy consumed, percentage grid electricity and percentage renewable energy.	In 2020, TI consumed 10,710,349 gigajoules of energy. See the Energy Use section of TI's 2020 Corporate Citizenship Report.
Water management	TC-SC-140a.1	Total water withdrawn, total water consumed, and percentage of each in regions with high or extremely high baseline water stress.	In 2020, TI consumed 2,914 thousand cubic meters of water and withdrew 18,560 thousand cubic meters. See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report and TI's CDP Water Security response .
Waste management	TC-SC-150a.1	Amount of hazardous waste from manufacturing, percentage recycled.	See the Materials and Chemical Management section of TI's 2020 Corporate Citizenship Report.
Employee health and safety	TC-SC-320a.1	Description of efforts to assess, monitor and reduce exposure of employees to human health hazards.	See the Employee, Safety and Health section of TI's 2020 Corporate Citizenship Report and the Occupational Health and Safety Management Approach section of the GRI Index.
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations.	TI did not have any legal proceedings that resulted in monetary losses in 2020.
Recruiting and managing a global and skilled workforce	TC-SC-330a.1	Percentage of employees who are foreign nationals and located offshore.	TI does not track the percentage of employees who are foreign nationals. See the Workplace section of TI's 2020 Corporate Citizenship Report for the percentage of offshore employees.

Sustainability Accounting Standards Board continued

Topic	Indicator	Description	Response
Product life-cycle management	TC-SC-410a.1	Percentage of products by revenue that contain International Electrotechnical Commission (IEC) 62474 declarable substances.	TI does not track the percentage of products by revenue that contain IEC 62474 declarable substances.
	TC-SC-410a.2	Processor energy efficiency at a system level for servers, desktops and laptops.	Processor energy efficiency is not relevant to our business.
Material sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials.	See the Conflict Minerals section of TI's 2020 Corporate Citizenship Report and TI's Conflict Minerals Policy .
Intellectual property protection	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.	TI was not subject to any monetary losses from legal proceedings associated with anti-competitive behavior regulations in 2020.

Global Reporting Initiative

TI developed its Corporate Citizenship Report using the Global Reporting Initiative's (GRI) Sustainability Reporting Standards as guidance. This index contains general and specific standard responses of environmental, social and governance (ESG), which includes information that is not material to TI, but may be considered important to TI and to our stakeholders.

General responses

Indicator	Description	Response
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 TI's products, see SEC Form 10-K , Part I, pages 3-4.
102-3	Location of headquarters	TI's headquarters are located at 12500 TI Blvd., Dallas, TX 75243.
102-4	Location of operations	See the global map on the TI at a Glance section of our website.
102-5	Ownership and legal form	For information about TI's ownership structure, see SEC Form 10-K , Part I.
102-6	Markets served	For information about the markets TI serves, see SEC Form 10-K , Part I, pages 4-5.
102-7	Scale of the organization	On Dec. 31, 2020, TI had about 30,000 employees, and manufacturing, design and sales operations in more than 30 countries. We have a broad portfolio that includes approximately 80,000 products and generated \$14.46 billion in revenue (see SEC Form 10-K , Part I, Item 1, pages 2-12). The percentage of revenue by region was Asia, 65%; Europe, 16%; the Americas, 11%; Japan, 5%; and other, 3%. See also SEC Form 10-K , Item 8, Note 1, page 30).
102-8	Number of employees and workers by age, gender and type	See employee data in the Workplace section of TI's 2020 Corporate Citizenship Report. TI does not track the number of employees by employment contract and its part-time workforce is negligible. Full-time employees perform 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 the Supply-Chain Responsibility section in TI's 2020 Corporate Citizenship Report and TI's Anti-Human Trafficking Statement for more information about the company's supply chain. We spend roughly 80% of procurement dollars with approximately 300 suppliers, of which about 180 are critical to supporting semiconductor manufacturing. We define "critical suppliers" as those essential to the supply strategy of a category procurement team that could cause a major disruption to manufacturing 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 invested in new capabilities and evolved our distribution network, aligning our distribution strategy to establish closer direct relationships with customers. With less business flowing through the distribution channel, we require fewer distributors. In 2020, we completed our transition to becoming a single worldwide distributor, coupled with a few region-specific distributors, for order fulfillment. Building closer direct customer relationships strengthens our reach of market channel advantage, which gives us access to more customers and their design projects, leading to potentially higher sales. Having broader and deeper customer access gives us better insight and knowledge into their needs. TI made no significant changes to its size, structure or ownership in 2020. For more information, see SEC Form 10-K , Part I, Item 1, page 5.
102-11	Precautionary principle or approach	To reduce or avoid negative environmental impacts, TI applies precautionary principles in many aspects of its 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 fully understood and may not be fully controllable.

GRI continued

General responses continued

Indicator	Description	Response
102-12	External initiatives	<p>TI's governance documents guide its business practices, which apply to all sites worldwide and evolve based on changing business needs. We also voluntarily subscribe to industry and international standards to improve our ESG performance. These include:</p> <ul style="list-style-type: none"> • The International Organization for Standardization (ISO). • The GRI reporting framework to measure and report our citizenship progress. • The Task Force on Climate-Related Financial Disclosures (TCFD) to improve and increase reporting of climate-related impacts. • The Sustainability Accounting Standards Board (SASB) to disclose the financial impacts of sustainability. • 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. • The CDP, which helps investors, companies and cities act to build a sustainable economy.
102-13	Membership of associations	<p>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 association issues. We 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 our shareholders, customers, employees and the communities in which we operate.</p>
102-14	Statement from senior decision-maker	<p>To read about TI's commitment to citizenship and sustainability, see the CEO letter in TI's 2020 Corporate Citizenship Report.</p>
102-16	Values, principles, standards and norms of behavior	<p>TI's policy is to conduct business in accordance with the highest ethical standards. We published our 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>A core group of leaders developed Living our values – TI's ambitions, values and code of conduct, while TI's management committee and executive officers provided oversight, input and direction. The TI board of directors approved the directive and Rich Templeton, TI chairman, president and CEO, signed. This document is available in multiple languages. All TI leaders are accountable for conducting business according to the code.</p> <p>TI's CEO and senior vice president (SVP) of human resources (HR) held about 12 virtual roundtables with company leaders to equip, train and set expectations for leading and conducting business following Living our values – TI's ambitions, values and code of conduct. We use various mechanisms to measure the completion of training and compliance with our conduct expectations and policies. We measure, for example, completed training percentages and survey results.</p>

