



Global Reporting Initiative index

TI reports using the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards (GRI Standards) as guidance.

This table is an index of general and specific standard disclosures based on GRI guidance. The index provides a simple and standardized way to share information that is both relevant and important to TI and its stakeholders.

GENERAL DISCLOSURES

Indicator	Description	Disclosure
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 our products, see SEC Form 10-K , Part I, pages 2-3.
102-3	Location of headquarters	Our headquarters is located at 12500 TI Boulevard, Dallas, Texas 75243.
102-4	Location of operations	See our global map on the TI at a glance section of our website.
102-5	Ownership and legal form	For information about our ownership structure, please refer to our SEC Form 10-K , Part I.
102-6	Markets served	For information about the markets we serve, see SEC Form 10-K , Part I, pages 4-5.
102-7	Scale of the organization	On Dec. 31, 2019, TI had 29,051 employees and manufacturing, design and sales operations in more than 30 countries. We have tens of thousands of products and generated \$14.38 billion in revenue (read more at SEC Form 10-K , Part I, Item 1, pages 2-12). The percentage of revenue by region was Asia (60%), Europe (19%), the Americas (13%), Japan (6%) and other (3%). We also have 10 wafer fabrication sites and seven assembly/test sites. Read more at SEC Form 10-K , Item 8, Note 1, page 30).
102-8	Information on employees and other workers	Please see employee data in the Workplace section of the 2019 TI Corporate Citizenship Report. TI does not track the number of employees by employment contract and our part-time workforce is negligible. Full-time employees do 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 Supply chain in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and our Anti-human trafficking statement . Roughly 80% of our procurement is done with approximately 300 suppliers, of which about 180 are critical to supporting semiconductor manufacturing. We define critical suppliers as those core to the supply strategy of a category procurement team and could cause a major disruption to make 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 been investing in new capabilities and evolving our distribution network to better align with our strategy to establish closer, more direct relationships with our customers. This gives us better insight into customer needs and allows us to provide better service and greater assurance of supply, among other benefits. As we expand these direct customer relationships over the next several years, we will have less business flowing through the distribution channel; therefore, we will require fewer distributors. TI made no significant changes to its size, structure, or ownership in 2019 and revenue decreased by 9%. For more information, see SEC Form 10-K , Item 1, page 5.
102-11	Precautionary principle or approach	To reduce or avoid negative impacts on the environment, we apply precautionary principles in many aspects of our 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 understood and able to be controlled.
102-12	External initiatives	Our governance documents guide our business practices, which apply to all sites worldwide and evolve based on changing business needs. We also voluntarily subscribe to industry and international standards that seek to improve companies’ environmental, social and governance performance, such as the International Organization for Standardization (ISO). These include the GRI’s reporting framework to measure and report our citizenship progress; 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; and the CDP, which helps investors, companies and cities act to build a sustainable economy.
102-13	Membership of associations	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 issues with every association and 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 TI’s shareholders, customers, employees and the communities in which we operate.

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Indicator	Description	Disclosure
102-14	Statement from senior decision-maker	Read about our commitment to citizenship and sustainability in the CEO message of the 2019 TI Corporate Citizenship Report.
102-16	Values, principles, standards and norms of behavior	<p>TI published its 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>TI’s Living our values – TI’s Ambitions, Values and Code of Conduct was developed by a core group of leaders with oversight, input and direction by our management committee and executive officers. It is signed by Rich Templeton, our chairman, president and CEO and all TI leaders are accountable for conducting business in accordance with it. Before this code was communicated company-wide, our CEO and senior vice president of HR held about 20 roundtables with top 500 leaders to equip, train and set expectations for how leaders lead and conduct business in accordance with our code of conduct. It is available in multiple languages.</p> <p>We use a variety of mechanisms to measure the completion of training and compliance with Living our values – TI’s Ambitions, Values and Code of Conduct. We measure, for example:</p> <ul style="list-style-type: none"> • Completed training percentages and survey results. • Ethics and compliance cases. • Industry practice and peer benchmarking. <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 our code of conduct and policies, and holding their organizations accountable. Our chief compliance officer, senior vice president of human resources, and ethics and compliance directors work with other key 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 executives to drive continuous and effective improvements.</p>
102-18	Governance structure	Read more about TI’s governance structure, roles and responsibilities on our governance overview webpage .
102-30	Effectiveness of risk management processes	<p>See Risk management and business continuity in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our risk management and business continuity practices.</p> <p>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). Oversight responsibility for compliance risk is shared by our board of directors committees.</p> <p>All TI organizations and teams are expected to identify potential risks to our employees, business practices and supply chain, as well as the environment. They conduct formal risk assessments and invest in controls that benefit our company, our customers and our communities. Findings are then validated and monitored until actions have been completed. Each quarter, we report risks and mitigation plans to senior management. Risks also are disclosed annually in our SEC Form 10-K.</p> <p>TI also has an independent Business Continuity Steering Team that oversees the company’s 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 CFO.</p> <p>Customers may contact www.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, non-governmental 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/or 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	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 environmental, social and governance matters with the executive team and the board of directors. Stakeholders can ask questions or share opinions through our website, e-mail address and social media channels. Accounting- and audit-related topics are addressed through our accounting and audit hotline. All accounting- and audit-related inquiries received on the hotline are reported to the chair of the Audit Committee of our board of directors.

