# Engineering a better tomorrow

## 2016 Corporate Citizenship Performance Summary

**TEXAS INSTRUMENTS**

Our deeply rooted commitment to citizenship dates back more than eight decades to our founders, who dedicated much of their time, energy and personal funds to advancing our communities and furthering education. Throughout the years, our leaders instilled that same commitment in their successors, generation after generation. During this time, our company evolved and adapted as markets and industries changed, enabling us to continue innovating for a better tomorrow.

We believe that strong communities help build strong companies, and strong companies help build strong communities. TIers around the world demonstrate this belief through their involvement in volunteerism, charitable giving, mentorship, sustainable practices and more.

In addition to our devotion to corporate citizenship, our people around the globe work and innovate each day to make the impossible possible. TI has received more than 44,000 patents, and our breakthrough innovations and continual advancements in analog and embedded processing semiconductor technology are helping make homes, cars, electronics and factories safer, smarter and more efficient.

In the last five years, we have invested $7 billion in research and development; conserved nearly 2.1 billion gallons of water and 1.45 million MMBtu (million British thermal units) of energy. We also invested more than $200 million in education, with an emphasis on students underrepresented in science, technology, engineering and math (STEM) fields.

In 2016, we:

- Grew philanthropic and employee charitable giving to $35 million, with $20.6 million of that invested in education.

- Improved tracking and increased employee volunteerism by 22 percent to 159,000 hours.

- Increased energy conservation projects by 26 percent, resulting in 270 projects that will have a positive impact on the environment for years to come.

- Achieved exemplary safety performance – among the best in the industry – according to the Bureau of Labor Statistics.

- Ensured that 100 percent of the metals we use to manufacture integrated circuits are from certified conflict-free sources.

In 2017, we'll stay focused on what we do best: operating with integrity; helping our customers solve their biggest challenges, including making automotive and industrial equipment safer, more connected and energy efficient; being a good steward of the environment; and being a good citizen in our communities.

Along the way, you can count on our continued dedication to ground everything we do in our core values of integrity, innovation and commitment.

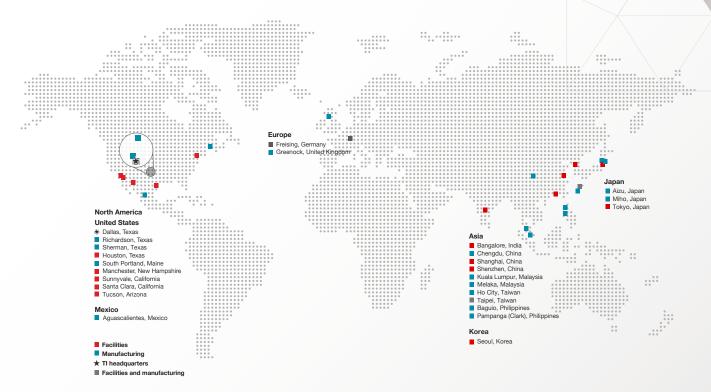**Rich Templeton**
Chairman, president and CEO

# Overview

## Welcome to the 2016 Texas Instruments (TI) Corporate Citizenship Performance Summary.

At TI, we measure and learn from our performance each year. We believe that operating ethically and responsibly is the only way to do business. We hope that you will find the information within this report useful in learning more about our company and our citizenship philosophy along with a summary of our previous performance on key indices. We remain committed to continuous improvement in all areas of our operations and you can always learn more about our corporate citizenship and sustainability programs on our Citizenship website.

# Company profile

We are a publicly traded global semiconductor company (NASDAQ: TXN). Headquartered in Dallas, Texas, we have manufacturing, design and sales operations in more than 30 countries. Learn more about our ownership structure and legal proceedings in our Securities and Exchange Commission (SEC) Form 10-K. We design and make semiconductors, which we sell to electronics designers and manufacturers all over the world.

## Major worldwide locations*

**Europe**
- Freising, Germany
- Greenock, United Kingdom

**North America**
**United States**
- Dallas, Texas
- Richardson, Texas
- Sherman, Texas
- Houston, Texas
- South Portland, Maine
- Manchester, New Hampshire
- Sunnyvale, California
- Santa Clara, California
- Tucson, Arizona

**Mexico**
- Aguascalientes, Mexico

**Japan**
- Aizu, Japan
- Miho, Japan
- Tokyo, Japan

**Asia**
- Bangalore, India
- Chengdu, China
- Shanghai, China
- Shenzhen, China
- Kuala Lumpur, Malaysia
- Melaka, Malaysia
- Ho City, Taiwan
- Taipei, Taiwan
- Baguio, Philippines
- Pampanga (Clark), Philippines

**Korea**
- Seoul, Korea

- **Facilities**
- **Manufacturing**
- ★ **TI headquarters**
- **Facilities and manufacturing**

*TI has manufacturing, design and sales operations in more than 30 countries worldwide. For the purposes of this report, we define major locations (significant operations) as 1. all manufacturing facilities and 2. design and sales offices 50,000 square feet or larger and/or with employee populations greater than 100 as of Dec. 31, 2016.