GRI continued

General responses continued

Indicator	Description	Response
102-16 continued	Values, principles, standards and norms of behavior continued	<p>Responsibility for Living our values – TI's ambitions, values and code of conduct begins with Chairman, President and CEO Rich Templeton and our board of directors. Leaders at every level of the company are accountable for modeling our ambitions and values, upholding Living our values – TI's ambitions, values and code of conduct, and holding their organizations accountable. Our chief compliance officer, SVP of HR, and ethics and compliance directors work with other stakeholders to oversee and coordinate ethics and compliance programs across TI. They periodically share updates and results with the board of directors' Audit Committee, senior managers and other executives to drive continuous and effective improvement.</p> <p>TIers are encouraged to raise questions or concerns about conduct that may be inconsistent with Living our values. 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, including termination.</p>
102-18	Governance structure	Read more about TI's governance structure, roles and responsibilities on the governance overview web page. For board diversity data, see the Governance section in TI's 2020 Corporate Citizenship Report.
102-30	Effectiveness of risk-management processes	<p>See the Risk Management and Business Continuity section of TI's 2020 Corporate Citizenship Report for more information about TI's risk management and business continuity practices.</p> <p>Governance 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). Our board of directors' committees share oversight responsibility for compliance risk.</p> <p>TI also has an independent Business Continuity steering team that oversees its 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 chief financial officer.</p> <p>Monitoring risks All TI organizations and teams are expected to identify potential risks to employees, business practices, the supply chain and the environment. They conduct formal risk assessments and invest in controls that benefit our company, our customers and our communities. We then validate and monitor findings until actions are complete. Each quarter, we report risks and mitigation plans to senior managers. We also annually disclose risks in SEC Form 10-K.</p> <p>Grievance channels Stakeholders can contact 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, nongovernmental 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 the 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	<p>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 ESG matters with the executive team and board of directors.</p> <p>Stakeholders can ask questions or share opinions through our website (TI.com), email address (citizenshipfeedback@list.ti.com) and social media channels. We have an accounting and audit hotline for addressing accounting- and audit-related topics, and relate all inquiries received on the hotline to the Audit Committee chair of our board of directors.</p>

GRI continued

General responses continued

Indicator	Description	Response
102-44	Key topics and concerns raised	Through informal engagement with stakeholders in 2020, we learned that their top questions or issues were related to diversity and inclusion, greenhouse gas emissions reduction strategy and goal setting, addressing environmental-related risks, 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 3-4). TI's Corporate Citizenship Report covers ESG topics for all TI-owned entities and facilities included in our financial statements.
102-46	Defining report content and topic boundaries	We solicit input from internal and external stakeholders throughout the year through regular engagement. We also examine third-party sustainability assessments and benchmark disclosure trends and best practices. We then compare these inputs to our company priorities to determine what topics and disclosures to include in our annual Corporate Citizenship Report.
102-47	List of material topics	<p>Following the release of TI's 2019 Corporate Citizenship Report, we conducted extensive peer, customer and competitor benchmarking to determine where we should consider updating disclosures to support the work we are doing on ESG topics. We also met with leaders to review opportunities and discussion topics for our 2020 report. The results of those discussions led to including the following topics and some expanded disclosures in our 2020 report. In some instances, these topics may include additional disclosures not related to material topics.</p> <ul style="list-style-type: none"> • Business continuity and risk management. • Environmental impact (air and greenhouse gas emissions, energy consumption and use of renewable sources, and water and wastewater). • Materials and chemical management. • Product quality, reliability and distribution. • Volunteering and giving. • Workplace (diversity and inclusion, recruitment and retention, development, compensation and work-life balance and resources, and employee health and safety). • Supply-chain responsibility (including labor and human rights and conflict minerals). • Ethics. • Information protection. • Public policy. • TI's response to the COVID-19 pandemic.
102-48	Restatements of information	We included any restatements of information in footnotes within TI's 2020 Corporate Citizenship Report.
102-49	Changes in reporting	TI's 2020 Corporate Citizenship Report tells the company's citizenship story and elaborates on goals and progress in key focus areas. We continue to report according to the GRI reporting framework as we've done for more than 15 years. In 2020, we added the TCFD and SASB indices to our disclosures.
102-50	Reporting period	The reporting period covers the calendar year 2020.
102-51	Date of the most recent report	TI published the 2019 Corporate Citizenship Report in August 2020.
102-52	Reporting cycle	TI produces a citizenship report annually.

GRI continued

General responses continued

Indicator	Description	Response
102-53	Contact point for questions regarding the report	For questions about citizenship at TI or its corporate citizenship report, email citizenshipfeedback@list.ti.com .
102-54	Claims of reporting in accordance with the GRI standards	TI prepared its 2020 Corporate Citizenship Report using the GRI Standards: Core option.
102-55	GRI content index	This GRI Index contains information and data about TI's significant topics of interest 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. In 2020, TI conducted limited assurance of scope 1 and scope 2 greenhouse gas emissions data (see the Assurance Statement). We currently do not seek independent assurance of any additional nonfinancial data; however, Ernst & Young audits the TI Foundation's financial records annually.

Economic standards

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	Learn more about TI's financial oversight in the 2020 Annual Report , 2021 Proxy Statement and SEC Form 10-K .
201-1	Direct economic value generated and distributed	Our 2020 Annual Report provides information about our financial performance. For philanthropic contributions, see the Giving and Volunteering section of TI's 2020 Corporate Citizenship Report.
201-2	Financial implications and other risks and opportunities due to climate change	TI evaluates risks related to the changing environment, such as severe weather, water availability, flooding and other threats. Each site and each region evaluate these broader environmental risks. 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 an environmental or severe weather event generates a potential business interruption loss, which we can offset in part by insurance. TI's Risk Management and Business Continuity office reports companywide risks, such as those associated with environmental change, to the chief financial officer.
201-3	Defined benefit plan obligations and other retirement plans	TI has various employee retirement plans, including defined contribution, defined benefit and retiree healthcare 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 38-40 and our Tax Policy for additional details.

GRI continued

Market presence

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the Compensation and Work-Life Balance and Resources sections of TI's 2020 Corporate Citizenship Report and Employment Disclosure of Management Approach in this GRI Index to learn more about our compensation management approach.
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 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.
202-2	The proportion of senior management hired from the local community	TI's strategy is to invest in employee development and hire the best and brightest individuals to work at the company. We hire externally or promote from within for the majority (90% or more) of senior management positions (vice presidents and above) within the communities where we operate.