Indicator	Description	Disclosure
102-44	Key topics and concerns raised	Through informal engagement with stakeholders in 2019, we learned their top questions or issues were related to diversity and inclusion, energy use and 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 2-3). This report covers environmental, social and governance topics for all TI-owned entities and facilities that are included in our financial statements.
102-46	Defining report content and topic boundaries	<p>To determine the focus of this report, we formally assess stakeholders biannually and consult with our Citizenship Steering Team (CST). The CST is a cross-functional group of business leaders who contribute to and execute TI's citizenship strategy. Every two years, TI assesses inputs from multiple stakeholders, including senior management, employees, customers, suppliers, investors, community leaders and industry representatives to identify and better understand what our stakeholders believe are our most significant environmental, social and governance impacts. This feedback helps our company to respond to stakeholder concerns proactively. It also guides our corporate citizenship reporting by focusing on content on topics that matter most. The assessment is a four-part process:</p> <ol style="list-style-type: none">1. Identify – We establish a universe of issues based on their applicability, stakeholder interest, industry challenges, what peers are focused on as well as sustainability trends. Members of our CST review and refine these topics before the assessment.2. Prioritize – We prioritize topics based on stakeholder feedback.3. Validate – We review and discuss findings and balance opposing views with our CST and leadership team.4. Integrate – We focus resources to manage the topics of most importance and transparently disclose progress being made in our Citizenship Report.
102-47	List of material topics	<p>In 2019, we completed a stakeholder assessment to prioritize environmental, social and governance topics that are most important to TI and our stakeholders. The assessment included global peer benchmarking and surveying of managers/employees, suppliers, customers, community leaders and investors. After examining more than 50 issues, we categorized issues of importance to both TI and our stakeholders. Top topics include:</p> <ul style="list-style-type: none">• Environmental impact (air and greenhouse gas emissions, energy consumption/use of renewable sources, water/wastewater)• Responsible manufacturing• Materials management• Citizenship (education engagement, volunteering and giving)• Diversity and inclusion• Our employees (recruitment and retention, development, compensation and work-life balance and resources)• Health and safety• Business continuity• Supply chain responsibility (including labor and human rights)• Conflict minerals• Ethics• Information protection• Public policy
102-48	Restatements of information	Any restatements of information are included in footnotes within our 2019 Corporate Citizenship report.
102-49	Changes in reporting	The 2019 TI Corporate Citizenship Report tells our citizenship story and elaborates on our goals and progress in key focus areas. We have restructured the information from last year to integrate our narrative, goals and results more clearly while still reporting in accordance with the Global Reporting Index (GRI) framework. For the 2019 report, we still believe GRI is relevant, but will continue to consider other frameworks and methodologies for future reports.
102-50	Reporting period	The reporting period covers the calendar year 2019.
102-51	Date of the most recent report	Our 2018 report was released in May 2019.
102-52	Reporting cycle	We release an annual citizenship report.
102-53	Contact point for questions regarding the report	For questions about citizenship at TI or this report, contact citizenshipfeedback@list.ti.com .
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This GRI Index contains information and data about TI's topic topics 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. We currently do not seek independent assurance of environmental, social or governance data. However, EY annually audits financial records of the TI Foundation.

ECONOMIC STANDARDS

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Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	Learn more about TI's financial oversight and performance in our 2019 Annual report and proxy statement and SEC Form 10-K .
201-1	Direct economic value generated and distributed	Our Annual Report provides information about our financial performance. For our philanthropic contributions, see the Giving and volunteering section of the 2019 TI Corporate Citizenship Report.
201-2	Financial implications and other risks and opportunities due to climate change	<p>We address implications of climate change by evaluating risks related to the changing climate such as severe weather, water availability, flooding and environmental threats. These broader climate change risks are evaluated by site and region. We invest capital in engineering controls that reduce operational and environmental impacts.</p> <p>Each manufacturing site's financial value is based on product revenue generated and its assets. Any potential revenue loss associated with a climate change or severe weather event generates a potential business interruption loss, which can be offset in part by insurance. TI's Risk Management and Business Continuity office reports companywide risks, such as those associated with climate change, to our chief financial officer.</p>
201-3	Defined benefit plan obligations and other retirement plans	<p>We have various employee retirement plans, including defined contribution, defined benefit and retiree health care 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.</p> <p>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.</p> <p>We offer a global profit-sharing program that rewards all eligible Tlers 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.</p>
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 39-41 and our Tax Policy for additional details.

Market presence

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Employees in the Workplace section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our human resources (HR) leaders are responsible for developing compensation and hiring programs, protocols and processes. The Compensation Committee of TI's board of directors oversees compensation practices for executive personnel. The senior vice president (SVP) of HR and vice president (VP) of Compensation and Benefits oversee employee compensation. This oversight ensures compliance with relevant regulations and that awards are consistent with our values and tailored to the markets in which we operate.</p> <p>We conduct an in-depth analysis 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>We offer several channels through which Tlers and supplemental contractors can submit questions, concerns or grievances without fear of retaliation, including their supervisor, HR representative or anonymously through the Ethics and Compliance Office.</p>
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 have 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.