## Citizenship

We believe in holding ourselves accountable for our social, environmental and economic impact around the world. Our commitment to operating with integrity dates back to our founding in 1930 and remains our cornerstone today. And much like our founders, we are dedicated to being good stewards in our communities.

By looking at performance markers such as labor, ethics, environment, and safety and health, we assess our management systems and identify areas for improvement. We have seen continuous improvement in our performance in these five areas since we began conducting these self-assessments in 2012. In 2016, our assessment again characterized our operations in all regions as low risk. While all of our operations have historically been low risk, factories in Asia and Japan have had a slightly higher risk when compared with other regions of the world.

In 2016, we also evaluated the United Nations' 2030 Sustainable Development Goals, which went into effect in January 2016. These goals, and the related targets to achieve over the next 15 years, include protecting the planet, ensuring prosperity and more. Our assessment determined that there are several areas in which we are already making contributions toward the 2030 goals. We will continue to review these goals and contributions in this area.

## About our Corporate Citizenship Performance summary

Our 2016 Corporate Citizenship Performance summary provides an overview of our company's social and environmental performance in calendar year 2016. We have streamlined the 2016 report and have transitioned much of our citizenship content to our website so that we can quickly and transparently report updates.

Key performance metrics from 2016 are now housed in the performance summary and Global Reporting Initiative (GRI) index. GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues.

We developed the performance summary, GRI index and citizenship website in accordance with GRI's G4 Sustainability Reporting Guidelines at the Core level. This means that for each of the top citizenship issues identified by our stakeholders, we report how we manage the issue and include at least one GRI performance indicator. Visit our website to learn more about our sustainability and citizenship programs or use the menu bar above to find specific information in our 2016 Corporate Citizenship Performance summary.

The scope of the performance summary is based on our 2016 performance and that of our worldwide subsidiaries unless stated otherwise. Environmental data comes from all manufacturing sites and leased and owned nonmanufacturing sites that are 50,000 square feet or larger. These sites account for more than 99 percent of our environmental footprint worldwide.

As part of our citizenship reporting process, we conduct a stakeholder assessment every two years. This enables our Citizenship Executive Committee to understand and consider input from stakeholders as they determine the focus of the performance summary and our website. See Stakeholder engagement for additional details.

Throughout our performance summary and citizenship website, we use terms such as "TI," "the company," "we," "our" and "us" interchangeably to refer to TI operations. We present all currency in U.S. dollars.

## Significant reporting changes

We have no significant reporting changes in 2016. We continued to use GRI G4 Guidelines for our disclosures. We have begun evaluating the adoption of new GRI Standards for the 2017 report. The GRI Standards, unveiled in October 2016, are the latest evolution of GRI's reporting disclosures. GRI Standards will replace the G4 Guidelines in July 2018.

## Assurance

In 2016, we maintained our established development processes to ensure the accuracy and auditability of the information presented here. We do not currently seek independent assurance of citizenship content, but instead focus on addressing issues of greatest importance to our stakeholders.

# Governance

Our governance structure is designed to facilitate decision-making and oversight. Our leaders are responsible for managing ethical business practices globally. Our directors are experienced and diverse in their backgrounds and skills, and annually they elect our executive officers, including our chief executive officer, chief financial officer, business-unit leaders and chief compliance officer.

We have three board committees: Audit, Compensation, and Governance and Stockholder Relations. Various aspects of our citizenship programs and performance are presented annually. Learn more about these committees on our Governance website.

| Governance practices | 2016 |
|---|---|
| Total board size | 12 |
| Board system | Unitary |
| Independent directors | 92% |
| Male | 58% |
| Female | 42% |
| Age: 30-50 years | None |
| Age: >50+ years | 100% |
| Ethnic minority | 17% |
| Board age limit | 70 |
| Number of board meetings annually | TI proxy statement |
| Audit committee meetings | TI proxy statement |
| Board member attendance (%) | TI proxy statement |
| Board duration (years) | TI proxy statement |
| Total CEO compensation | TI proxy statement |
| Average compensation of members on board of directors fixed portion (%) | TI proxy statement |
| Variable/performance based (%) | TI proxy statement |
| Option-based compensation | TI proxy statement |
| Number of board nominees with required proxy statement disclosures of legal proceedings | None |
| Fees paid to executive compensation consultants | TI proxy statement |
| Number of years of current auditor's employment | TI proxy statement |
| Taxes paid to governments | SEC Form 10-K |
| Is there a board committee specifically to address sustainability/environmental, safety and health/corporate social responsibility issues? | Yes, Governance and Stockholder Relations |
| Has a "say on pay" (includes nonbinding) provision been adopted? | Yes |
| Bylaws/statutes include blank-check preferred authorization? | Yes |
| Appoint outside executive compensation adviser(s)? | Yes |
| Auditor been ratified in a recent annual shareholder meeting? | No |
| Have a classified/staggered board system? | No |
| Dual/multiple share classes with different voting rights? (excludes preferred, nonvoting shares for executives/directors/employees) | No |
| Dual/multiple share classes with different voting rights? (includes preferred, but excludes nonvoting shares for executives/directors/employees) | No |
| Signatory of the United Nations Principles for Responsible Investment? | No |
| Executive compensation linked to environmental, social and governance goals? | No |
| Board compensation linked to environmental, social and governance goals? | No |

# 2016 Corporate Citizenship Performance

## Five-year goals

TI successfully reduced energy, water use and greenhouse gas emissions per chip produced in 2016 compared to our 2010 baseline. And, in 2015 the company set two multiyear goals to further reduce greenhouse gas (GHG) emissions by 2020.

