TI Corporate Citizenship

Topic Brief

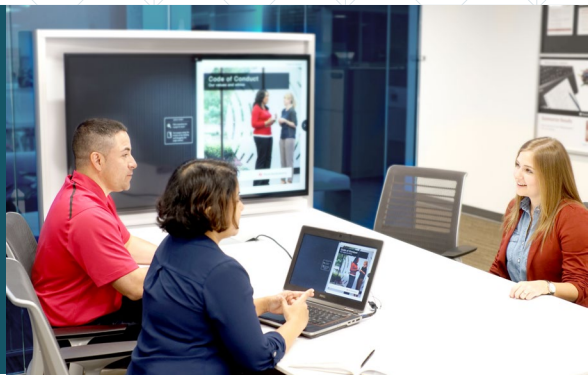
Ethics

Texas Instruments

Ethics

Why it matters

Ethics is foundational at TI – the starting place for every decision our employees make every day. Our core values of integrity, innovation and commitment define how we evaluate our decisions and actions and how we conduct our business. These values have been at the heart of who we are and how we've behaved for decades, dating back to our founders and their vision for the company at its inception in 1930.



In our business, trust matters. A reputation for integrity is our most effective marketing tool. Our employees, customers, and other individuals and groups that we work with choose TI not only for our technology, but because we treat them with respect, deal with them fairly and deliver on our commitments.

Oversight

Ethical responsibility begins at the top with our Chairman, President and CEO Rich Templeton. It's part of our culture, DNA and leaders at every level of the company are held accountable for compliance.

The chief compliance officer works with the ethics director and others to oversee and coordinate the ethics and compliance program. Performance results are shared each year with the TI Audit Committee and TI senior managers.

How we manage

We strive to have all TIers complete annual ethics training, and for all TIers to be able to recognize potential ethics- or compliance issues, make the right decision and speak up. To achieve this, we developed the TI Code of Conduct and core values to guide our culture and practices. Available in eight languages, our code is designed to promote honest and ethical conduct, deter wrongdoing and drive compliance with laws and regulations.

Our sites are in diverse geographical locations with varied risks of corruption, societal pressures, laws and regulations. That's why we give TIers, managers and leaders the training and tools to help them make the right decisions about how they should conduct themselves and their businesses. Every employee must take training on ethics, compliance topics, core values, environmental safety and health, confidential information protection, information technology security and avoiding workplace harassment.

Additionally, select employees and security staff are trained on human rights topics, and other TIers receive training on fraud prevention, export compliance, the Foreign Corrupt Practices Act, insider trading, global competition law and the Responsible Business Alliance* (RBA) Code of Conduct.

Finally, we engage top managers on ethics and provide tools for them to promote ethics and compliance within their respective organizations.

Reporting

Employees have access to a variety of mechanisms to report concerns, including the option to do so anonymously. TIers, suppliers and other stakeholders can contact the TI Ethics Office without fear of retaliation or breach of confidence. Our Ethics Office is responsive to reports and requests, and supports employees toward achieving expedient and appropriate resolutions. In addition, we post our core values and contact information in conference rooms and break areas around TI to help address questions and concerns.

To provide access to direct labor workers who don't use a computer daily or have an easy path to report ethics concerns or ask questions, we offer an online tool that is managed by a third party. It is accessible from a smartphone and translated in nine languages.

Anticorruption

We put a variety of mechanisms in place to measure the completion of ethics-related training and compliance with our Code of Conduct. We also assess all our manufacturing sites for corruption and ethics risks using the RBA's self-assessment tools. Although recorded for internal review and action, we currently do not report corruption incidents publicly since we consider such information confidential.

To align our risk assessment with training requirements and frequency, we measure:

- Training completions and survey results
- Ethics awareness article metrics
- Reports per 100 employees
- Employee relations and global investigations cases and compare them with external benchmarking

Our web-accessible Ethics Quick Test is a tool to assist employees in identifying potential ethical problems. The test includes a set of questions and statements:

– Is the action legal?
– Does it comply with our values?
– If you do it, will you feel bad?
– How will it look in a news story?
– If you know it's wrong, don't do it!
– If you're not sure, ask.
– Keep asking until you get an answer.

For suppliers, we perform targeted risk assessments that examine their documented labor and ethics practices and programs, as well as environmental management and social responsibility efforts. Suppliers located in countries identified by Transparency International's Corruption Perceptions Index as high risk may be subject to further review, including on-site audits as needed.

TI operates in China, India, Mexico, Malaysia, the Philippines and Russia/Eastern Europe, which are among countries considered at higher risk for corruption. The semiconductor industry, however, is relatively low risk compared to construction, extractive or other industries in which conducting business requires considerable interaction with government officials. We have policies in place and conduct specific, live training in the high risk countries to address and mitigate these risks.

*Formerly the Electronics Industry Citizenship Coalition (EICC)

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