



Building a better future

2007 Corporate Citizenship Report Summary

Overview

This brochure provides highlights of Texas Instruments' 2007 Corporate Citizenship Report, available at www.ti.com/csr, which details our social and environmental activities and performance. It also serves as a companion to TI's 2007 Annual Report, which provides financial performance data.

Global Reporting Initiative

To achieve the openness and transparency our stakeholders expect, we used the Global Reporting Initiative's Sustainability Reporting Guidelines (G3) when crafting this report. This report expands upon the 2006 Corporate Citizenship Report and previously published Environmental, Safety and Health (ESH) Annual Reviews and ESH Operations Reports.

Corporate citizenship awards and honors

TI is proud to have been recognized for our social and environmental achievements by a variety of third parties. Many of these awards are featured in the report. A comprehensive list is available at www.ti.com/csr-awards.

Corporate citizenship at TI

TI's commitment to contributing to society and building a better future is ingrained in everything we do – from developing products conscientiously and considering their environmental impact to caring for our communities and employees. TI's founders established these values more than 75 years ago and they are still upheld today.

Our commitment to corporate citizenship, outlined in this summary report, encompasses six key areas:



Product stewardship



Environmental responsibility



Employee well-being



Community commitment



Responsible advocacy

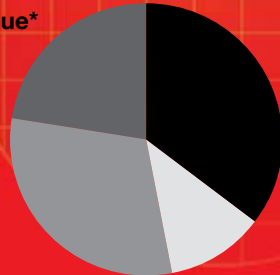


Corporate governance

Overview

2007 revenue*

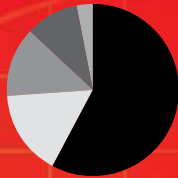
- \$4.9B Analog
- \$1.6B Embedded processing
- \$4.2B Wireless
- \$3.1B Other



2007 Total revenue: \$13.8B
(2007 R&D spending: \$2.15B)

2007 sales

Sales by region



- 58% Asia
- 16% Europe
- 13% U.S.
- 10% Japan
- 3% Rest of world

Sales by industry**



- 50% Communications
- 30% Computer
- <10% Consumer
- <10% Industrial/other
- 5% Automotive

**Does not include TI Education Technology



Richard K. Templeton

Letter to our stakeholders

Texas Instruments' commitment to building a better future shapes our approach to everything we do. Throughout our company's history, we have remained steadfast in our determination to deliver both profitability and sustainability, by being responsible in our operations and treating our customers, employees, communities and environment with respect.

Our 2007 Corporate Citizenship Report demonstrates our continued commitment to sustainability and highlights the progress we have made in all areas on which we report. We have made some of our greatest strides in corporate citizenship in the realm of environmental stewardship and product design, with a goal of helping make the world greener, healthier, smarter, safer and more fun.

Through our ongoing advances in semiconductor technology, TI is helping solve some of today's most difficult energy challenges, providing customers with higher performance, greater efficiency and longer battery life.

Another priority for our company is championing educational excellence, as it stimulates technological advancement, which, in turn, helps generate TI's business growth. As part of this effort, we have provided more than \$9.4 million in grants to education research and programs in 2007, and established new partnerships with universities in China, India and Ghana.

We've built our giving philosophy on the belief that our company's success is tied to the strength of the communities where our employees live, work and play. In 2007, in countries such as the U.S., China, India and the Philippines, TI and our employees donated significant time and nearly \$20 million to various civic, business and health and human services programs in our host communities.

Fortune Magazine again named TI as one of its "100 Best Companies to Work For," underscoring our response to work force issues that matter most. We continually seek to enhance the skills, health and knowledge of employees with the purpose of improving performance, maintaining competitiveness, increasing retention and grooming future leaders.

As we look to 2008 and beyond, we aim to replicate successful programs – in every facet of our operations – in TI communities across the globe. Moreover, TI will continue to expand energy conservation measures, evolve community involvement and philanthropic strategies, and push forward on our wellness and workforce development initiatives.

We will also continue to operate ethically and with integrity, values instilled by TI founders that drive our corporate citizenship activities today. We appreciate your interest in the progress we have made and invite your feedback on this report.