Procurement practices

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Supply-Chain Responsibility section of TI's 2020 Corporate Citizenship Report to learn more about the company's management approach.</p> <p>Governance TI's vice president of Worldwide Procurement and Logistics, who reports directly to the chief financial officer, leads supply-chain management. Together, they oversee supply-chain policies, performance and risk management. TI's director of supply-chain responsibility oversees supplier social responsibility and manages supplier diversity.</p> <p>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.</p> <p>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 the alliance's code of conduct, labor risks, respecting workers' rights, hiring migrant workers and more.</p>

GRI continued

Procurement practices continued

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach continued	<p>Conflict minerals TI was early members of the Responsible Minerals Initiative (RMI), created by members of the RBA/Global E-Sustainability Initiative, to help advance effective policies that address conflict mineral concerns. TI helped create and test tools that track the sourcing of minerals, conducted smelter outreach, and contributed to the RMI's initial audit fund.</p> <p>The RMI also works with companies to develop plans to exercise their due diligence over cobalt supply chains in accordance with the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition to current requirements, TI has started taking steps to disclose the use of cobalt in its supply chain.</p> <p>Grievance mechanisms TI has established grievance mechanisms to ensure that its buyers or procurement representatives meet with 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.</p> <p>If suppliers (or employees or contractors of suppliers) prefer, they can contact our Ethics Office to ask questions or discuss issues anonymously. 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 raise any concerns without fear of retaliation.</p> <p>Resources TI allocates extensive financial, human, training, information and engagement resources to help suppliers understand its policies and expectations, roles and responsibilities, performance and ethics expectations, and environmental, safety and health (ESH) and labor protections.</p>
204-2*	The proportion of spending on U.S. minority- and women-owned enterprises	In 2020, 12.1% of our U.S. procurement contracts went to minority- and women-owned enterprises, exceeding our 8.5% goal.

Anti-corruption

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Ambitions, Values and Code of Conduct section of TI's 2020 Corporate Citizenship Report and Living our values – TI's ambitions, values and code of conduct to learn more about the company's management approach to anti-corruption.</p> <p>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.</p>
205-1	Operations assessed for risks related to corruption	TI's anti-corruption compliance program assesses its worldwide operations and suppliers for risks related to corruption. TI operates in China, India, Mexico, Malaysia, the Philippines and Russia/Eastern Europe, which are considered at higher risk for corruption. However, the semiconductor industry is relatively low risk compared to construction, extractive or other industries where conducting business requires considerable interaction with government officials. We have policies in place and conduct focused training for certain high-risk countries and functions to address and mitigate these risks.

GRI continued

Anti-corruption continued

Indicator	Description	Response
205-2	Communication and training about anti-corruption policies and procedures	TI provides ethics and compliance awareness training that includes anti-corruption topics to all employees, select vendors and third parties. Additionally, our Anti-corruption Policy and code of conduct are available to all employees and translated into multiple languages. We assess and revise training programs and related efforts periodically to reflect legal changes and to support continuous compliance improvement.
205-3	Confirmed incidents of corruption and actions taken	TI investigates all reports for review and action. In the event of any confirmed incidents, we would take appropriate remedial actions. For confidentiality reasons, we do not publicly report the number or nature of such incidents.

Anti-competitive behavior

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Ambitions, Values and Code of Conduct section of TI's 2020 Corporate Citizenship Report and Living our values – TI's ambitions, values and code of conduct to learn more about the company's management approach to anti-competitive behavior. Our code of conduct sets forth these principles:</p> <ul style="list-style-type: none"> • We compete fairly. • We follow the laws, rules and regulations where we operate, and also require our suppliers to do the same. • We are committed to win, but we'll never break the rules in order to win. • We promise to respect all regulations and laws that promote fair competition.
206-1	Legal actions for anti-competitive behavior, antitrust and monopoly practices	For material legal proceedings involving TI, see SEC Form 10-K , page 15.

Environment standards – ESH

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Sustainability section of TI's 2020 Corporate Citizenship Report and the associated ESH indicators in this GRI Index to learn more about how TI manages ESH.</p> <p>Governance See Board Oversight of ESG Matters.</p> <p>Management system Our ESH management system facilitates the planning, execution, evaluation and management oversight of activities and strategies. It helps us mitigate risks, improve our performance, fulfill compliance obligations and achieve our objectives. Programs include extensive chemical and material screening, material sourcing, waste profiling, emissions management, and responsible recycling and disposal. We require 100% of our employees and supplemental contractors at all TI manufacturing and assembly/test sites to adhere to management system requirements. Other personnel not managed by TI are responsible for following their companies' ESH management procedures and applicable regulatory requirements.</p> <p>Policies TI's ESH Policy is available in multiple languages: English, Traditional Chinese, Simplified Chinese, Japanese, Malay, Spanish, German and Korean.</p>

GRI continued

Environment standards – ESH continued

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach continued	<p>Goals TI sets companywide and/or site-specific GHG emission reduction, landfill diversion, water conservation and energy reduction goals. We track and report the effectiveness of these initiatives to senior leaders quarterly.</p> <p>Engagement 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>Assessment To ensure that our internal management system is effective, the Worldwide ESH Compliance Support team and independent third parties perform audits at each facility 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 disclosure and its code of conduct, as well as against peers and members of the Semiconductor Industry Association. • Have select sites third-party audited under the RBA's Validated Audit Process. <p>We communicate gaps and best practices to other sites so that similar issues will not occur. Each manufacturing site also reports performance using a scorecard that measures energy use, water efficiency and landfill diversion. We share scorecards internally for transparency and best-practice awareness and as an accountability mechanism. We have not made any significant adjustments to our corporate-level ESH management system because of audit findings.</p> <p>Grievance channels 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 can contact ti.com/support or direct all other ESH-related inquiries to citizenshipfeedback@list.ti.com.</p> <p>Resources TI allocates extensive financial, human, training, information and engagement resources to help TIers monitor and control potential ESH impacts, protect employee health and safety, understand specific ESH roles and responsibilities, and drive improvements.</p>

Environment standards – Materials

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the Materials and Chemical Management section of the Sustainability section of TI's 2020 Corporate Citizenship Report and ESH Disclosure of Management Approach in this GRI Index to learn more about the company's management approach.

GRI continued

Environment standards – Materials continued

Indicator	Description	Response
301-1	Materials used by weight or by volume	See the Materials and Chemical Management section of TI's 2020 Corporate Citizenship Report for materials generated by weight.
301-2	Percentage of materials used that are recycled input materials.	The associated process materials TI uses are chemicals that are necessary for the manufacturing process but are not part of the final TI product. Because semiconductor processing chemicals 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.
301-3	Reclaimed products and their packaging materials	Currently, we are unable to determine the percentage of reclaimed products by category, customers or end users. TI participates in various recycling programs but cannot control how customers handle the semiconductors they place in their products or end-of-life disposition. Since our customers are ultimately responsible for managing any social or environmental impacts that result from the useful life and disposal of end equipment such as smartphones or computers, we provide detailed information about the substances used in our products. Customers can incorporate this component compliance data into their product assessments and make informed decisions about end-of-life disposal. The data is available through our Material Content Tool .