Indicator	Description	Disclosure
202-2	The proportion of senior management hired from the local community	TI's strategy is to hire the best and brightest individuals to work at our company. We hire 99% of our employees in senior positions from the communities where we operate.

Procurement practices

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Management of our supply chain is led by our VP of Worldwide Procurement and Logistics, who reports directly to our CFO. Together, they oversee supply chain policies, performance and risk management. Our director of supply chain responsibility oversees supplier social responsibility and manages supplier diversity.
204-2*	The proportion of spending on U.S. minority and women-owned enterprises	We spent 10% of our U.S. procurement budget with minority and women-owned enterprises in 2019, exceeding our 8.5% goal.

Anti-corruption

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and Living our values – TI’s ambitions, values and code of conduct to learn more about our management approach to anti-corruption. 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.
205-1	Operations assessed for risks related to corruption	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. We regularly assess both our worldwide manufacturing operations and our suppliers for risks related to corruption.
205-2	Communication and training about anti-corruption policies and procedures	TI provides ethics and compliance awareness training to all employees, vendors and third parties, including on anti-corruption topics. The training programs and related efforts are periodically assessed and revised to reflect legal changes and to support continuous compliance improvement.
205-3	Confirmed incidents of corruption and actions taken	Although recorded for internal review and action, we do not currently report such information to the public as it is confidential. We work to resolve any allegations related to corruption successfully and to take appropriate remedial measures.

Anti-competitive behavior

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and Living our values – TI’s ambitions, values and code of conduct to learn more about our management approach to anti-competitive behavior.
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	For material legal proceedings involving TI, see SEC Form 10-K , page 15.

ENVIRONMENTAL STANDARDS

Environment, safety and health (ESH)

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See ESH in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. 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>Our ESH management system facilitates the planning, execution, evaluation and management oversight of activities and strategies. Programs include extensive chemical and material screening, material sourcing, waste profiling and responsible recycling and disposal.</p> <p>To ensure our internal management system is effective, the Worldwide ESH Compliance Support Team and independent third parties perform audits at each facility at least 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 questionnaire and its Code of Conduct, as well as against peers and members of the Semiconductor Industry Association. <p>We communicate gaps and best practices to other sites, so similar issues will not occur. Each manufacturing site also reports performance using a scorecard that measures energy use, chemical reduction and water efficiency. We share scorecards internally for transparency and best-practice awareness, and as an accountability mechanism. No significant adjustments have been made to our corporate-level ESH management system due to audit findings.</p> <p>Our ESH governance structure includes:</p> <ul style="list-style-type: none">• Audit Committee, board of directors – Oversees internal controls, compliance and performance.• CFO/SVP of Technology and Manufacturing Group – Establishes and maintains effective ESH leadership, strategic direction and effective communication.• VP, Worldwide Facilities – Holds TI accountable for providing a safe, secure work environment.• VP, Worldwide ESH – Provides leadership, guidance and direction of ESH programs worldwide.• Worldwide ESH organization – Monitors performance and compliance.• Site/building ESH support – Advises and consults in all ESH activities, develops and documents programs to ensure compliance and assesses risks and controls.• Employees and supplemental contractors – Follow applicable ESH regulations, internal policies and standards, work area or assignment procedures, and take ownership of their safety and that of their coworkers. <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 as well as applicable regulatory requirements.</p> <p>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 may contact www.ti.com/support and all other ESH-related inquiries can be directed to citizenshipfeedback@list.ti.com.</p>

Materials

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Materials management the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about our management approach. We track materials used at each site as well as progress against consumption goals.
301-2	Recycled input materials used	Most of the purchased materials required to manufacture our products are chemicals. Although most chemicals used in semiconductor processing 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.

Indicator	Description	Disclosure
301-3	Reclaimed products and their packaging materials	Currently, we are unable to determine the percentage of products reclaimed by product category by customers or end-users. TI participates in various recycling programs but cannot control how customers handle the semiconductors they place in their products, nor their products’ end-of-life disposition. We provide detailed information about the substances used in their components so that customers can make informed decisions about end-of-life disposal.

Energy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Energy use in the Sustainability section of the 2019 TI 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. Consumption data are calculated from sites that we financially control and that are larger than 50,000 square fee.
302-1	Energy consumption within the organization	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. TI does not sell any energy outside of our company.
302-3	Energy intensity	See Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. Our energy intensity ratio is 0.38. 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 the 2005 baseline to report a ratio, which is 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 Energy use in the Sustainability section of the 2019 TI Corporate Citizenship Report. Energy conservation savings are based on electricity, fuel and heating projects. The basis for calculation is the estimated annualized reduction for each project and the total is reported as the sum of all the annualized savings estimates. For capital investments over \$50,000, the savings also are validated by taking additional measurements on pre- and post-project consumption.
302-5	Reductions in energy requirements of products and services	The energy required to operate a chip for a year can be as little as 0.15 watt-hours. TI also works to reduce energy use in our products and is often able to achieve a reduction of 7% over prior designs when implementing a new design that performs an equivalent function.