Regards,

Richard K. Templeton
President and chief executive officer

*Continuing operations, excludes the divested Sensors and Controls business. (The 2007 product category revenue is unaudited and estimated. It represents an enhanced financial reporting structure to which TI is in the process of transitioning.)

TI at a glance

Major worldwide locations

Toronto, Canada



United States

- Dallas, Texas
- Germantown, Maryland
- Houston, Texas
- Manchester, New Hampshire
- Richardson, Texas
- San Diego, California
- Sunnyvale, California
- Sherman, Texas
- Tucson, Arizona

Aguascalientes, Mexico

Europe

- Aalborg, Denmark
- Freising, Germany
- Nice, France
- Northampton, England

Asia

- Bangalore, India
- Hong Kong, China
- Shanghai, China
- Kuala Lumpur, Malaysia
- Taipei, Taiwan
- Baguio, Philippines
- Clark Field, Philippines

Middle East

- Tel Aviv, Israel

Japan

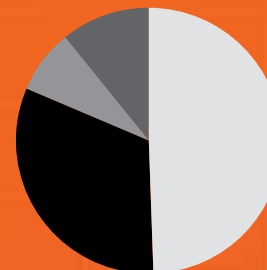
- Hiji, Japan
- Miho, Japan
- Tokyo, Japan
- Tsukuba, Japan

Highlights

- *Third largest chip maker globally*
- *Delivers more than 20,000 product types to more than 60,000 customers worldwide*
- *Top analog producer and leading producer of DSPs*
- *About 50 percent of world's cell phones use TI technology*
- *More than 35,000 TI patents issued worldwide; more than 1,300 in 2007*

For more information, see www.ti.com

2007 employment by region



- 15,000 in the Americas
- 9,600 in Asia
- 2,400 in Japan
- 3,200 in Europe

Approximately 30,200 worldwide

Product stewardship



Semiconductor manufacturing in a Dallas, Texas, TI facility.



TI-30 eco calculator.

TI technology is enabling greater performance in power management.

"TI technology is solving customers' problems so they can make electronics that make the world greener, healthier, smarter, safer and more fun."

Richard K. Templeton
President and chief executive officer



Product stewardship

TI conscientiously builds products – from concept through manufacturing, distribution to the end of products' useful life – with concern every step of the way for human health and the environment.

2007 performance

Some of today's most difficult energy challenges are being solved in part by TI's analog and embedded processing technology. TI stepped up its efforts in 2007 to help customers meet their energy efficiency and power management needs.

In late 2007, TI acquired POWERPRECISE Solutions Inc., a portable power management integrated circuit (IC) solutions company. The acquisition has enabled TI to accelerate product development of advanced battery and power management ICs.

TI also unveiled its bq27500 system-side fuel gauge, which analyzes battery data and estimates the capacity to within 1 percent. This helps consumers know more precisely how much power remains in their smart phones and other portable devices.

Additional advancements included:

- Integrated circuit development to improve various medical devices and patient monitoring equipment.
- Product advancements to enable more efficient use of alternative power sources such as solar, wind and environmentally harvestable energy.
- Launch of a new Education Technology product stewardship Web site to provide specific information about what the division is doing to be environmentally responsible.
- Continued efforts to reduce or eliminate bromine and chlorine, potentially harmful halogens integral to semiconductor processing, from manufacturing.

Goals

In 2008, we will continue our commitment to responsibly design and develop products and report on our progress by:

- Providing an update to customers on TI's efforts to reduce or eliminate halogen use.
- Evaluating whether alternative, environmentally responsible packaging for Education Technology products can be used in retail stores.
- Identifying and participating in Education Technology take-back programs to boost responsible product end-of-life management.
- Intensifying focus on solving customers' analog, power management and energy-efficiency design challenges.

Environment

Dozens of Texas Instruments employees regularly commute to work on bicycles.



RFAB, located in Richardson, Texas, is the world's first LEED-certified semiconductor manufacturing facility.



The RFAB site hosts many sustainable features, including landscaping with native plants, which require less water and maintenance.



President and Chief Executive Officer Richard K. Templeton was awarded the 2007 Akira Inoue Award for outstanding achievement in environment, health and safety in the industry.

