

# TI Corporate Citizenship Topic Brief



Business continuity



TEXAS INSTRUMENTS

# Business continuity

## Why it matters

Our customers and stakeholders depend on our ability to consistently deliver and perform. We continually evaluate and manage our business operations and manufacturing capabilities to ensure the shortest recovery times possible should an incident occur.



Our ability to operate continuously reassures customers of our reliability, preserves our revenue, reputation and long-term sustainability, and demonstrates to our investors and other stakeholders that we can effectively manage business interruptions. We minimize the impact of unexpected events wherever possible and proactively prepare for these events, which may include natural disasters, technological system failures or breaches, manmade hazards or geopolitical incidents.

## Our approach

We plan and prepare for various scenarios that could disrupt our supply chain or production worldwide. At each of our locations, we monitor political risks, extreme weather events, security and environment-related issues.

We take a proactive and strategic approach to business continuity planning (BCP), which includes:

- Risk assessments and controls
- Business modeling and impact analysis
- Strategy development and contingency planning
- Enforcing stringent policies and standards
- Ongoing training, maintenance and testing of plans
- Crisis communications
- External agency coordination
- Continuous monitoring for risks or breaches

Our organizations develop comprehensive business continuity plans that incorporate industry best practices to ensure an efficient response. These plans identify:

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

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

**Our robust BCP management system and policy provides the framework to systematically prepare for and manage risks. Modeled after the ISO 22301 business continuity management standard, the system helps us plan, implement, monitor and maintain protections against business interruptions.**

## Our goals

We set global or site-specific goals as determined by our enterprise and local risk assessments. We consider these confidential and do not report these publicly. When incidents occur, our priorities are to protect our people, communities, environment, assets, revenue and reputation.

## Accountability

Our Business Continuity Steering Team oversees our BCP strategy, policy, program and plans, and takes a lead role if disruptive events occur. Appointed by company leaders, team members meet regularly to discuss risks, best practices and implementation plans. They provide an annual update to our chief financial officer, who oversees the program. The Audit Committee of TI's board of directors also has insight into our enterprise risks. We expect all teams to identify potential risks to our employees, business practices, supply chain and the environment.

## Emergency response

We activate our emergency response system depending on the nature and severity of an incident. Our emergency response team quickly identifies appropriate resources, services and infrastructure required to mitigate potential loss.

Each site has emergency response liaisons trained to coordinate efforts locally and deploy the best response strategies. We also work to provide disaster relief to communities where we operate when natural and other catastrophes occur.

Our comprehensive crisis communication plan includes procedures and guidelines for how and when employees and managers communicate should an issue arise.



## Protecting our assets

We take additional precautions to protect our assets:

| People  |
|---|
| We monitor and mitigate political, travel, occupational health and safety, and building risks   |
| We train security personnel to appropriately respond to a variety of situations   |
| Property  |
| We conduct risk assessments to understand and improve building conditions   |
| We secure building access and exits; install enhanced lighting, fencing and surveillance cameras; and protect storage warehouses, equipment and other restricted areas  |
| Supply chain  |
| We take steps to protect our global transport and logistics system from such threats as terrorism, piracy and theft   |
| We voluntarily participate in the Customs-Trade Partnership Against Terrorism program, a global supply chain security program led by U.S. Customs and Border Protection |

## Evaluating our progress

Our Readiness 2 Recover program helps us measure the effectiveness of and compliance with our own BCP requirements. Every two years (or as needed), we conduct formal risk assessments to identify existing controls and gaps. Every three years, we complete an enterprise risk-management survey to identify and understand potential risks within the company.

Additionally, we conduct internal audits to holistically assess our BCP programs, and we solicit feedback from our leadership teams. We share findings with the Audit Committee of TI's board of directors and also disclose risks in our SEC Form 10-K.

## For questions or concerns about business continuity

Customers may contact [www.ti.com/support](http://www.ti.com/support) or their account managers with any BCP questions, concerns or grievances.

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