The first goal is to reduce energy intensity* at U.S. manufacturing sites by 50 percent (from a 2010 baseline) to meet the U.S. Department of Energy's Better Buildings, Better Plants program goal. By the end of 2016, we had already reduced energy intensity by 39 percent. The second goal is to reduce scope 1 and scope 2 GHG emissions by 15 percent (from a 2015 baseline), which we are working to achieve.

## GRI indicators

For additional performance data required by the GRI, see the GRI index.

## Annual goals

TI sets both annual and multiyear goals to inspire performance improvements and achieve cost savings. This performance summary offers an overview of these goals and our progress against each. The corresponding sections of this report and performance data provide additional detail on annual results. Gray cells indicate that data is not available and/or applicable.

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\* Primary energy[1] consumed per pattern produced by our U.S. manufacturing facilities, normalized for 80 percent loadings and compared to a 2010 baseline[2]. [1] Energy content found in natural sources that has not been subject to any conversion or transformation process. [2] Adjusted for start-up and closure of facilities.

## Employee safety

Our safety performance continues to be among the best in the industry (based on Semiconductor Industry Association rankings), a position we aim to maintain through aggressive safety processes and goals.

| Description | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Goal | Result | Goal | Result | Goal | Result | Goal | Result | Goal | Result |
| Safety: days away, restricted or job transfer case (rate) | 0.08 | 0.12 | 0.08 | 0.08 | 0.08 | 0.14 | 0.08 | 0.07 | 0.08 | 0.07 |
| Semiconductor industry result* | | 0.80 | | 0.90 | | 0.8 | | | | |
| Safety: recordable case (rate) | 0.20 | 0.24 | 0.20 | 0.22 | 0.20 | 0.24 | 0.20 | 0.16 | 0.20 | 0.15 |
| Semiconductor industry result* | | 1.60 | | 1.60 | | 1.60 | | | | |

## Environment

We aim to use resources as efficiently as possible in our operations globally.

| Description | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Goal | Result | Goal | Result | Goal | Result | Goal | Result | Goal | Result |
| Water use** (% reduction) | | | | | | | 4% | 12% | | |
| Utility expenses: energy and water ($ millions saved) | $6 | $10.1 | $8 | $10.2 | $9 | $9.7 | $9.5 | $11.1 | $10 | $10.1 |
| Chemical use at manufacturing and assembly/test sites** (% reduction) | 3% | 3% | 3% | 3% | 5% | 5% | | | | |

## Supply chain

We engage with suppliers to achieve a responsible, diverse and competitive supply chain while strengthening the communities where we operate.

| Description | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Goal | Result | Goal | Result | Goal | Result | Goal | Result | Goal | Result |
| Minority-/women-owned business supplier spend (% of total U.S. supply chain spend) | 5% | 6.7% | 5.5% | 6.8% | 6% | 7.1% | 6.5% | 7.9% | 6.8% | 8.6% |
| Suppliers using conflict-free smelters for TI's integrated circuit products** (%) | | | | | | | 100% | 100% | 100% | 100% |
| Targeted suppliers completing environmental and social responsibility assessments** (%) | | | | | | | 100% | 99% | 100% | 100% |
| Suppliers rated as low risk for all facilities on environmental and social responsibility assessments** (%) | | | | | | | Baseline | 69% | 80% | 86% |

## Community

Employees around the world contribute their time and expertise to make their local communities stronger.

| Description | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Goal | Result | Goal | Result | Goal | Result | Goal | Result | Goal | Result |
| Volunteer hours** (% increase) | | | 25% | 33% | 25% | 53% | 30% | 40% | | 22% |

\* Industry data provided by the U.S. Occupational Health and Safety Administration. Statistics represent U.S. performance only. Data for 2016 were not available at the time of report development.
\*\* Goal established in 2012 or later.

# Performance data

This table shows performance data from 2012 to 2016. For context, see the respective sections on the Citizenship website. Gray cells indicate unavailable data.