Environment standards – Energy

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the Energy Use section of TI's 2020 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. We calculate consumption data from sites that we financially control and that are larger than 50,000 square feet. The countries where we operate require TI's compliance with applicable energy use and building codes. We voluntarily report energy consumption data to the CDP and in this report each year.
302-1	Energy consumption within the organization	See the Energy Use section in TI's 2020 Corporate Citizenship Report. TI does not sell any energy outside of the company.
302-3	Energy intensity	See the Energy Use section of TI's 2020 Corporate Citizenship Report. Our 2020 energy intensity ratio was 0.35. 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 a 2005 baseline to report a ratio 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 the Energy Use section of TI's 2020 Corporate Citizenship Report for reduction data. Energy conservation savings are based on electricity, fuel and heating projects. The basis for calculation is the estimated annualized reduction for each project, with the total reported as the sum of all annualized savings estimates. For capital investments over \$50,000, we validate energy conservation savings by taking additional pre- and post-project consumption measurements.
302-5	Reductions in energy requirements of products and services	TI does not have data collection processes to track, record and report this information exactly this way.

GRI continued

Environment standards – Water

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report, ESH Disclosure of Management Approach in this GRI Index and TI's CDP Water Security response to learn more about water management.</p> <p>TI's global ESH water-management standard outlines requirements of wastewater programs, sewage treatment programs, stormwater pollution prevention and water reduction activities at each site. Additionally, we:</p> <ul style="list-style-type: none"> • Visually inspect wastewater treatment plants multiple times a day to ensure that they are operating properly and not leaking. • Periodically clean the plants and inspect the treatment basins for integrity. • Hire trained or certified operators as required. <p>We calculate consumption data from water utility bills at sites that we financially control and that are larger than 50,000 square feet. Each year, we voluntarily report our water footprint to the CDP and in this report.</p>
303-1	Interactions with water as a shared resource	<p>See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report and TI's CDP Water Security response to learn more about how TI interacts with water and works with stakeholders regarding this shared resource.</p> <p>There have not been water impacts directly attributed to discharges and runoff at any TI site. We sustain this by maintaining compliance with discharge limits in our permits, following TI standards, and ensuring that 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 they identified as part of the company's ongoing energy and water reduction program. Sites decide which projects to pursue based on various 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 make water reductions more attractive from a financial standpoint or if they are necessary for system reliability.</p>
303-2	Management of water discharge-related impacts	<p>See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report and TI's CDP Water Security response to learn more about wastewater management.</p> <p>Local regulatory agencies set minimum quality standards for effluents, which all TI sites manage to permissible limits. Some regulators incorporate sector-specific standards to set their requirements. 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 total water discharged through regulated wastewater treatment points to local, state, federal and international regulatory agencies.</p>
303-4	Total water discharge and priority discharges of concern for which discharges are treated	<p>See the Water and Wastewater Management section of TI's 2020 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 on-site treatment plants, separating concentrated metals and solvents from waste streams, and other measures. TI did not receive any notices of violation for noncompliance with discharge limits in 2020.</p> <p>To anticipate substances that government entities may regulate 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>

GRI continued

Environment standards – Water continued

Indicator	Description	Response
303-5	Water consumption and storage	See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report for consumption and storage data. We calculate consumption data from total water usage and 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.
303-3	Water withdrawal	See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report for water withdrawal data. Municipal sources and groundwater supply our water. We calculate consumption from water utility bills at sites that we financially control and that are larger than 50,000 square feet.

Environment standards – Biodiversity

Indicator	Description	Response
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	<p>TI's worldwide semiconductor design, manufacturing and assembly/test sites are located in industrial areas, inner-city areas, suburban areas and areas surrounded by agricultural farmlands. One 69-acre fabrication site in South Portland, Maine, is located in the Long Creek Watershed Management District. TI complies with applicable state and federal regulations that protect this terrestrial and freshwater ecosystem. Other TI sites also adhere to rigorous air emission, water and wastewater goals, and requirements to manage the company's impact on biodiversity.</p> <p>We contribute to biodiversity by planting indigenous trees where we have sites and participating in community cleanup events in locations worldwide.</p>

Environment standards – Emissions

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Air Emissions and GHG Emissions sections of TI's 2020 Corporate Citizenship Report, ESH Disclosure of Management Approach in this GRI Index and TI's CDP Climate Change response to learn more about how we manage emissions.</p> <p>We conduct routine monitoring and audits to comply with air quality and GHG emission regulations and reporting requirements that vary by country, state and municipality. We are required to report U.S. GHG emissions to the U.S. Environmental Protection Agency (EPA) to comply with its mandatory reporting requirements. The EPA requires that the semiconductor industry (among other industries) measure and report annual fluorinated GHG emissions (such as sulfur hexafluoride, perfluorocarbons [PFCs] and hydrochlorofluorocarbons) as well as GHG emissions from combustion sources. We also voluntarily report our GHG emissions data to the World Semiconductor Council (as part of the U.S. industry report), the CDP and in our annual corporate citizenship report.</p> <p>TI reports U.S. air emissions data to federal and state regulators. We also report chemical releases and pollution prevention activities to the EPA's Toxic Release Inventory.</p> <p>Boundaries</p> <p>We measure scope 1 and 2 GHG emissions from TI-owned or leased sites larger than 50,000 square feet. This accounts for 97% of our total square footage and more than 99% of our equivalent carbon dioxide emissions. We do not report data from subcontractors, supplier manufacturing facilities or facilities smaller than 50,000 square feet.</p>

