

## Anti-Human Trafficking Statement

May 2018

The California Transparency in Supply Chains Act of 2010 and the United Kingdom (UK) Modern Slavery Act 2015 require covered companies to disclose their efforts, if any, to eradicate slavery and human trafficking from their supply chains and businesses.

Texas Instruments (TI) believes that all employees should be treated with respect and dignity. We are committed to complying with the applicable laws of the countries in which we operate, and we pledge to uphold human rights, ethical practices and a safe environment at all our operations, regardless of location. Our [business practices statement](#) and [TI Code of Conduct](#) demonstrate TI's long standing commitment to doing the right things.

As a member of the Responsible Business Alliance ([RBA](#)), TI uses the RBA Code of Conduct ([RBA Code](#)) as a tool to align and adopt best practices within its industry and expects its suppliers to do the same. The labor section of the RBA Code addresses core indicators of modern slavery standards such as Freely Chosen Employment and Child Labor Avoidance. The RBA Code is also embedded in the [TI Supplier Code of Conduct](#).

We communicate our expectations to our suppliers through the [TI Supplier Code of Conduct](#) and the [TI Environmental and Social Responsibility Policy](#), both of which are referenced in TI's standard terms and conditions of purchase and in contracts. The TI Supplier Code of Conduct states that suppliers must have the necessary management systems in place to ensure workers' rights are protected throughout the supply chain.

We demonstrate our commitment to environmental and social responsibility through the use of RBA's standardized assessment and audit tools for our internal factories as well as for our supply chain. The RBA convenes regular teleconferences, webinars, and other meetings, which make us better able to understand and monitor risks associated with labor recruitment practices.

A summary of our efforts is included below:

1. **Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the [TI Code of Conduct](#) and the [TI Supplier Code of Conduct](#). We pursue conformance by performing supplier risk assessments and audits.
  - a. Risk assessment: TI's supply base is prioritized based on risk level, which is dependent on factors such as spend, criticality to business, geographic risk and more. The prioritized supply base is assessed using the Supplier Self-Assessment Questionnaire (SAQ), which is a self-evaluation that inquires into demographics and existing policies at a facility level against all sections of the RBA Code. The evaluation covers several aspects relating to risks associated with forced labor. In 2017, 100% of our targeted suppliers completed their risk assessments.

- b. Audits:** The Validated Audit Process (VAP) audits carried out on TI facilities and suppliers' facilities are completed by independent, third-party auditors specially trained in social and environmental auditing and the VAP audit protocol. This helps to set consistent industry-wide expectations. The VAP assesses suppliers and TI sites against the RBA Code, which is inclusive of: Labor, Health & Safety, Environment, Ethics, and Management Systems. The audits include different components, such as on-site inspection, document reviews, and worker and management interviews. Audits are conducted annually on TI sites and targeted supplier facilities that are deemed to be high risk per the SAQ evaluations. A corrective action plan is required for any resulting non-conformances, and all actions are tracked to closure.
2. **Certification:** The [TI Supplier Code of Conduct](#) includes a clause stating that companies should have a management system that contains “a process to communicate the Code requirements and to monitor supplier compliance to the Code”. Our standard purchase order terms and conditions and contract templates require compliance with applicable laws and the TI Supplier Code of Conduct. Terms and conditions in the contracts and purchase orders specifically stipulate policies involving antidiscrimination and humane treatment of workers.
3. **Internal Accountability:** Slavery and trafficking are taken very seriously. They are considered the most severe type of nonconformance and corrective action plans to remedy any identified instances of nonconformance are expected to be implemented at the shortest possible timeline. Any TI employee, contractor, supplier, distributor or customer who has reason to believe that TI, a TI employee, contractor or other person(s) acting on TI’s behalf has violated a law, a statutory regulation, the [TI Code of Conduct](#) or a corporate policy is expected to report the suspected violation to a TI representative or to the [TI Ethics Office](#). The Ethics Office maintains multiple avenues of reporting, which are available both internally and externally. Reports may be made anonymously, and all reported issues are investigated. Business relationships with suppliers that do not immediately remedy any non-conformances with regard to slavery and trafficking are subject to review and possible termination.
4. **Training:** As part of TI’s focus on ethics and compliance with laws in all countries where it operates, the company has a yearly training requirement called the Ethics and Compliance Awareness Program (ECAP). ECAP courses help our employees understand how to comply with laws and regulations governing our business, and how to make the right ethical decisions. Reporting or raising a concern to our internal and third party help lines is an important part of ECAP training. During 2017, our employees completed 99.9% of ECAP assignments. Additionally, employees in our global purchasing organization as well as targeted suppliers are trained on the RBA Code, which addresses principles inclusive of freely chosen employment. We leverage the use of RBA’s eLearning Academy for training. RBA’s eLearning Academy contains online learning modules specifically focused on forced labor and human trafficking, among other code of conduct modules.



Texas Instruments Incorporated

The [TI Code of Conduct](#) and [TI Supplier Code of Conduct](#) are a fundamental part of our efforts to ensure that slavery and human trafficking do not exist in our supply chains and our own business.

TEXAS INSTRUMENTS INCORPORATED

A handwritten signature in blue ink, appearing to read 'Rafael R. Lizardi', written over a light blue horizontal line.

By:

Rafael R. Lizardi

Senior Vice President and Chief Financial Officer