Water

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about water management. Our global water management standard outlines requirements of wastewater programs, sewage treatment programs, stormwater pollution prevention and water reduction activities at each TI site.</p> <p>Our VP of worldwide ESH oversees TI’s water strategy, and site leaders monitor water use, compliance to quality standards and progress against consumption goals. We also monitor:</p> <ul style="list-style-type: none">• Water restrictions and areas of water stress.• Wastewater discharges to ensure compliance is maintained.• Quarterly progress against water reduction goals. <p>TI ensures our management systems operate effectively by using online monitoring tools to track trends. We also routinely collect and analyze samples and conduct both internal and external audits. Additionally, we:</p> <ul style="list-style-type: none">• Visually inspect wastewater treatment plants multiple times a day to ensure they are operating properly and are not leaking.• Periodically clean the plants and inspect the treatment basins for integrity.• Hire trained or certified operators as required.

Indicator	Description	Disclosure
303-1	Interactions with water as a shared resource	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about how TI interacts with water and works with stakeholders to water as a shared resource. There have not been water impacts directly attributed to our discharges and runoff at any TI site. We achieve this by maintaining compliance with discharge limits in our permits, following TI standards and ensuring 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 that they have identified as part of our ongoing energy and water reduction program. Sites decide which projects to pursue based on a variety of 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 makes water reductions more attractive from a payback standpoint or necessary for system reliability.</p>
303-2	Management of water discharge-related impacts	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about wastewater management. Minimum quality standards for effluents are set by local regulatory agencies and all TI sites manage to permissible limits. Some regulators incorporate sector-specific standards to set their requirements.</p> <p>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 the total water that is discharged through regulated wastewater treatment points to local, state, federal and international regulatory agencies.</p>
303-3	Water withdrawal	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report. Water is supplied from municipal sources and groundwater, plus a small amount of collected rainwater at our Richardson fabrication site in Texas. Consumption data are calculated from water utility bills at sites that we financially control and are larger than 50,000 square feet.</p>
303-4	Total water discharge and priority discharges of concern for which discharges are treated	<p>See Water and wastewater in the Sustainability section of the 2019 TI 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 onsite treatment plants, separating concentrated metals and solvents from waste streams and through other measures. TI did not receive any notices of violation for non-compliance with discharge limits in 2019.</p> <p>To anticipate substances that may be regulated 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>
303-5	Water consumption and storage	<p>See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship Report for consumption and storage data. Consumption data is typically calculated from total water usage as well as 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.</p>

Biodiversity

Indicator	Description	Disclosure
304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	<p>See Biodiversity in the Sustainability section of the 2019 TI Corporate Citizenship Report.</p>

Emissions

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Air emissions and Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report and ESH disclosure of management approach in this GRI Index to learn more about how we manage emissions.</p> <p>Our VP of Worldwide Facilities oversees climate change and air quality strategies. Our GHG strategy team – comprising internal environmental leaders and government relations staff, as well as legal, air quality, chemistry and energy experts – coordinates and manages climate change initiatives. Our business units and government relations organization also monitor government initiatives and incentives, as well as business opportunities. We also expect Tlers to achieve targets appropriate to their function, including GHG reduction goals.</p> <p>We measure scope 1 and 2 GHG emissions from TI-owned or leased sites larger than 50,000 square feet, which accounts for 97% of our total square footage and more than 99% of our equivalent carbon dioxide (CO₂e) emissions. We do not report data from subcontractors, supplier manufacturing facilities or facilities smaller than 50,000 square feet.</p> <p>We conduct routine monitoring and audits to comply with air quality and GHG regulations and reporting requirements worldwide.</p>
305-1	Direct (Scope 1) GHG emissions	<p>See Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report. The gases included in the data calculation include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (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 and the U.S. Environmental Protection Agency (EPA), along with published emission factors. These include, but are not limited to, the EPA's Mandatory Reporting Rule, IPCC and eGRID. Our methodology includes accepted quantification methods, emission factors and global warming potential.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>See Greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report and our response to 305-1. We have not made any significant changes in emissions that triggered recalculations of base year emissions. Our source of the emissions factors and the global warming potential rates used is the EPA's GHG MRR Final Rule. 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 US EPA MRR or IPCC Tier 2.</p>
305-4	GHG emissions intensity	<p>Our GHG emissions intensity ratio in 2019 was 0.36. We calculate this ratio using both scope 1 and scope 2 emissions, which include CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃, as the numerator and the number of chips produced within TI as the denominator. This ratio is then reported as a normalized value, where 2005 is 1.</p>
305-5	Reduction of GHG emissions	<p>TI's global scope 1 and scope 2 emissions decreased by 10.3% from 2018 to 2019 due to upgrading our processes to more efficient systems, a global industrywide reduction in loadings and the sale of our fabrication site in Greenock, Scotland. See greenhouse gases in the Sustainability section of the 2019 TI Corporate Citizenship Report for more information about emission reductions.</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>A few refrigerant gases are stored for maintaining refrigeration systems for our chillers. Most R-22 refrigerant equipment has been phased out; however, in 2019, 177 lbs. of R-22 refrigerant was used due to a chiller leak.</p>
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	<p>See air emissions in the Sustainability section of the 2019 TI Corporate Citizenship Report for our U.S. emissions data.</p>

Effluents and waste

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>Information about how we manage effluents and waste can be found in the Sustainability section of the 2019 TI Corporate Citizenship Report, as well as in the Water and Material disclosure of management approach sections of this GRI Index.</p>

Indicator	Description	Disclosure
306-1	Water discharge by quality and destination	See Water and wastewater in the Sustainability section of the 2019 TI Corporate Citizenship report for water discharge data. We treat water before discharge by neutralizing pH levels, using bio-treatment for domestic waste, and segregating other waste, solvents and metals. Some acid waste streams are segregated for either disposal, recovery or reuse. Water is not reused by other organizations, but our Richardson fab collects and reuses rainwater for irrigation.
306-2	Waste by type and disposal method	See Material management in the Sustainability section of the 2019 TI Corporate Citizenship report.
306-3	Significant spills	Zero significant spills occurred in 2019.
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. Though 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.