## Revenue by region

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|------|------|
| TI revenue | $ billions | $12.8 | $12.2 | $13.0 | $13.0 | $13.4 |
| Asia | % revenue | 61% | 60% | 61% | 61% | 60% |
| Americas | % revenue | 12% | 14% | 12% | 12% | 13% |
| Europe | % revenue | 14% | 16% | 18% | 17% | 18% |
| Japan | % revenue | 11% | 9% | 8% | 9% | 8% |
| Rest of world | % revenue | 2% | 1% | 1% | 1% | 2% |

## Public policy contributions

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|------|------|
| Corporate contributions (U.S. only) | $ | $10,000 | $10,000 | $15,500 | $12,500 | $7,500 |
| Political action committee contributions (U.S. only) | $ | $105,450 | $114,300 | $79,475 | $99,000 | $104,475 |

## Employees

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|------|------|
| Workforce (worldwide) | People | 29,600 | 32,000 | 31,003 | 29,977 | 29,865 |
| Male (worldwide) | People | | | 19,099 | 18,583 | 18,656 |
| Female (worldwide) | People | | | 11,904 | 11,394 | 11,209 |
| Asia (total) | People | 11,400 | 15,000 | 14,415 | 13,726 | 13,805 |
| Asia (male) | People | | | 6,219 | 5,962 | 6,133 |
| Asia (female) | People | | | 8,196 | 7,764 | 7,672 |
| Americas (total) | People | 13,200 | 13,000 | 12,870 | 12,607 | 12,445 |
| Americas (male) | People | | | 9,716 | 9,517 | 9,455 |
| Americas (female) | People | | | 3,154 | 3,090 | 2,990 |
| Europe (total) | People | 2,800 | 2,000 | 2,447 | 2,416 | 2,399 |
| Europe (male) | People | | | 2,012 | 1,989 | 1,968 |
| Europe (female) | People | | | 435 | 427 | 431 |
| Japan (total) | People | 2,200 | 2,000 | 1,271 | 1,228 | 1,216 |
| Japan (male) | People | | | 1,152 | 1,115 | 1,100 |
| Japan (female) | People | | | 119 | 113 | 116 |
| Turnover (worldwide) | % | | 9.1% | 9.2% | 7.8% | 7.4% |
| Asia | % | | 14.1% | 13.7% | 11.3% | 10% |
| Americas | % | | 5.5% | 5.6% | 5.0% | 5.3% |
| Europe | % | | 4.7% | 5.7% | 4.9% | 5.6% |
| Japan | % | | 2.6% | 3.4% | 3.3% | 2.3% |
| Training average | Hours | 33.3 | 32.4 | 31.6 | 32.7 | 33.4 |
| Safety: days away, restricted or job transfer cases | Cases per 100 employees | 0.12 | 0.08 | 0.14 | 0.07 | 0.07 |
| Safety: recordable cases | Cases per 100 employees | 0.24 | 0.22 | 0.24 | 0.16 | 0.15 |

&ast; Million British thermal units (MMBtu)
&ast;&ast; There is no global standard for calculating renewable energy included in power purchased from mixed-generation suppliers or the grid in the geographic regions in which we operate. We stopped attempting to estimate the renewable energy portion of purchased mixed-generation power after 2014 and will not report this incidental renewable energy use until a consistent standard is developed or until we receive more accurate information from suppliers.
&ast;&ast;&ast; Metric tons of carbon dioxide equivalent.
&ast;&ast;&ast;&ast; Waste per chip data were incorrectly reported in 2014 and 2015.