"TI has explored new ways of conserving natural resources, optimizing energy efficiency and upholding the highest standards for employee safety and health. The payback we've seen from these efforts far exceeds monetary savings."

Richard K. Templeton
President and chief executive officer



Environment

TI's ultimate goal for sustainable operations is to waste no resources. We employ a robust management system that helps us continuously improve how we eliminate, reduce, reuse or recycle any natural or manmade resource TI uses.

2007 performance

For the first time we calculated our carbon footprint (greenhouse gases expressed as carbon dioxide equivalent, CO₂e). We determined that TI's carbon footprint, less than 2 million metric tons in 2007, was down slightly from 2006.

Below are a few additional highlights of our progress toward efficient and sustainable operations, and how we worked to reduce our environmental footprint in 2007.

Air quality and climate change

- Co-developed an industry-specific catalyst that reduces fuel use, as well as emissions of nitrogen dioxide (NO_x), carbon dioxide and volatile organic compounds.

Energy use

- Reduced energy costs by 10 percent year on year.
- Identified equipment that could be replaced with higher-efficiency versions.
- Communicated energy-efficiency goals to suppliers.

Alternative transportation

- Offered free or reduced-cost passes to TI employees for mass transit or vanpools where possible.
- Encouraged use of flextime and telecommuting options as feasible.

Water use

- Reduced net water use from 2006 to 2007.
- Reused 1.5 billion gallons of water, or about 19 percent of our global water use.



Material use and recycling

- Reduced chemical use by recycling 92 percent of all industrial waste and replacing chemicals with environmentally benign substitutes.
- Surpassed the three million mark for total number of scrap silicon wafers sold to energy-cell manufacturers globally since 2003.

Sustainable site

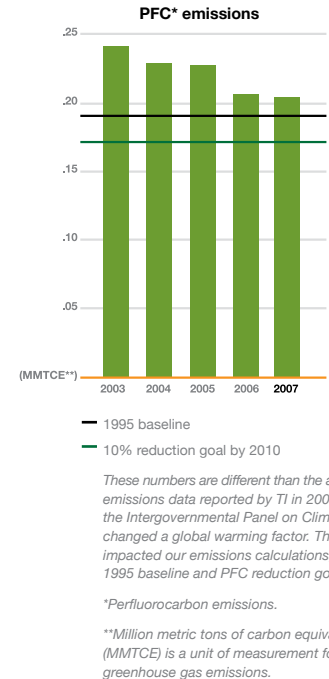
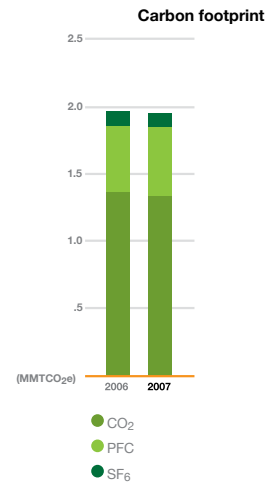
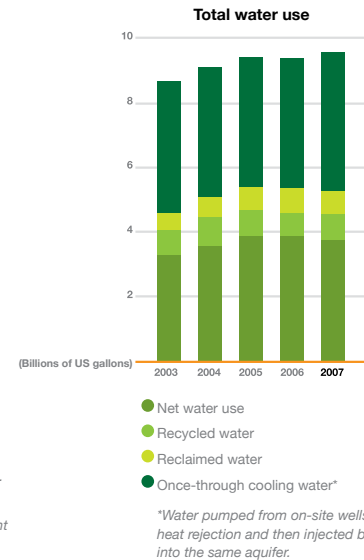
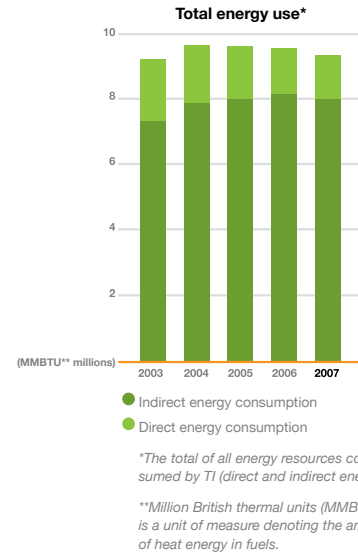
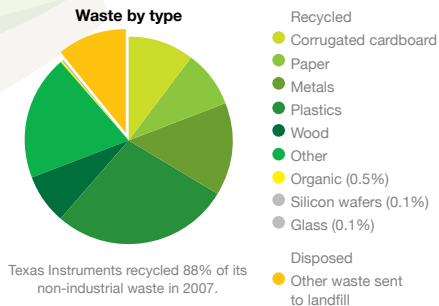
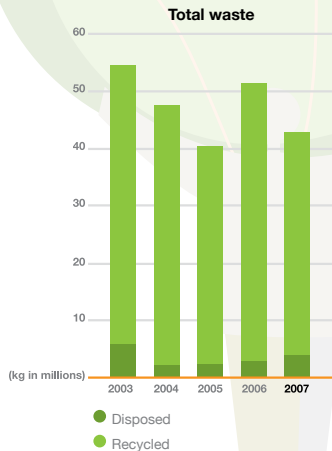
- Completed a new green building at our Baguio facility in the Philippines—slated to become the country’s first Leadership in Energy and Environmental Design (LEED)-certified building.
- Formed a TI green solutions team to promote LEED standards as well as other grassroots initiatives within business groups, furthering overall progress toward sustainable operations.