Environmental compliance

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See ESH in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and in the ESH disclosure of management approach section of this GRI Index to learn more about how we manage environmental compliance.</p> <p>Oversight of compliance is led by:</p> <ul style="list-style-type: none">• Audit Committee, board of directors – Oversees compliance efforts, risk assessment processes, and internal controls and performance.• CFO – Ensures capital allocation aligns with compliance strategies as well as business practices.• Senior executives – Establish and maintain strategic direction; ensure adherence to customer and regulatory requirements; monitor ESH risks; lead sustainability and ESH initiatives; and communicate performance expectations to the workforce and supplemental contractors.• Worldwide ESH and Procurement and Logistics organizations – Monitor ESH and supply chain compliance.• System and strategy teams – Conduct assessments to maintain compliance.• Site leaders – Develop and document programs to ensure compliance and assess risks and controls.• Employees/supplemental contractors – Follow applicable regulations, internal policies and standards, and work area or assignment procedures.
307-1	Non-compliance with environmental laws and regulations	TI received zero fines or sanctions for environmental noncompliance in 2019.

Supplier environmental assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our management approach.
308-2	Significant negative environmental impacts in the supply chain and actions taken	TI works with thousands of suppliers worldwide and communicates our 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 2019, we evaluated more than 179 suppliers with 300 factory locations; our findings revealed no significant negative environmental impacts or issues of concern. As a result, no relationships were terminated.

SOCIAL STANDARDS

Employment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our HR leaders are responsible for developing the programs, protocols and processes that are essential for effective productivity. Specific responsibilities include:</p> <ul style="list-style-type: none">• Executive compensation: The Compensation Committee of TI’s board of directors oversees compensation practices relating to key personnel.• HR strategy: TI’s SVP of HR establishes and maintains strategic direction and effective communication, and reports to our CEO.• Recruitment: The SVP of HR and director of Talent Acquisition oversee recruitment efforts.• Retention: Overall employee retention is the responsibility of managers, with support from HR. Site teams are responsible for implementing multi-faceted and tailored retention programs, and for complying with site-specific employment laws.• Diversity: The director of Diversity and Inclusion oversees these programs.• Development: The director of Talent Development is responsible for workforce training and development. <p>We offer several channels through which Tiers and supplemental contractors can submit questions, concerns or grievances without fear of retaliation, including 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>Labor laws and regulations vary greatly outside the U.S. and many countries where TI operates offer government-provided benefits and other related programs. For example:</p> <ul style="list-style-type: none">• Outside the U.S., 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.• Work-life initiatives vary globally, depending on specific work cultures and government-subsidized programs. To refine work-life program offerings, we engage employees and audit our programs annually. This helps us close gaps, remain competitive within the industry and improve services where needed.
401-1	New employee hires and employee turnover by age, region and gender	TI hired 2,140 employees (excluding interns) in 2019. See retention in the Workplace section of the 2019 TI Corporate Citizenship Report for employee turnover data.
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	Parental leave	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%• 10-20 years: 24%• More than 20 years: 26%

Global Reporting Initiative index

Labor/management relations

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment disclosure of management approach section of the GRI index, on the previous page, to learn about our management approach. Our HR leaders are responsible for developing the programs, protocols and processes that are essential for effective employee engagement and productivity.</p> <p>To keep communication channels open and gather and share business information with our teams, we use a variety of communications tools and platforms to facilitate open dialogue, share our expectations and reinforce our values. Our managers are the first to engage Tlers, so we invest in their development and training to help them be stronger and foster a mentality that “we are in this together.”</p>
402-1	Minimum notice periods regarding operational changes	<p>In the U.S., TI’s policy is to provide a minimum of one week’s notice regarding shift changes and provides at least 60 days’ notice (or pay in lieu of notice) for reductions in force. Outside the U.S., TI adheres to local labor laws.</p>