## Environment

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Energy use (total) | MMBtu* | 11,242,165 | 10,660,415 | 10,206,821 | 10,070,708 | 10,017,419 |
| Indirect energy use (total) | MMBtu | 9,626,417 | 9,099,031 | 8,699,182 | 8,620,386 | 8,588,300 |
| Electricity | MMBtu | 9,575,872 | 8,742,480 | 8,653,277 | 8,567,814 | 8,534,080 |
| District heating | MMBtu | 50,545 | 51,972 | 45,905 | 52,572 | 54,220 |
| Direct energy use (total) | MMBtu | 1,615,747 | 1,561,384 | 1,507,639 | 1,450,322 | 1,429,119 |
| Natural gas | MMBtu | 1,293,845 | 1,326,695 | 1,308,551 | 1,259,187 | 1,245,657 |
| Fuel oil (No. 6) | MMBtu | 141,272 | 102,428 | 77,403 | 73,179 | 72,243 |
| Diesel | MMBtu | 33,230 | 27,629 | 40,928 | 50,201 | 46,842 |
| Propane | MMBtu | 143,729 | 101,022 | 77,574 | 65,166 | 61,790 |
| Gasoline | MMBtu | 3,880 | 3,611 | 3,183 | 2,589 | 2,586 |
| Renewable energy use** | % of total electrical energy use | 20% | 20.8% | 18.6% | | |
| Renewable energy use (total)** | MMBtu | 1,915,198 | 1,880,742 | 1,607,912 | | |
| Renewable energy purchased** | MMBtu | 409,440 | 0 | 0 | | |
| Renewable energy content (incidental)** | MMBtu | 1,505,758 | 1,880,742 | 1,607,912 | | |
| Energy conservation projects | Number | 181 | 112 | 223 | 213 | 270 |
| Energy conservation savings | $ millions | $7.9 | $10.2 | $9.0 | $7.2 | $6.8 |
| Energy conservation savings | MMBtu | 305,199 | 199,483 | 344,778 | 283,234 | 321,177 |
| Energy per chip (representative product) | 2005 = 1 | 0.58 | 0.53 | 0.47 | 0.46 | 0.45 |
| Nitrogen oxide (NOx) emissions (U.S. only) | Tons | 100.4 | 76.5 | 82.8 | 89.6 | 87.7 |
| Volatile organic compound (VOC) emissions (U.S. only) | Tons | 94.2 | 103.5 | 101.8 | 105.8 | 95.87 |
| Greenhouse gas (GHG) emissions (total) | MTCO2e*** | 2,415,741 | 2,326,888 | 2,399,183 | 2,408,435 | 2,396,162 |
| Direct (scope 1) emissions (total) | MTCO2e | 827,275 | 938,159 | 1,065,259 | 1,085,622 | 1,076,947 |
| Carbon dioxide (CO2) | MTCO2e | 84,912 | 77,578 | 74,127 | 75,848 | 74,862 |
| Methane (CH4) | MTCO2e | 24 | 1,193 | 1,164 | 1,203 | 1,192 |
| Nitrous oxide (N2O) | MTCO2e | 20,466 | 19,120 | 21,687 | 21,274 | 20,808 |
| Hydrofluorocarbons (HFCs) | MTCO2e | 17,797 | 19,204 | 41,413 | 41,646 | 36,367 |
| Perfluorocarbons (PFCs) | MTCO2e | 567,820 | 701,219 | 783,961 | 810,687 | 819,753 |
| Sulfur hexafluoride (SF6) | MTCO2e | 62,244 | 43,890 | 53,184 | 45,147 | 52,464 |
| Nitrogen trifluoride (NF3) | MTCO2e | 74,012 | 75,955 | 89,723 | 89,817 | 71,501 |
| Indirect (scope 2) emissions (total) | MTCO2e | 1,588,466 | 1,388,729 | 1,333,924 | 1,322,813 | 1,319,215 |
| CO2 | MTCO2e | 1,585,331 | 1,388,709 | 1,333,904 | 1,322,794 | 1,319,196 |
| N2O | MTCO2e | 2,811 | 8 | 8 | 8 | 8 |
| CH4 | MTCO2e | 324 | 12 | 12 | 11 | 11 |
| GHG emissions per chip | 2005 = 1 | 0.59 | 0.55 | 0.52 | 0.52 | 0.51 |
| Waste generated (total) | Metric tons | 35,887 | 32,345 | 32,599 | 33,437 | 32,124 |
| Hazardous (total) | Metric tons | 23,439 | 18,754 | 22,179 | 21,357 | 20,679 |
| Disposed | Metric tons | 1,018 | 1,509 | 2,419 | 2,673 | 2,687 |
| Recycled | Metric tons | 22,421 | 17,245 | 19,760 | 18,684 | 17,992 |
| Nonhazardous (total) | Metric tons | 12,448 | 13,591 | 10,420 | 12,080 | 11,445 |

\* Million British thermal units (MMBtu)
\*\* There is no global standard for calculating renewable energy included in power purchased from mixed-generation suppliers or the grid in the geographic regions in which we operate. We stopped attempting to estimate the renewable energy portion of purchased mixed-generation power after 2014 and will not report this incidental renewable energy use until a consistent standard is developed or until we receive more accurate information from suppliers.
\*\*\* Metric tons of carbon dioxide equivalent.
\*\*\*\* Waste per chip data were incorrectly reported in 2014 and 2015.

## Environment (continued)

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Disposed | Metric tons | 1,499 | 998 | 959 | 2,306 | 2,687 |
| Recycled | Metric tons | 10,949 | 12,593 | 9,461 | 9,774 | 9,075 |
| Waste generated per chip**** | 2005 = 1 | 0.45 | 0.40 | 0.49 | 0.51 | 0.49 |
| Water sources (total) | Gallons | | 7,070,268,247 | 6,981,417,000 | 6,836,749,000 | 6,723,534,000 |
| Municipal | Gallons | | 4,551,775,260 | 4,693,117,000 | 4,493,402,000 | 4,274,950,000 |
| Well | Gallons | | 456,733,390 | 317,844,000 | 320,275,000 | 356,271,000 |
| Rain | Gallons | | 16,673,000 | 25,811,000 | 37,278,000 | 22,490,000 |
| Reused | Gallons | | 2,045,086,597 | 1,944,645,000 | 1,985,794,000 | 2,092,313,000 |
| Water use (total) | Gallons | 7,116,436,000 | 7,053,595,247 | 6,955,605,000 | 6,799,472,000 | 6,723,534,000 |
| Withdrawn | Gallons | 5,269,770,000 | 5,008,508,650 | 5,010,960,000 | 4,813,678,000 | 4,631,221,000 |
| Reused | Gallons | 1,846,666,000 | 2,045,086,597 | 1,944,645,000 | 1,985,794,000 | 2,092,313,000 |
| Water conservation projects | Number | 36 | 19 | 46 | 127 | 123 |
| Water conservation savings | $ | $2,179,000 | $994,000 | $1,305,000 | $3,880,000 | $3,300,000 |
| Water conservation savings | Gallons | 369,000,000 | 248,000,000 | 258,228,000 | 601,671,000 | 577,016,000 |
| Water used per chip | 2005 = 1 | 0.70 | 0.64 | 0.59 | 0.56 | 0.53 |
| Wastewater discharge (total) | Gallons | | 5,689,055,551 | 4,572,654,000 | 4,400,263,282 | 4,115,455,000 |
| Municipal sewer | Gallons | | 4,783,417,551 | 4,279,403,000 | 4,083,740,601 | 3,840,424,000 |
| Surface | Gallons | | 905,638,000 | 293,251,000 | 316,522,681 | 275,031,000 |