Goals

Looking ahead, TI endeavors to:

- Reduce global perfluorocarbon (PFCs) greenhouse gas emissions by 10 percent from 1995 baseline levels by 2010.
- Increase mass transit ridership and expand employee trip reduction activities to other TI campuses.
- Reduce water use and costs through improved tool efficiency and investments in water conservation systems.
- Increase the percentage of organic waste suitable for composting and decrease overall waste stream.
- Achieve LEED certification of all major existing buildings at TI sites by 2011.



Employee well-being



TI provides a variety of programs designed to improve quality of life, promote health and well-being, enhance productivity, and reduce costs.



TI employees.



Employee well-being

The accomplishments and well-being of TI's workforce of more than 30,000 employees drive product innovation and ultimately the success of our business. We strive to create a workplace that empowers each individual to contribute and evolve. We are committed to teamwork, honest communication and mutual respect.

2007 performance

Below are just a few highlights of our progress in promoting and driving employee health and well-being in 2007.

Safety

- Achieved top safety performance among U.S. semiconductor manufacturers.
- Performed 1,463 office workstation ergonomic assessments in the U.S. alone and implemented corrective measures.

Health

- Continued engaging medical professionals and business continuity teams in preparation for a global or regional pandemic.
- Launched a U.S.-based 12-week program, Walk This Way, to encourage exercise. Participants increased their physical activity level by 82 percent and lost a combined 255 pounds.

Work-life

- Expanded paid leave program to include two weeks for new fathers and adoptive parents.
- Enabled about 65 percent of TI's U.S. workers to telecommute at least part of the day.

Diversity and inclusion

- Initiated a university partnership in Ghana to attract engineering talent to the U.S.
- Hosted a global diversity conference to educate employees on how to create an inclusive work environment.
- Delivered "Inclusive Environment" education sessions in India, Germany, Malaysia and Texas.

Human rights

- Provided human rights training to employees and security personnel worldwide to create a respectful and non-discriminatory workplace.

Employee well-being

Development

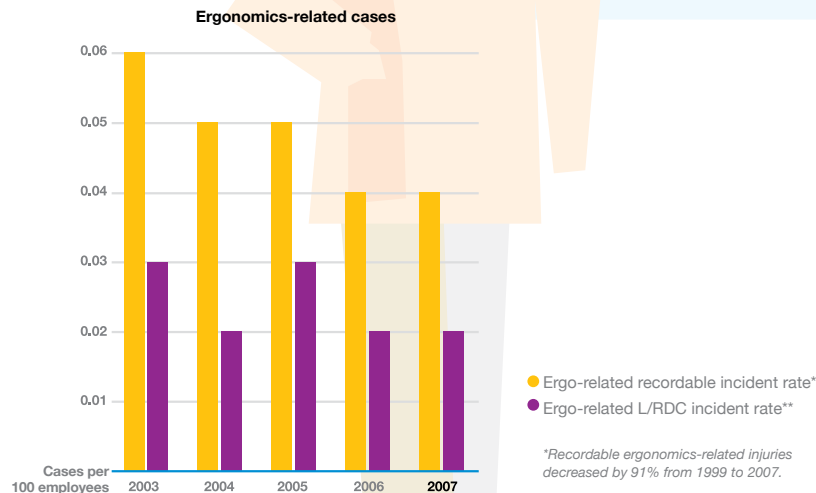
- Introduced a global on-boarding program for new hires, which includes an orientation to equip them to succeed at their jobs.
- Piloted a new mentoring program designed for employees of color.