Occupational health and safety

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Safety and health in the Workplace section of the 2019 TI Corporate Citizenship Report and the ESH disclosure of management approach section of this GRI Index to learn more about our ESH management approach.</p> <p>The Audit Committee of TI’s board of directors oversees the management of the health and safety of our employees, supplemental contractors and visitors to our workplace. Our management approach includes several different elements:</p> <ul style="list-style-type: none">• Our manufacturing sites have formal ESH committees, which include managers, ESH specialists and Tlers. They work with site managers to oversee health and safety management systems.• Formal ESH committees at our manufacturing sites, which include managers, ESH specialists and Tlers, oversee health and safety management systems.• Manufacturing and Assembly/Test Safety Councils are comprised of ESH and ergonomics representatives who drive a safety-focused manufacturing culture within our facilities.• Leadership at all levels support and reinforce consistent safety practices, including training and reporting.• Employees are responsible for completing applicable training and keeping their work environment healthy and safe. <p>To reinforce TI’s commitment to the safety of our employees, we provide ongoing training so that employees prioritize safety and speak up about any potential hazards. Employees know to correct or report unsafe behaviors and conditions, follow procedures and wear personal protective equipment. We reinforce expectations regularly through safety campaigns, articles, posters and reminder emails.</p> <p>Every year, our ESH leadership team reviews key outcomes of the organization and determines areas of focus and opportunities for improvement. Through routine programs, facility self-assessments and audits, we assess potential safety and health risks and make corrections and improvements per our management system’s processes, risk assessments and activities. All incidents are documented and reviewed by a central record-keeping review panel, who is tasked with ensuring the quality and accuracy of each injury investigation and its associated documentation.</p>
403-1	Occupational health and safety management system	<p>TI’s safety and health management system – which is third-party certified to ISO 45001 requirements for occupational health and safety – identifies and controls hazards and risks, complies with applicable laws and regulations and investigates incidents and track actions through closure. The management system also provides programs, policies and tools that keep our workplace safe.</p> <p>We use the management system to record performance data; identify trends, weaknesses and hazards; and take steps to remedy flaws. It also ensures the quality of safety and occupational health services and facilitates workers’ access to them. Through routine programs, facility self-assessments and audits, we regularly assess potential safety and health risks and make corrections and improvements. All incidents are documented in an electronic incident management system and are reviewed by a central recordkeeping review panel that is tasked with ensuring the quality and accuracy of each injury investigation and its associated documentation.</p>

Indicator	Description	Disclosure
403-2	Hazard identification, risk assessment and incident investigation	All TI sites are covered by an industrial hygiene program that is designed to identify, evaluate and control potential workplace hazards. We periodically conduct surveys and sampling of work areas, analyze and track this data to identify hazards and determine the risk of injury or illness. We manage Tlers' mental and physical health holistically and create monitoring plans to assess progress. Collecting health data also helps us tailor interventions depending on our employees' unique needs. Following all investigations, site ESH leaders communicate lessons learned and corrective action plans to other sites and groups so others can avoid similar issues.
403-3	Occupational health services	See Safety and health in the <u>Workplace section</u> of the 2019 TI Corporate Citizenship Report to learn more about occupational health services. All TI sites are covered by an industrial hygiene program that is designed to identify, evaluate and control potential workplace hazards. The resources we provide Tlers to take control of their health include free on-site immunization and preventive screening programs, fitness and nutrition programs, employee assistance programs, and counseling and education services. These provide immediate feedback to help Tlers understand any lifestyle changes that are needed to improve their health. We support this effort at work through walking, weight management and smoking-cessation counseling, and our cafeterias offer healthy food choices. Our individual health management service provides coaching and oversight to improve employee well-being. It is offered to Tlers who have experienced a significant medical event, have extended work absences, or who are dealing with multiple diagnoses, treatments and providers. Our benefit advocacy service helps estimate the costs of medical procedures and locate affordable and quality health providers as well. We periodically conduct surveys, sample work areas for potential hazards, and investigate the root causes of injuries or illness. We also offer resources to help Tlers' manage their mental and physical health and create monitoring plans to assess progress. Collecting health data also helps us design custom health improvement programs, depending on our employees' unique needs.
403-4	Worker participation, consultation and communication on occupational health and safety	TI sites have health and safety committees comprised of ESH staff, site management and employees that meet regularly regarding site-specific needs. We also consult with employees and supplemental contractors on various management system programs, training courses and hazard/risk assessments to encourage their input on ways we can address gaps, improve performance and proactively manage risks.
403-5	Worker training on occupational health and safety	We deliver occupational health and safety training per our management system to 100% of our employees and supplemental contractors. We tailor training that is specific to everyone's role and always reinforce our commitment to compliance, our robust ESH standards and our customers' performance expectations. Our training covers safety observations and reporting, procedures and policies and use of personal protective equipment. Employees are expected to share lessons learned and best practices to prevent future incidents and recognize and reinforce safe behavior. Turnkey suppliers are expected to provide health and safety training to their workers. They are responsible for following their companies' procedures as well as applicable regulatory requirements. TI offers guidance as needed.
403-6	Promotion of worker health	Please see TI's response to indicator 403-3 for more information about how we promote worker health.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Please see TI's response to indicator 403-1 and 403-3 for more information about mitigating health and safety impacts. Our <u>Supplier Code of Conduct</u> requires that our suppliers ensure working conditions are safe, and our <u>Supplier Environmental and Social Responsibility Policy</u> outlines our expectations for health, safety and environmental protection.
403-8	Workers covered by an occupational health and safety management system	TI's ESH management system covers 100% of our employees and supplemental contractors. Turnkey suppliers and non-TI managed workers are excluded, as those suppliers are expected to follow their companies' procedures as well as applicable regulatory requirements.
403-9	Work-related injuries	See <u>Employee safety and health</u> in the <u>Workplace section</u> of the 2019 TI Corporate Citizenship Report for injury data, which are calculated based on 200,000 hours worked. Personnel excluded from this calculation are temporary labor provided by turnkey suppliers or non-TI managed workers. The main types of injuries for employees and workers include overexertion/awkward posture/ergonomics; contact with an object (struck by/against); and fall on same level/slip/trip/loss of balance.
403-10	Work-related ill health	See <u>Employee safety and health</u> in the <u>Workplace section</u> of the 2019 TI Corporate Citizenship Report for ill health data. Personnel excluded from this calculation are temporary labor provided by turnkey suppliers or non-TI managed workers. The main types of employee ailments include overexertion, awkward posture and ergonomics. The hazards that caused or contributed to ailments in 2019 were ergonomics-related hazards and noise exposure. We corrected these by putting corrective and preventative measures in place to reduce strain on the body.