GRI continued

Environment standards – Emissions continued

Indicator	Description	Response
305-1	Direct (scope 1) GHG emissions	<p>See the GHG Emissions section of TI's 2020 Corporate Citizenship Report for scope 1 data. The gases included in our data calculations include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrochlorofluorocarbons (HFCs), 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 (IPCC) and the EPA's Mandatory Reporting Rule, along with published emission factors. Our methodology includes accepted quantification methods, emission factors and global warming potential. For more information, see TI's CDP Climate Change response.</p>
305-2	Energy indirect (scope 2) GHG emissions	<p>See the GHG Emissions section of TI's 2020 Corporate Citizenship Report for scope 2 data and our response to indicator 305-1. The gases included in our data calculations include CO₂, CH₄ and N₂O. We have not made any significant changes in emissions that triggered recalculations of base year emissions. The EPA's GHG Mandatory Monitoring and Reporting Requirements (MRR) Final Rule is our source of the emissions factors and global warming potential rates. 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 U.S. EPA MMR or IPCC Tier 2 requirements. For more information, see TI's CDP Climate Change response.</p>
305-4	GHG emissions intensity	<p>Our normalized GHG emissions intensity ratio in 2020 was 0.31. The ratio is equal to the emissions intensity in 2020 divided by the emissions intensity in 2005. We calculate the intensity using both scope 1 and scope 2 emissions, with CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃ as the numerator and the number of chips produced within TI as the denominator.</p>
305-5	Reduction of GHG emissions	<p>TI's normalized scope 1 and scope 2 emissions were down by 15.4% from 2019 to 2020. See the GHG Emissions section of TI's 2020 Corporate Citizenship Report and TI's CDP Climate Change response for more information about emission reductions.</p>
305-6	Emissions of ozone-depleting substances (ODSs)	<p>See the Materials and Chemical Management section of TI's 2020 Corporate Citizenship Report for more information about ODSs. TI does not allow the use of Class I and Class II ODSs, except in closed-loop refrigeration systems if the refrigeration system equipment was purchased or acquired before the ODS refrigerant's elimination date. We do store some refrigerant gases for maintaining refrigeration systems for our chillers. In 2020, a chiller leak caused the release of small amounts of refrigerant.</p>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	<p>See the Air Emissions section of TI's 2020 Corporate Citizenship Report for U.S. air emissions data.</p>

Environment standards – Effluents and waste

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>For information about how TI manages effluents and waste, see the Water and Wastewater Management and Materials and Chemical Management sections of TI's 2020 Corporate Citizenship Report and the Water and Material Disclosure of Management Approach sections of this GRI Index.</p> <p>TI makes every effort to purchase only what is necessary to run its business and recycles, reuses or sells scrap and waste materials such as shipping materials or chemicals. TI generates hazardous, nonhazardous, office and one-time waste. We have implemented waste reduction programs at all manufacturing sites and set a 2021 goal to divert 90% of the materials we generate from landfills.</p>
306-1	Water discharge by quality and destination	<p>See the Water and Wastewater Management section of TI's 2020 Corporate Citizenship Report for water discharge data. We treat water before discharge by neutralizing pH levels; using biotreatment for domestic waste; and segregating other waste, solvents and metals. We segregate some acid waste streams for either disposal, recovery or reuse.</p>

GRI continued

Environment standards – Effluents and waste continued

Indicator	Description	Response
306-2	Waste by type and disposal method	<p>See the Materials and Chemical Management section of TI's 2020 Corporate Citizenship Report for waste data.</p> <p>We treat all hazardous waste per regulatory requirements. For waste that requires specialized handling, we only use vendors equipped with the knowledge and expertise to handle, dispose or recycle waste properly. We comply with local rules and regulations for all handling of our waste. We audit the waste-management vendors we use to ensure that they responsibly handle waste and meet all regulatory requirements.</p>
306-3	Significant spills	No significant spills occurred in 2020.
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. Although 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.

Environment standards – Environmental compliance

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the ESH Disclosure of Management Approach section of this GRI Index to learn more about environmental compliance.
307-1	Noncompliance with environmental laws and regulations	TI received no significant fines nor nonmonetary sanctions for environmental noncompliance in 2020.

Environment standards – Supplier environmental assessment

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the Supply-Chain Responsibility section of TI's 2020 Corporate Citizenship Report for more information about the company's management approach.
308-2	Significant negative environmental impacts in the supply chain and actions taken	TI works with thousands of suppliers worldwide and communicates company 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 2020, we evaluated 140 suppliers with 332 factory locations. Our findings revealed no significant negative environmental impacts or concerns. As a result, we did not terminate any relationships.

GRI continued

Social standards – Employment

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of TI's 2020 Corporate Citizenship Report to learn more about how the company manages issues that impact its workforce.</p> <p>Governance</p> <p>TI's SVP of HR establishes and maintains strategic direction and effective communication and reports to the CEO. Our HR leaders are responsible for developing strategies, programs, protocols and processes essential for effective productivity. This oversight ensures compliance with relevant regulations.</p> <ul style="list-style-type: none"> • The SVP of HR and head of diversity and inclusion oversee our diversity and inclusion programs. • The SVP of HR and the head of talent development oversee our development programs. • The SVP of HR and head of talent acquisition oversee workforce recruitment efforts. • The SVP of HR and head of compensation, benefits and HR operations oversee employee compensation. • Managers, with the support of HR, are responsible for employee retention. In addition, site teams are responsible for implementing multifaceted and tailored retention programs and for complying with site-specific employment laws. • The Compensation Committee of TI's board of directors oversees compensation practices relating to executive personnel. <p>Policies and commitments</p> <p>TI's commitment to equal employment opportunity extends to recruiting, hiring, training, promotions, transfers, compensation, benefits, termination, and all other terms and employment conditions. We administer employment decisions 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 conditions, pregnancy, military and veteran status, or any other characteristic protected by applicable law. TI does not tolerate any harassment, intimidation or violence. We also have other policies related to flexible work, conduct, privacy protection, wages, workforce reductions and performance improvement.</p> <p>Grievance channels</p> <p>We offer several channels through which TIers can submit questions, concerns or grievances without fear of retaliation, including to 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>Assessment</p> <p>We conduct in-depth analyses 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.</p> <p>Resources</p> <p>TI allocates extensive financial, human, training, information and engagement resources to help employees understand its vision and expectations, their roles and responsibilities, learning opportunities, health and safety protections, and other labor-related needs.</p>

GRI continued

Social standards – Employment continued

Indicator	Description	Response
401-1	Number and rate of new hires and employee turnover by age, region and gender	<p>TI hired 2,122 employees (excluding interns) in 2020 and total turnover was 7.1%. Prior to 2020, TI reported voluntary turnover only. Voluntary turnover was 7.4% in 2016 and 2017, 7.5% in 2018 and 8.5% in 2019. 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.</p> <p>We aim to ensure that our recruiting efforts and our workforce reflect the available pool of talent. We use data analytics to track turnover by region so that we can tailor programs for improvement.</p>
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	Number of employees entitled to, took and returned from parental leave by gender	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	<p>The average employee tenure is as follows:</p> <ul style="list-style-type: none"> • Less than 10 years: 50%. • 10 to 20 years: 24%. • More than 20 years: 26%.

Social standards – Labor/management relations

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of TI's 2020 Corporate Citizenship Report and the Employment Disclosure of Management Approach section of this GRI index to learn about managing employee relations.</p> <p>To keep communication channels open and to gather and share business information with our teams, we use various communication 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 to foster a mentality that we are in this together.</p>
402-1	Minimum notice periods regarding operational changes	TI complies with all legal and regulatory requirements in this area for the jurisdictions in which it operates. In the U.S., TI's policy is to provide a minimum of one week's notice regarding shift changes. The company provides at least 60 days' notice (or pay in place of notice) for reductions in force. Outside the U.S., TI adheres to local labor laws.