Recognition

- Continued to assist managers with effectively celebrating employees' hard work and achievements through a dedicated work team, TI Recognition Services and Events.
- Rewarded exceptional performance through cash and non-cash compensation.

Engagement

- Launched a "Where We're Going" series to enable senior leadership team members to meet directly with employees and discuss new business strategies.
- Conducted a global employee survey to assess understanding and acceptance of our new business priorities.
- Updated "talent doctrines," which assist managers and senior leadership with driving employee engagement, performance and retention.



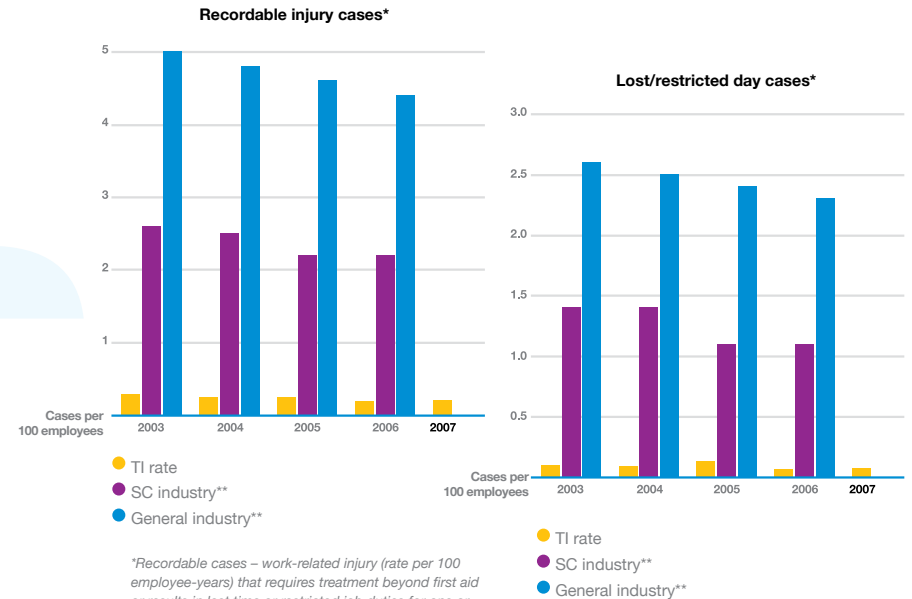
*Recordable ergonomics-related injuries decreased by 91% from 1999 to 2007.

**Lost/restricted day case ergonomics-related injuries decreased by 95% from 1999 to 2007.

Goals

In 2008, TI plans to:

- Continue to work toward our longstanding goal of zero work-related injuries and illness.
- Achieve 100 percent ISO 14001 and OHSAS 18001 certification at our three remaining uncertified manufacturing sites. ISO and OHSAS are international certification bodies that develop environmental, health and safety management criteria.
- Add transgender employees to TI's equal employment opportunity policies.
- Work to bring more women into the workforce globally.
- Ask 150 critical suppliers to self-audit their human rights programs and commitment.



*Recordable cases – work-related injury (rate per 100 employee-years) that requires treatment beyond first aid or results in lost time or restricted job duties for one or more workers as defined by the United States OSHA.

*Lost/restricted day cases – work-related injury (rate per 100 employee-years) that results in days away from work, restricted work activity and/or job transfer.

**General industry data provided by the U.S. Bureau of Labor. Statistics represent U.S. only. SC and general industry data for 2007 was not available at the time of report development.

Community

Employees annually volunteer at the Dallas-wide day of service called "City of Hope" to rehabilitate the homes of low-income homeowners, particularly the elderly and disabled.