## Community giving and volunteerism

| Type | Unit | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Philanthropic giving (total) | $ | $30,669,246 | $27,911,294 | $26,168,945 | $27,014,781 | $28,418,107 |
| Type: education | $ | | $18,232,169 | $17,746,536 | $19,369,197 | $18,705,977 |
| Type: community investment | $ | | $5,674,211 | $6,600,096 | $5,439,778 | $7,030,938 |
| Type: arts and culture | $ | | $4,004,914 | $1,822,313 | $2,205,806 | $2,681,191 |
| Employee giving (total) | $ | $5,229,338 | $5,652,317 | $5,758,757 | $6,094,170 | $6,608,784 |
| Type: education | $ | | $1,503,444 | $1,686,295 | $1,775,659 | $1,951,841 |
| Type: community investment | $ | | $3,700,659 | $3,576,349 | $3,825,705 | $4,124,752 |
| Type: arts and culture | $ | | $448,214 | $496,113 | $492,806 | $532,191 |
| Volunteer time | Hours | 45,665 | 61,086 | 93,328 | 130,363 | 158,754 |
| Volunteer time value | $ | $1,011,023 | $1,377,496 | $2,153,077 | $3,071,352 | $3,832,321 |

\* Million British thermal units (MMBtu)
\*\* There is no global standard for calculating renewable energy included in power purchased from mixed-generation suppliers or the grid in the geographic regions in which we operate. We stopped attempting to estimate the renewable energy portion of purchased mixed-generation power after 2014 and will not report this incidental renewable energy use until a consistent standard is developed or until we receive more accurate information from suppliers.
\*\*\* Metric tons of carbon dioxide equivalent.
\*\*\*\* Waste per chip data were incorrectly reported in 2014 and 2015.

# TI is engineering a better tomorrow

Learn more about our citizenship philosophy, practices and programs at our Citizenship website. We welcome your feedback.

✉ citizenshipfeedback@list.ti.com

𝐟 texasinstruments

𝕏 @AroundTI

# GRI Index

▷ General standard disclosures

▷ Specific standard disclosures

**TEXAS INSTRUMENTS**

# GRI G4 content index – Core

TI subscribes to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines, Core level. 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.

| Indicators | General standard disclosures | Page/response/omission |
|---|---|---|
| | **Strategy and analysis** | |
| G4-1 | Statement from the most senior decision-maker of the organization. | Executive statement |
| | **Organizational profile** | |
| G4-3 | Name of the organization. | Texas Instruments Incorporated (NASDAQ: TXN) |
| G4-4 | Primary brands, products and services. | SEC Form 10-K, Part I, pages 2-4 |
| G4-5 | Location of the organization's headquarters. | 12500 TI Boulevard, Dallas, Texas 75243 |
| G4-6 | Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report. | TI has manufacturing, design and sales operations in more than 30 countries. We define major operations (significant locations) as: 1) all manufacturing facilities and 2) design and sales offices with employee populations equal to or greater than 100 as of Dec. 31, 2016. |
| G4-7 | Nature of ownership and legal form. | Incorporation: SEC Form 10-K |
| G4-8 | Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries). | SEC Form 10-K, Part I, pages 5-7 |
| G4-9 | Scale of the organization, including:<br>- Total number of employees.<br>- Total number of operations.<br>- Net revenues (for public-sector organizations).<br>- Quantity of products or services provided. | On Dec. 31, 2016, TI had 29,865 employees and manufacturing, design and sales operations in more than 30 countries. In 2016, TI sold tens of thousands of products and generated $13.37 billion in revenue. (SEC Form 10-K, Part I, Item 1, pages 2, 9; Item 2, page 14). |
| G4-10 | Workforce, including:<br>- Total workforce by region and gender.<br>- Any significant variations in employment numbers. | Employees (global workforce) |
| G4-11 | Percentage of total employees covered by collective bargaining agreements. | We don't currently track the percentage. 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. |
| G4-12 | Describe the organization's supply chain. | Supply chain |
| G4-13 | Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain. | TI made no significant changes to its size, structure, ownership or supply chain during the year. In 2016, revenue grew 3 percent. Annual Report, SEC Form 10-K |
| G4-14 | Precautionary approach. | We consider precautionary principles in many aspects of our operations, including our approach to climate change and business continuity. In addition, our aggressive chemical and material screening process assures that we do not use materials whose hazards are not understood and controlled. |
| G4-15 | Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses. | Voluntary standards, Ethics |
| G4-16 | Memberships of associations, including those in which the organization:<br>- Holds a position on the governance body.<br>- Participates in projects or committees.<br>- Provides substantive funding beyond routine membership dues.<br>- Views membership as strategic. | TI belongs to many associations with which it works on various policy objectives. We are more active in some organizations than others, 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 to advance policies that drive growth, promote competitiveness and support TI shareholders, customers, employees and the communities in which we operate. |