GRI continued

Social standards – Occupational health and safety

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Employee, Safety and Health section of TI's 2020 Corporate Citizenship Report and the ESH Disclosure of Management Approach section of this GRI Index to learn more about the company's management approach.</p> <p>The Audit Committee of TI's board of directors oversees the management of health and safety for employees, supplemental contractors and workplace visitors. Our management approach includes several different elements:</p> <ul style="list-style-type: none"> • Formal ESH committees at our manufacturing sites, which include managers, ESH specialists and TIers. They work with site managers to oversee health and safety management systems. • Manufacturing and assembly/test safety councils comprising ESH and ergonomics representatives who drive a safety-focused manufacturing culture within our facilities. • Leaders at all levels support and reinforce consistent safety practices, including training and reporting. • Employees are responsible for completing applicable training and keeping their work environments safe. <p>Policies</p> <p>TI is committed to giving employees a nonthreatening work environment and does not tolerate any acts or threats of violence or harassment. Our Threat-Free Work Environment Policy describes our expectations. 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 and safety. Additionally, our ESH Handbook for Suppliers summarizes TI's standards, policies, guidelines and general practices.</p>
403-1	Occupational health and safety management system	<p>TI's health and safety management system is voluntarily third-party-certified to ISO 45001:2018. The management system comprises interrelated and interacting elements used to establish TI's ESH policy and principles and objectives. The management system is the mechanism for reducing occupational injuries and diseases, including promoting and protecting the physical and mental health of employees, contractors, customers and visitors.</p> <p>We use the management system to record performance data; identify trends, weaknesses and hazards; and take steps to remedy flaws. The management system also ensures the quality of safety and occupational health services and facilitates workers' access to them.</p> <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 and applicable regulatory requirements.</p>
403-2	Hazard identification, risk assessment and incident investigation	<p>All TI sites are covered by occupational safety and health standards designed to identify, evaluate and control potential workplace hazards. We manage TIers' mental and physical health holistically and create monitoring plans to assess progress.</p> <p>Assessments</p> <p>Through routine programs, facility self-assessments and audits, work area sampling and health and safety surveys, we assess potential safety and health risks. Following all incidents and near misses, we perform a thorough investigation, analyze the root cause, and take corrective and preventive actions. Site management or designees communicate lessons learned and corrective action plans to other sites and groups to avoid similar issues. We document all incidents for review by a central recordkeeping review panel, which ensures the quality and accuracy of each injury investigation and its associated documentation.</p> <p>We also conduct internal and external audits to verify the quality and effectiveness of our processes. TI's needs and regulatory requirements determine competency requirements specific to job functions.</p>

GRI continued

Social standards – Occupational health and safety continued

Indicator	Description	Response
403-3	Occupational health services	<p>See the Employee Safety and Health section of TI's 2020 Corporate Citizenship Report to learn more about occupational health services. All TI sites use an industrial hygiene program designed to identify, evaluate and control potential workplace hazards.</p> <p>We also collect employee health data to design custom health-improvement programs, depending on Tiers' unique needs. We handle all personal health-related information as confidential according to all legal requirements and TI's confidentiality classification expectations.</p>
403-4	Worker participation, consultation and communication on occupational health and safety	<p>TI sites have health and safety committees comprising ESH staff, site managers and employees who regularly meet to discuss site-specific needs. We also consult with employees and supplemental contractors on various management system programs, training courses, and hazard and risk assessments to encourage their input on addressing gaps, improving performance and proactively managing risks.</p>
403-5	Worker training on occupational health and safety	<p>To reinforce TI's commitment to its employees' safety, we provide ongoing training so that employees prioritize safety and speak up about any potential hazards. We deliver occupational health and safety training according to our management system to 100% of our employees and supplemental contractors.</p> <p>We tailor training specific to everyone's role and always reinforce our commitment to compliance, resilient ESH standards and our customers' performance expectations. Our training covers how to correct or report unsafe behaviors and conditions, follow procedures and policies, and use personal protective equipment. We reinforce expectations regularly through safety campaigns, articles, meetings, posters and reminder emails.</p> <p>Every year, our ESH leadership team reviews key outcomes and determines focus areas and opportunities for improvement. We expect our employees to share lessons learned and best practices to prevent future incidents, and to recognize and reinforce safe behavior.</p>
403-6	Promotion of worker health	<p>See the Employee Safety and Health section of TI's 2020 Corporate Citizenship Report to learn more about occupational health services. All TI sites use an industrial hygiene program designed to identify, evaluate and control potential workplace hazards.</p> <p>We also collect employee health data to design custom health-improvement programs, depending on Tiers' unique needs. We handle all personal health-related information as confidential according to all legal requirements and TI's confidentiality classification expectations.</p> <p>We also expect turnkey suppliers to provide health and safety training to their workers. They are responsible for following their own procedures as well as applicable regulatory requirements. TI offers guidance where necessary.</p>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>See TI's response to indicators 403-1 and 403-3 for more information about mitigating health and safety impacts. Our Supplier Code of Conduct requires that our suppliers ensure that working conditions are safe. Our Supplier Environmental and Social Responsibility Policy outlines our expectations for ESH protection.</p>

GRI continued

Social standards – Occupational health and safety continued

Indicator	Description	Response
403-8	Workers covered by an occupational health and safety management system	TI's occupational health and safety management system is third-party certified to ISO 45001 requirements and covers 100% of its employees and supplemental contractors. The system parameters exclude turnkey suppliers and non-TI-managed workers, as those suppliers are expected to follow their companies' procedures and applicable regulatory requirements. To ensure the effectiveness of our management system, the Worldwide ESH Compliance support team and independent third parties perform audits at each facility every three years; in interim years, the facilities perform self-assessments.
403-9	Work-related injuries	See the Employee Safety and Health section of TI's 2020 Corporate Citizenship Report for injury data, based on a calculation of 200,000 hours worked. The calculation excludes temporary labor provided by turnkey suppliers or non-TI-managed workers. The main types of injuries for employees and workers include overexertion; awkward posture or ergonomics issues; contact with an object (struck by or against); and falls, slips, trips and loss of balance.
403-10	Work-related ill-health	See the Employee Safety and Health section of TI's 2020 Corporate Citizenship Report for ill-health data. The calculation excludes temporary labor provided by turnkey suppliers or non-TI-managed workers. The main types of employee ailments include overexertion and awkward posture or ergonomics issues. The hazards that caused or contributed to ailments in 2020 were ergonomics-related hazards and noise exposure. We corrected these by putting corrective and preventive measures in place to reduce strain on the body.