Employees in the Philippines support children who do not have regular access to food and education.



For more than a decade, employees have helped clean Cottonwood Park, making the park safe for thousands of neighborhood children to enjoy.



Employees participate in a United Way "Day of Caring" at Anderson Childcare Group.

Tech Smart Big Heart is TI's philanthropic banner program, devoted to employee giving, volunteerism and community engagement.



Community

More than 75 years ago, TI's founders established the belief that the company's worth was based not only on the strength of its balance sheet, but also on its contributions to society. This philosophy became a foundation for all TI operations and is still evident today in our ongoing efforts to improve education and overall quality of life for our employees, neighbors and communities.

2007 performance

TI made strides in continuing our support of neighbors near our headquarters and in reaching out to communities at sites around the world. Following are highlights of the impact our company made:

Giving

- Donated \$19.9 million to support numerous community agencies, programs and charities.
- The TI Foundation spent \$8.6 million supporting various education, arts and culture, and health and human services programs.
- Sponsored the TI Jack Kilby Science and Technology Quiz for more than 1,500 high-school teams in India to promote the benefits of education and technology.

Education

- Invited three Chinese universities and an Indian science institute to join TI's worldwide Leadership University program to drive innovation and curriculum development.
- Inducted 10 secondary school teachers who have enhanced student achievement into TI's STEM (science, technology, education and mathematics) Academy as fellows.
- Underwrote the National Archives Teacher Scholarship Program to help teachers learn improved classroom strategies.
- Granted more than \$1.5 million to Dallas Achieves through the TI Foundation and TI to ensure every graduate from the Dallas Independent School District is college- and workforce-ready.

Minority and women business development

- Spent 4.5 percent of TI's outsourced goods and services in the U.S. with direct and sub-tier minority or women business enterprises (MWBE).
- Began requiring third-party certification of MWBE status to ensure the credibility of our MWBE metrics and that we engage with qualified suppliers.

Community

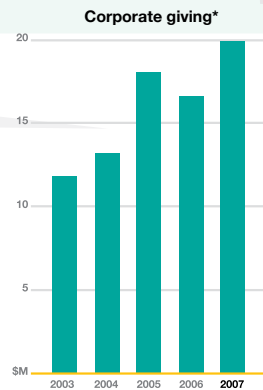
Volunteerism

- Raised \$4.7 million and donated significant time to support United Way chapters across America.
- Donated money to support children who would not have regular access to food and education otherwise in Baguio, Philippines.
- Sponsored a traffic safety campaign in Japan with the help of employees, neighboring companies, community leaders and law enforcement to reduce drunken driving-related incidents, improve road conditions and enhance overall traffic safety.

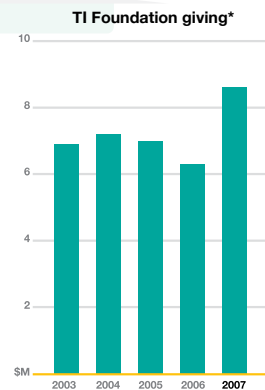
Goals

Moving forward, TI plans to:

- Expand global citizenship by replicating successful initiatives and identifying philanthropic options.
- Outsource at least 4 percent of all goods and services procured in the U.S. with certified diverse suppliers.
- Maximize procurement opportunities with existing minority and women contractors and work to engage new suppliers in areas that do not exist today.
- Expand TI retirees/alumni involvement in philanthropic activities globally.

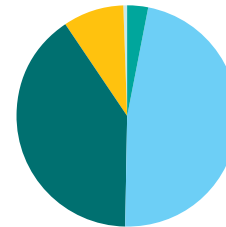


*The increase in 2007 giving includes additional university donations made by individual TI business units.



*Includes grants to eligible organizations, in addition to employee matched contributions.