| Indicators | General standard disclosures | Page/response/omission |
|---|---|---|
| **Identified material aspects and boundaries** | | |
| G4-17 | Entities included in the organization's consolidated financial statements or equivalent documents. | TI has two reportable segments: Analog and Embedded Processing. TI reports the results of its remaining business activities in Other. (SEC Form 10-K, Part I, Item 1, page 2). This report covers citizenship topics for all entities included in our financial statements. Report overview |
| G4-18 | Process for defining the report content and the aspect boundaries. | TI's Citizenship Executive Committee determined the focus of this report with stakeholder input. As part of this process, we conduct a formal stakeholder assessment every two years. Our last assessment was in 2015. |
| G4-19 | Material aspects identified in the process for defining report content. | Stakeholder engagement |
| G4-20 | Aspect boundaries within the organization. | The scope of this report is based on the performance of TI and its worldwide subsidiaries unless stated otherwise. Report overview |
| G4-21 | Aspect boundaries outside the organization. | Material aspects outside of the company, as defined by the GRI, include community, supply chain and product use. |
| G4-22 | Effects of any restatements of information provided in previous reports and the reasons for such restatements. | We have no restatements to report. |
| G4-23 | Significant changes from previous reporting period. | Report overview (significant changes) |
| **Stakeholder engagement** | | |
| G4-24 | Stakeholder groups engaged by the organization. | Our stakeholders include, but may not be limited to, employees, customers, shareholders, communities where we have operations, academia, public officials, trade associations, regulatory agencies, nongovernmental organizations, analysts, investors, suppliers, contractors, TI retirees and potential employees. |
| G4-25 | Basis for identification and selection of stakeholders with whom to engage. | We engage with stakeholders who directly influence or have interest in our operations. |
| G4-26 | Approach to stakeholder engagement. | Every two years, we complete a formal stakeholder assessment to identify and better understand environmental, social and governance topics that are most important. This assessment includes global peer benchmarking, as well as customer and employee surveys. In our last assessment in 2015, we asked participants to discuss or rank 43 issues of importance in terms of what they care about and what TI should report on. |
| G4-27 | Key topics and concerns raised through stakeholder engagement. | Our last assessment in 2015 identified the top issues among stakeholders. |
| **Report profile** | | |
| G4-28 | Reporting period. | Calendar year |
| G4-29 | Date of most recent previous report. | May 2016 |
| G4-30 | Reporting cycle. | Annual |
| G4-31 | Contact point for questions regarding the report. | For questions about citizenship at TI or this report, email citizenshipfeedback@list.ti.com. |
| G4-32 | "In accordance" option chosen. | TI developed this report in accordance with GRI's G4 Sustainability Reporting Guidelines at the Core level. |
| G4-33 | Assurance. | In 2016, we maintained our established development processes to ensure the accuracy and auditability of the information presented here. We do not currently seek independent assurance for citizenship content, but instead focus on addressing issues of greatest importance to our stakeholders. |
| **Governance** | | |
| G4-DMA | Disclosure of management approach. | Governance, SEC Form 10-K |
| G4-34 | Governance structure of the organization. | Governance |
| **Ethics and integrity** | | |
| G4-56 | Organization's values, principles, standards and norms of behavior. | TI's first ethics guide was published in 1961, and has been the foundation to our strong ethical standards for doing business. In 2015, we updated our Code of Conduct, which also reinforces the core values of integrity, innovation and commitment that govern how we operate. The updated Code of Conduct was introduced to all employees along with required training to certify their compliance. |

# Specific
## standard disclosures

▷ Economic

▷ Environment

▷ Social
  – Labor practices
  – Human rights
  – Society
  – Product responsibility

# Economic

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Economic performance** | | |
| G4-DMA | Disclosure on management approach. | About TI: Who We Are, SEC Form 10-K |
| G4-EC1 | Direct economic value generated and distributed. | Our Annual Report provides information about our financial performance. Community investment. |
| G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | We have not quantified the potential financial implications of climate change. |
| G4-EC3 | Coverage of the organization's defined benefit plan obligations. | 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. SEC Form 10-K, Item 10, page 49: Post Retirement Benefit Plans. |
| G4-EC4 | Financial assistance received from government. | TI received 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 6, pages 43-45 and tax policy for additional details. |
| **Market presence** | | |
| G4-DMA | Disclosure on management approach. | Employees |
| G4-EC5 | Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation. | 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. TI compensates each employee based on legitimate work-related factors regardless of gender, race, ethnicity or other protected characteristics. |
| G4-EC6 | Proportion of senior management hired from the local community at significant locations of operation. | TI's strategy is to hire the best and brightest individuals to work at our company. We hire 99 percent of our senior managers from the communities where we operate. |
| **Procurement practices** | | |
| G4-DMA | Disclosure on management approach. | Supply chain |
| G4-EC9 | Proportion of spending on local suppliers at significant locations of operation. | Minority-/women-owned business supplier spend |