Social standards – Training and education

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Development section of TI's 2020 Corporate Citizenship Report and Employment Disclosure of Management Approach in this GRI Index to learn more about employee development.</p> <p>Assessment</p> <p>We track attendance in mandatory training programs to ensure compliance and assess training content to ensure that 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> <p>We also conduct internal and external audits to verify the quality and effectiveness of our processes. TI's needs and regulatory requirements determine competency requirements specific to job functions.</p>
404-1	Average hours of employee training by gender and type	Employees globally received, on average, approximately 30 hours of training in 2020.
404-2	Programs for upgrading employee skills and transition assistance programs	<p>Employees take part in a variety of development opportunities throughout their careers. See the Development section of TI's 2020 Corporate Citizenship Report.</p> <p>If workforce reductions occur, we make every effort to transfer impacted employees to other open positions within the company. When transfers are not possible, we provide severance packages that include assistance with resumes and job search.</p>
404-3	Percentage of employees receiving performance 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 encouraging better conversations between supervisors and employees, and 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.

GRI continued

Social standards – Diversity and equal opportunity

Indicator	Description	Response
103-1 to 103-3	Disclosure on management approach	<p>See the Diversity and Inclusion section of TI's 2020 Corporate Citizenship Report and Employment Disclosure of Management Approach in this GRI Index to learn more about the company's management approach.</p> <p>To assess our diversity strategy's effectiveness, we solicit feedback from employee resource group leaders, TIers and minority organizations to determine any necessary refinements. We also benchmark our programs and strategies against our peers, measure participation in diversity initiatives, and monitor reported concerns or grievances.</p>
405-1	Diversity of governance bodies and employees	See the Governance and Diversity and Inclusion sections of TI's 2020 Corporate Citizenship Report for our governing bodies' and employees' diversity data.
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. We have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.</p> <p>In 2020, 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.</p>

Social standards – Nondiscrimination

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Employment Disclosure of Management Approach in this GRI Index, Living our values – TI's ambitions, values and code of conduct and Equal Employment Opportunity Policy to learn more about our nondiscrimination standards.</p> <p>We take measures to ensure that our recruiting efforts and workforce reflect the available talent pool and measure participation in our diversity initiatives. We also monitor concerns or grievances reported, benchmark our programs and strategies against our peers, and solicit feedback from minority industry associations to determine any necessary refinements.</p>
406-1	Number of discrimination incidents and corrective actions taken	We investigate and work to resolve all inquiries related to discrimination and take appropriate remedial measures. We periodically review and reassess this information to ensure that TI's preventive measures are adequate and effective. For confidentiality reasons, we do not publicly report the number or nature of any such incidents.

Social standards – Human rights security practices

Indicator	Description	Response
103-1 to 103-3	Response of management approach	See the Human and Labor Rights at TI section of TI's 2020 Corporate Citizenship Report for more information about the company's 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, including third-party security contractors.

GRI continued

Social standards – Human rights assessment

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Human and Labor Rights at TI section of TI's 2020 Corporate Citizenship Report for more information about the company's management approach.</p> <p>Governance The Audit Committee of our board of directors oversees human and labor rights-related efforts and receives updates on related issues at least annually. If a serious violation occurs, we promptly notify the committee chair.</p> <p>Assessment We require all worldwide manufacturing sites to complete third-party self-assessment questionnaires annually, focusing on human rights practices. In addition, TI personnel and third-party auditors assess select sites for human rights risks. We use our 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>Policies and practices 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 protection, health and safety, and privacy. We have several operating procedures to safeguard employees, suppliers and contractors' rights, including labor standards, training and awareness-building practices, freedom to associate, and incident reporting tools.</p> <p>Resources TI invests significant financial, human, training, information and engagement resources to protect human rights and make sure that employees and suppliers understand our expectations.</p>
412-1	Operations that have been subject to human rights reviews or impact assessments	Each year, TI assesses all worldwide manufacturing sites using the RBA's self-assessment tools. As part of the RBA-validated audit process, we also conduct human rights audits of factory operations on a rotating basis. In 2020, we audited TI factories in Taiwan and China.
412-2	Employee training on human rights policies or procedures	<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 human rights, cross-cultural awareness and bullying. All of our TI sites are required to build awareness of human rights among employees, identify risks, and put processes in place to manage them. Noncompliance with our standards and related labor laws will result in corrective action.</p> <p>We train all employees on TI's values and ethics, specifically related to integrity and respect in the workplace. In 2020, TI launched a Living our values campaign, which included a refreshed TI code of conduct for all employees worldwide. The Living our values – TI's ambitions, values and code of conduct document address human rights and the methods for reporting any concerns for all employees globally.</p>

GRI continued

Social standards – Local communities

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Giving and Volunteering section in TI's 2020 Corporate Citizenship Report to learn more about the company's management approach.</p> <p>Assessment We track our community investment programs' effectiveness and volunteer participation, and solicit feedback from employees and the nonprofits we serve, to help us assess our impact and expenditures and to make refinements if necessary. In support of our Matching Gifts program, we also track employee financial contributions and volunteer hours using an online management system. In the U.S., we have coordinated volunteer projects with the United Way and its service provider agencies since 1961. Outside of the U.S., TIers support various causes and organizations, from the Hope School program in China to the Youth for Seva in India.</p> <p>Governance Our director, with responsibility for corporate citizenship, oversees our employee giving, volunteer and grants programs. The board of directors' Governance and Stockholder Relations Committee receives updates at least annually. The TI Foundation is a separate nonprofit organization; its board meets quarterly.</p> <p>Grievance channels Stakeholders who have questions or concerns about our giving and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office. Organizations seeking more information about our education grants can contact giving@ti.com.</p> <p>Resources TI allocates extensive financial, human, information and engagement resources to help employees share their time, money and expertise to build stronger communities.</p>
413-1	Operations with local community engagement, impact assessments and development programs	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 or by providing volunteers (see the Giving and Volunteering section of TI's 2020 Corporate Citizenship Report to learn more). Stakeholders with questions or concerns about our community, philanthropy and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office.
413-2	Operations with significant actual and potential negative impacts on local communities	TI announced in January 2020 the closure of two 150-mm 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 were no immediate staffing changes, we are transferring many workers to other Dallas-area manufacturing sites. Those who do not get new roles will receive severance packages and transition assistance.

GRI continued

Social standards – Supplier social assessment

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See the Supply-Chain Responsibility section of TI's 2020 Corporate Citizenship Report and our Anti-Human Trafficking Statement to learn more about supplier social assessments.
414-1	Percentage of new suppliers screened using social criteria	We do not have a process to track the percentage of new suppliers screened. However, we 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 2020, we assessed over 250 suppliers and our findings revealed no significant negative social impacts or issues of concern. As a result, we did not terminate any relationships.