Corporate giving*



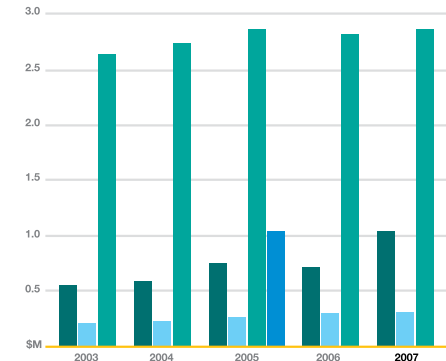
- Arts and culture
- Education
- TI Foundation contribution*
- Community investment
- Non-profit memberships**

2007 worldwide TI corporate contributions \$19.9M

*TI gives an annual donation to the TI Foundation. In 2007, TI contributed \$8M. The TI Foundation funded \$8,592,403 in programs through grants and matching gifts in 2007.

**TI participates in a variety of nonprofit 501(c)(3), civic and business associations. The 2007 total amount spent in this category was \$108,650.

Employee giving*



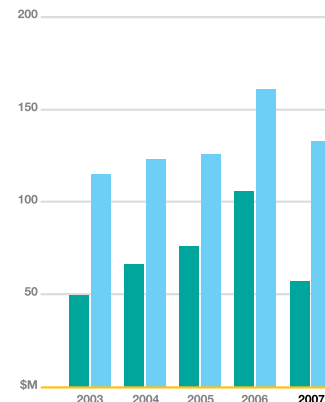
- Education*
- Arts and culture*
- Health and human services (United Way)
- Disaster relief**

*Does not include cause-specific employee fundraising for events such as Juvenile Diabetes Research Foundation Walk to Cure Diabetes, Komen Race for the Cure and AIDS Lifewalk.

**Giving tracked through TI matching gifts program.

**Includes gifts in support of South Asian tsunami and U.S. hurricanes Katrina and Rita relief (more than \$1M combined). Does not include more than \$100,000 in employee volunteer hours donated for hurricane relief efforts.

Minority and women business development*



- Women business entity**
- Minority business entity

*Totals reflect direct spending only with MWBE suppliers and do not include sub-tier spending.

**WBE spend data for 2003-2006 includes minority and non-minority women suppliers. In 2007, to better align with industry best practices, our WBE metric was revised to include ONLY non-minority women.

Advocacy



U.S. Congressional Black Caucus visits a TI manufacturing facility in Dallas, Texas.



TI President and CEO presents a 2007 Leadership Award on behalf of the SIA to Secretary of Education Margaret Spellings for her efforts to improve math and science education in the United States.



U.S. Senator John Sununu, R-N.H., with TI Vice President Steve Anderson during a visit to TI Manchester, N.H.



U.S. Representative Henry Cuellar, D-Texas, tours a TI manufacturing facility in Dallas, Texas.



Advocacy

TI has an obligation to our shareholders, employees and customers to advocate for responsible government policies that help us achieve our business goals and ensure a business environment conducive to growth. TI spent \$2.7 million on advocacy at the state and federal level in the United States in 2007.

2007 performance

Highlights of our government relations activities:

- Helped secure enactment of the bipartisan America COMPETES Act, to make innovation a national priority, and to increase federal support for basic research and education in science, technology, engineering and math.
- Prevented restrictive new export controls by securing updates to regulations for mass-market devices.
- Participated in various regulatory proceedings to promote opportunities for deployment of TI technology.
- Hosted numerous state and federal officials at TI sites to inform them about the semiconductor industry and its public policy challenges especially regarding university research funding, growing the pipeline of engineers and scientists, accessing top talent, and extending tax policies that provide incentives for U.S. companies to invest in R&D in the United States.
- Worked to modify patent reform legislation to protect the value of innovation.

Goals

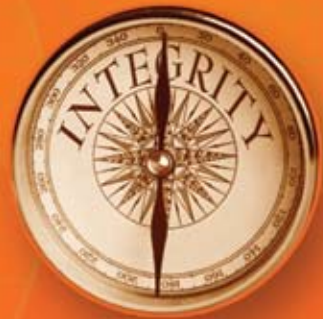
In 2008, TI plans to:

- Secure funding increases for basic science and engineering.
- Advance TI's technology through regulatory proceedings.
- Work to ensure export control policies are relevant to commercial realities.
- Work to reduce tariffs on certain semiconductor devices, and secure open trade policies as well as Congressional approval of outstanding free trade agreements.
- Encourage legislation to expand highly skilled permanent visas, particularly for U.S. advanced degree holders.
- Provide a semiannual update on TI's Web site on our government relations activities, political engagement programs, policies and expenditures.