Training and education

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Development in the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment management approach in this GRI Index to learn more about our management approach. The SVP of HR oversees our development programs with the support of the director, Worldwide Talent Development.</p> <p>Throughout the year, Tlers and their managers regularly discuss performance and development. We also monitor employees’ understanding of their own goals and their managers’ expectations through surveys. Instead of tracking formal performance reviews, we focus on the quality of the conversation. We believe this focus improves employees’ performance and aligns their goals with our priorities.</p> <p>We track attendance in mandatory training programs to ensure compliance and assess training content to ensure 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>
404-1	Average hours of training per year per employee	Employees globally received, on average, 30.3 hours of training in 2019.
404-2	Programs for upgrading employee skills and transition assistance programs	Employees take part in a variety of development opportunities throughout their careers. Learn more about our development programs in the Workplace section of the 2019 TI Corporate Citizenship Report.
404-3	Percentage of employees receiving regular performance and career 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 instead encouraging better conversations between supervisors and employees and by 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.

Diversity and equal opportunity

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure on management approach	<p>See Diversity and inclusion in the Workplace section of the 2019 TI Corporate Citizenship Report and the Employment disclosure of management approach in this GRI Index to learn more about our management approach. The SVP of HR has overall responsibility for diversity and inclusion and is supported by our diversity and inclusion director.</p> <p>We ensure our recruiting efforts and workforce reflect the available pool of talent and measure participation in our diversity initiatives. We also monitor the number of concerns or grievances reported, benchmark our programs and strategies against our peers, and solicit feedback from minority organizations to determine where refinements are needed.</p>
405-1	Diversity of governance bodies and employees	See Governance in the Responsible business practices section of the 2019 Corporate Citizenship Report and Diversity and inclusion in the Workplace section to learn more about the diversity of our governing bodies and employees.
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, and we have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.</p> <p>In 2019, 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. See compensation in the Workplace section of the 2019 Corporate Citizenship Report for more information.</p>

Nondiscrimination

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Diversity and inclusion in the Workplace section of the 2019 TI Corporate Citizenship Report, the Employment disclosure of management approach in this GRI Index, Living our values – TI’s ambitions, values and code of conduct and our Equal Opportunity Employment Policy to learn more about our nondiscrimination standards. We ensure our recruiting efforts and workforce reflects the available pool of talent and measure participation in our diversity initiatives. We also monitor the number of concerns or grievances reported, benchmark our programs and strategies against our peers, and solicit feedback from minority organizations to determine where refinements are needed.
406-1	Incidents of discrimination and corrective actions taken	Although we compile discrimination allegations for internal review and action, we do not currently report this information since we consider it confidential. We work to resolve any inquiries related to discrimination successfully and to take appropriate remedial measures.

Human rights security practices

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See human rights in the Responsible business practices section of the 2019 TI Corporate Citizenship Report for more information about our 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.

Human rights assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See human rights in the Responsible business practices section of the 2019 TI Corporate Citizenship Report. The Audit Committee of our board of directors oversees human and labor rights-related efforts. Our ethics director updates committee members on human rights-related issues annually. If a serious violation occurs between board meetings, the chief compliance officer or the Ethics Office promptly notifies the Audit Committee chair. We require all of our worldwide manufacturing sites to complete third-party self-assessment questionnaires that include a focus on human rights practices. In addition to yearly self-assessment questionnaires completed by all of our manufacturing sites, audits of select sites for human rights risks are conducted internally by TI personnel and externally by independent third-party auditors. In those third-party audits of our facilities, we have encountered no priority findings on human rights. We use our own 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. 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 health and safety, and privacy. We have several operating procedures in place to safeguard the rights of employees, suppliers and contractors, including labor standards, training and awareness-building practices, freedom to associate and incident reporting tools.
412-1	Operations that have been subject to human rights reviews or impact assessments	TI successfully audited two factory operations for human rights as part of our RBA-validated audit process. We assessed 100% of our worldwide manufacturing sites using RBA’s self-assessment tools.