Social standards – Public policy

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See Public Policy in TI's 2020 Corporate Citizenship Report and Public Policy website to learn more about the company's management approach.</p> <p>Governance 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 makes a formal presentation to the board's Governance and Stockholders Relations Committee annually.</p> <p>Grievance channels Employees and other stakeholders can contact our vice president of Worldwide Government Relations or the TI Ethics Office with any questions.</p> <p>Resources TI allocates extensive financial, human, information and engagement resources to help advocate for policies that help the company attract talent, drive innovation and promote competitiveness.</p>
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.

GRI continued

Social standards – Marketing and labeling

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See Product Quality and Reliability in TI's 2020 Corporate Citizenship Report to learn more about the company's management approach.</p> <p>Governance</p> <ul style="list-style-type: none"> The board of directors' Audit Committee oversees internal controls, compliance and performance. The chief financial officer ensures that capital allocation for product development, manufacturing and sales aligns with TI's strategies. The SVPs of each business line ensure that new designs and current products meet customer and regulatory requirements. <p>Resources</p> <p>TI allocates extensive financial, human, information and engagement resources to comply with regulatory and customer marketing and labeling requirements.</p>
417-1	Requirements for product and service information and labeling	<p>Our customers and the countries where we operate have different label requirements based on the type of materials shipped to ensure that they meet substance restrictions and other requirements.</p> <p>For example, to consolidate global regulatory substance information for semiconductor products, packing labels meet the combined efforts of the Institute for Interconnecting and Packaging Electronic Circuits and Joint Electronic Device Engineering Council J-STD-609, along with the Chinese chasing arrow symbol. Our ongoing objective is to comply with these ever-changing regulations and import and export laws while still ensuring the timely delivery of our products.</p> <p>By default, we use TI standard labels and create semi-custom labels if customers require. We share information about our products' possible environmental and social impacts on our Eco-Info page and material content search 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 website the compliance status of integrated circuit components with all known regulatory and industry requirements.</p>

GRI continued

Social standards – Customer privacy

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	<p>See the Information Protection section of TI's 2020 Corporate Citizenship Report to learn more about the company's management approach.</p> <p>Governance Our chief information officer oversees information protection, and we have governance and compliance structures in place to address or elevate issues if needed.</p> <ul style="list-style-type: none"> • Senior leaders from major business units and support entities review current cybersecurity threats, prioritize security actions, and help build awareness and support within their organizations. • Our Confidential Information Protection Council focuses on ensuring that we appropriately classify and protect confidential information and trade secrets. • Our Privacy Committee, comprising cross-organizational representatives, helps ensure the appropriate protection of personally identifiable information of TIers, customers and business partners. <p>Assessment We regularly review and test our controls to ensure that 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> <p>Grievance channels 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 through their account managers and other channels.</p> <p>Resources TI allocates extensive financial, human, information and engagement resources to protect the company's intellectual property and employee and customer information.</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 publicly report privacy complaints or breach incidents (unless required by regulation), since we consider such information confidential.

Social standards – Socioeconomic compliance

Indicator	Description	Response
103-1 to 103-3	Disclosure of management approach	See Ambitions, Values and Code of Conduct in TI's 2020 Corporate Citizenship Report to learn more about the company's management approach.
419-1	Noncompliance with laws and regulations in the social and economic area	TI received no material fines nor nonmonetary sanctions related to social and economic issues in 2020. We have not identified any material noncompliance with laws or regulations.

* Developed by TI.



VERIFICATION OPINION DECLARATION GREENHOUSE GAS EMISSIONS

To: The Stakeholders of Texas Instruments

Apex Companies, LLC (Apex) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by Texas Instruments for the period stated below. This verification declaration applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of Texas Instruments. Texas Instruments is responsible for the preparation and fair presentation of the GHG statement in accordance with the criteria. Apex's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze and review the information. Apex is responsible for expressing an opinion on the GHG statement based on the verification. Verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification.

Boundaries of the reporting company GHG emissions covered by the verification:

- Operational Control
- Worldwide
- Exclusions:
 - Emissions from sales offices and design centers that are smaller than 50,000 square feet
 - Emissions from air conditioning and refrigeration equipment
 - Subcontractor-operated manufacturing facilities

Types of GHGs: CO₂, N₂O, CH₄, HFCs, PFCs, SF₆, NF₃

GHG Emissions Statement:

- **Scope 1:** 938,506 metric tons of CO₂ equivalent
- **Scope 2 (Location-Based):** 1,195,111 metric tons of CO₂ equivalent
- **Scope 2 (Market-Based):** 978,237 metric tons of CO₂ equivalent

Data and information supporting the Scope 1 and Scope 2 GHG emissions statement were historical in nature.

Period covered by GHG emissions verification:

- January 1, 2020 to December 31, 2020

Criteria against which verification conducted:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- United States Environmental Protection Agency (US EPA), Greenhouse Gas Reporting Program (GHGRP), Supart I – Electronics Manufacturing

Reference Standard:

- ISO 14064-3 2019-4 (Second Edition) - Greenhouse gases -- Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Limited
- This verification used a materiality threshold of ±5% for aggregate errors in sampled data for each of the above indicators

GHG Verification Methodology:

Evidence-gathering procedures included but were not limited to:

- Interviews with relevant personnel of Texas Instruments;
- Review of documentary evidence produced by Texas Instruments;
- Review of Texas Instruments data and information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of sample of data used by Texas Instruments to determine GHG emissions.

Verification Opinion:

Based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above:

- is not materially correct and is not a fair representation of the GHG emissions data and information; and
- has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard.

It is our opinion that Texas Instruments has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality and competence

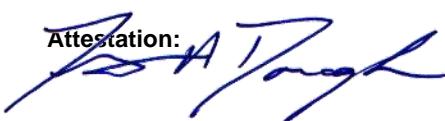
Apex is an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance with over 30 years history in providing these services.

No member of the verification team has a business relationship with Texas Instruments, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Apex has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over 20 years combined experience in this field and an excellent understanding of Apex's standard methodology for the verification of greenhouse gas emissions data.

Attestation:



Trevor Donaghu, Lead Verifier
Program Manager
Apex Companies, LLC
Pleasant Hill, California



David Reilly, Technical Reviewer
Principal Consultant
Apex Companies, LLC
Costa Mesa, California

July 22, 2021



This verification statement, including the opinion expressed herein, is provided to Texas Instruments and is solely for the benefit of Texas Instruments in accordance with the terms of our agreement. We consent to the release of this statement by you to CDP in order to satisfy the terms of CDP disclosure requirements but without accepting or assuming any responsibility or liability on our part to CDP or to any other party who may have access to this statement.