Corporate governance



TI's Values and Ethics booklet defines the culture of ethics within the company and is now in its eighth revision since 1961.



TI employees



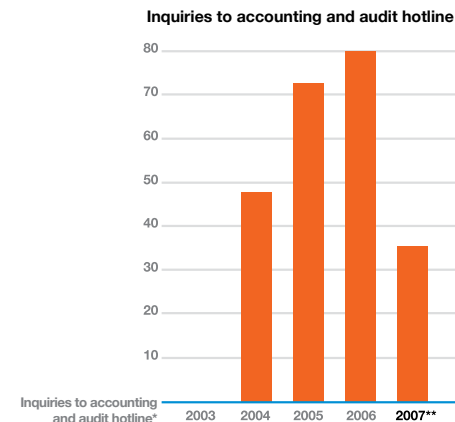
Corporate governance

At TI, we believe good corporate governance is a fundamental element of our long-term success. Adherence to our Code of Business Conduct and guidelines for ethical business practices is simply the way we do business.

2007 performance

These ingrained values were evident in our 2007 performance:

- Maintained regulatory compliance and reported no significant governance issues.
- Trained at least 85 percent of key individuals responsible for managing corruption risks in TI's anti-corruption policies and procedures.
- None of TI's accounting and audit hotline inquiries involved an allegation of accounting fraud or other significant ethics issue.
- No legal actions were reported for anti-competitive behavior, anti-trust and monopoly practices.
- Established company's first team focused on corporate citizenship in regions of operation globally.
- Completed company's first Corporate Citizenship Report, detailing TI's social and environmental performance. The report used the Global Reporting Initiative's Sustainability Reporting Guidelines as a foundation for the report.



**None of the accounting and audit hotline inquiries received to date involved an allegation of accounting fraud or a significant ethics issue.*

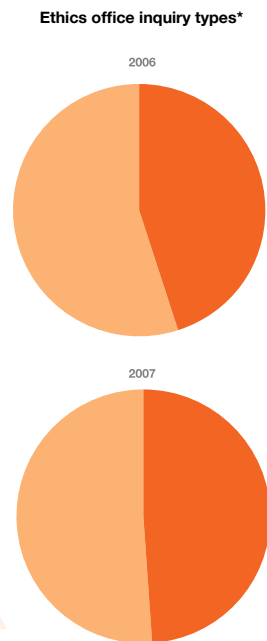
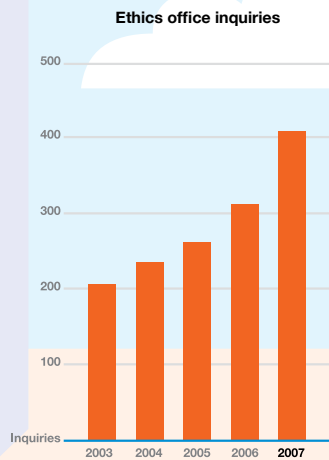
***During September 2007, enhancements were made to www.ti.com, which provided individuals the opportunity to direct their non-accounting and non-auditing related questions to the TI operation that would most likely be able to address their concern. For the full year 2007, this system enhancement was the main reason the accounting and audit hotline volume dropped.*

Corporate governance

Goals

In 2008, TI plans to:

- Transition Rich Templeton, TI's president and chief executive officer, to chairman of the board. Our current chairman, Tom Engibous, retires in 2008.
- Review corporate governance best practices and benchmark against competitors to ensure governance activities are optimal and strategically aligned with TI's business plan.
- Install a company-wide data collection and management system to improve evaluation of citizenship initiatives and ensure accuracy in reporting.



- Ethics or HR-related questions
- Ethics or HR-related concerns

**None of the cases presented a serious accounting issue or appeared to pose a significant financial risk.*

This communication contains some forward-looking statements that involve a number of risks and uncertainties that could cause actual results to differ materially from predictions. These "forward-looking statements," including descriptions of TI's expectations, plans, intentions or goals, are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Please refer to TI's most recent Form 10-K for more information on the risks and uncertainties that could materially affect future results of operations. We disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

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Feedback

We welcome your comments and questions about this report:
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