Indicator	Description	Disclosure
412-2	Employee training on human rights policies or procedures	<p>Our sites are required to build awareness of human rights among employees, identify risks and put processes in place to manage them. Any individual's noncompliance with our standards and related labor laws is not tolerated and will result in corrective action, including termination. Site management and human resources personnel monitor and enforce appropriate behavior.</p> <p>We provide training modules related to human rights, ethics and compliance to help managers, security personnel and Tlars 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 cross-cultural awareness, bullying, security and human rights risks.</p> <p>All employees receive training and guidance on TI's values and ethics, specifically as it relates to integrity and respect in the workplace. In 2019, we provided code of conduct training, which addresses human rights and methods for reporting concerns, to all employees globally.</p>

Local communities

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See the Giving and volunteering section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our VP with responsibility for corporate citizenship oversees our education, philanthropy and volunteerism programs. Annual updates are provided to the board of director's Governance and Stockholder Relations Committee. The TI Foundation is a separate nonprofit organization; its board meets quarterly and reviews education-related grants in the first quarter of each year.</p> <p>Stakeholders who have questions or concerns about our community, philanthropy and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office. Organizations that want more information about our education grants can contact giving@ti.com. More information about our programs and technologies can be found at ti.com/stem and education.ti.com.</p> <p>We track the effectiveness of our community investment programs, volunteer participation and solicit feedback from employees and nonprofits we serve. This helps us assess our impact and expenditures and make refinements where needed. In support of our Matching Gifts program, we also track employee financial contributions and volunteer hours using an online management system.</p> <p>In the U.S., we have coordinated volunteer projects with the United Way and its service provider agencies since the early 1960s. Outside America, Tlars support various causes and organizations, from the Hope School in China to the India Science and Technology Quiz.</p>
413-1	Operations with local community engagement, impact assessments and development programs	<p>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 as well as by providing volunteers (see the Giving and volunteering section of the 2019 TI Corporate Citizenship Report to learn more).</p> <p>Stakeholders who have questions or concerns about our community, philanthropy and volunteering programs can email citizenshipfeedback@list.ti.com or anonymously contact the TI Ethics Office.</p>
413-2	Operations with significant actual and potential negative impacts on local communities	<p>TI announced in January 2020 the closure of two, 150-millimeter 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 are no immediate changes to staffing, we will transfer many of the workers to other Dallas-area manufacturing sites. Those who do not get new roles will receive severance packages and transition assistance.</p>

Supplier social assessment

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Supply chain management in the Responsible business practices section of the 2019 TI Corporate Citizenship Report and our Anti-human trafficking statement to learn more about supplier social assessments.
414-1	Percentage of new suppliers that were screened using social criteria	We do not have a process to track the percentage of new suppliers being screened. However, we do 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 2019, we assessed 179 suppliers with 300 factory locations and our findings revealed no significant negative social impacts or issues of concern. As a result, no relationships were terminated.

Public policy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Public policy in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn about our management approach. 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 also makes a formal presentation to the board’s Governance and Stockholders Relations Committee annually. Political activities and contributions reflect U.S. activity only. Employees and other stakeholders can contact our vice president of Worldwide Government Relations or the TI Ethics Office with any questions.
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.

Marketing and labeling

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Responsible manufacturing in the Sustainability section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Overseeing product responsibility at TI includes the: <ul style="list-style-type: none">• Audit Committee, TI’s board of directors: Oversees internal controls, compliance and performance.• CFO: Ensures that capital allocation for product development, manufacturing and sales align with TI’s strategies.• SVPs of each business line: Ensures new designs and current products meet customer and regulatory requirements.
417-1	Requirements for product and service information and labeling	Both our customers and the countries where we operate have different label requirements based on the type of materials shipped to ensure they meet substance restrictions and other requirements. For example, to consolidate global regulatory substance information for semiconductor products, packing labels meet the combined efforts of the IPC-Association Connecting Electronics Industries and the Joint Electronic Device Engineering Council J-STD-609, along with the Chinese chasing arrow symbol. It is our ongoing objective to comply with these ever-changing regulations and import/export laws while still ensuring the timely delivery of our products. By default, we use TI standard labels and create custom labels per customer requirements if needed. We share information on the possible environmental and social impacts of our products on our Eco-Info page and in our product content 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 through our website the compliance status of integrated circuit components to all known regulatory and industry requirements.

Customer privacy

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	<p>See Information protection in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach. Our chief information officer oversees information protection and we have governance and compliance structures in place to ensure issues are elevated and addressed:</p> <ul style="list-style-type: none">• Senior leaders from major business units and support entities review current cybersecurity threats, assist in prioritizing security actions and help build awareness and support within their organizations.• Our Confidential Information Protection Council focuses on ensuring that confidential information and trade secrets are appropriately classified and protected.• Our Privacy Committee, comprised of cross-organizational representatives, helps ensure appropriate protection of personally identifiable information of Tlors, customers and business partners. <p>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 if needed through their account managers and other channels.</p> <p>We regularly review and test our controls to ensure 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>
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 report privacy complaints or breach incidents publicly since we consider such information confidential.

Socioeconomic compliance

Indicator	Description	Disclosure
103-1 to 103-3	Disclosure of management approach	See Ethics in the Responsible business practices section of the 2019 TI Corporate Citizenship Report to learn more about our management approach.
419-1	Non-compliance with laws and regulations in the social and economic area	TI received zero material fines and non-monetary sanctions related to social and economic issues in 2019.

*Developed by TI.
**GRI updated its water and wastewater and occupational health and safety standards in 2018, which called for new or revised data to be reported.