# Environmental

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Materials** | | |
| G4-DMA | Disclosure on management approach. | Environment |
| G4-EN2 | Percentage of materials used that are recycled input materials. | The majority of 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. During construction projects, we give preference to materials containing recycled products, although we do not currently track the total amount of recycled material purchased for these projects. |
| **Energy** | | |
| G4-DMA | Disclosure on management approach. | Energy use |
| G4-EN3 | Energy consumption within the organization. | Energy use |
| G4-EN5 | Energy intensity.** | 0.45 |
| G4-EN6 | Reduction of energy consumption. | Energy use |
| G4-EN7 | 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's average annual reduction of energy needed to operate a typical chip was 7 percent in 2016. |
| **Water** | | |
| G4-DMA | Disclosure on management approach. | Water use |
| G4-EN8 | Total water withdrawal by source. | Water use |
| G4-EN9 | Water sources significantly affected by withdrawal of water. | We are not aware of any negative impacts from our operations. |
| G4-EN10 | Percentage and total volume of water recycled and reused. | Water use |
| **Emissions** | | |
| G4-DMA | Disclosure on management approach. | Air emissions, Climate change |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (scope 1). | GHG emissions (scope 1) |
| G4-EN16 | Energy indirect GHG emissions (scope 2). | Indirect (scope 2) emissions |
| G4-EN18 | GHG emissions intensity. | GHG emissions per chip |
| G4-EN19 | Reduction of GHG emissions. | GHG emissions (scope 1) |
| G4-EN20 | Emissions of ozone-depleting substances (ODSs). | The only ODSs used at TI are in closed-loop refrigeration units. We are phasing these units out as they reach their end of life. |
| G4-EN21 | NOx, SOx and other significant air emissions. | Nitrogen oxide (NOx) and volatile organic compound (VOC) emissions (U.S. only) |
| **Effluents and waste** | | |
| G4-DMA | Disclosure on management approach. | Materials management |
| G4-EN22 | Total water discharge by quality and destination. | Wastewater discharge |
| G4-EN23 | Total weight of waste by type and disposal method. | Waste generated and disposed |
| G4-EN24 | Total number and volume of significant spills. | No significant spills occurred. |
| G4-EN25 | Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally. | In 2016, TI did not ship any hazardous waste across international borders. |

** Energy consumed per chip produced by our global manufacturing facilities compared to a 2005 baseline. Not adjusted for start-up or closure of facilities.

# Environmental (continued)

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Products and services** | | |
| G4-DMA | Disclosure on management approach. | Products |
| G4-EN27 | Extent of impact mitigation of environmental impacts of products and services. | We adhere to internationally recognized standards and pay close attention to understanding and managing the environmental and social impacts of our products, including product end-of-life. We hold semiconductor manufacturing suppliers accountable for the same environmental and social considerations through our CETRAQ process. TI Education Technology suppliers adhere to similar policies. |
| G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed, by category. | Currently, we are unable to determine the percentage of products reclaimed by customers or end users. TI Education Technology participates in various recycle programs. Although TI cannot control how customers handle the semiconductors they place in their products, nor their product's end-of-life issues, the company provides detailed information about the substances used in its components so that customers can make informed decisions about end-of-life disposal. |
| **Compliance** | | |
| G4-DMA | Disclosure on management approach. | Environment |
| G4-EN29 | Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations. | TI paid $39,000 in 2016 to the California Water Board for violations of its water discharge permit that occurred from 2010 to 2015. Breaks and cracks in its Santa Clara site groundwater pump and treatment system resulted in the discharge of untreated water to the ground, in violation of the permit. For each release, TI took measures to immediately stop leaks and perform corrective actions to repair the system. |
| **Overall** | | |
| G4-DMA | Disclosure on management approach. | Environment |
| G4-EN31 | Total environmental protection expenditures and investments, by type. | TI spent about $7 million in environmental protection-related capital and about $38.7 million in environmental protection-related operating expenses. |
| **Supplier environmental assessments** | | |
| G4-DMA | Disclosure on management approach. | Supply chain |
| G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken. | After conducting environmental and social responsibility assessments of our supply chain, we found no significant negative environmental impacts. |
| **Environmental grievance mechanisms** | | |
| G4-DMA | Disclosure on management approach. | Environment |
| G4-EN34 | Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms. | In 2016, TI did not receive any grievances about environmental impacts, nor were there any open grievances awaiting a response. If a grievance arises, TI has several means of receiving environmentally related questions, concerns or grievances from both internal (employee) and external stakeholders. We route these questions to TI environmental experts to respond. |

# Social
## Labor practices and decent work

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Employment** | | |
| G4-DMA | Disclosure on management approach. | Employees |
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region. | Employees |
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. | At TI, both full-time U.S.-based employees and employees 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. |
| G4-LA3 | Return to work and retention rates after parental leave, by gender. | We currently do not track return-to-work and retention rates after parental leave. |
| **Labor/management relations** | | |
| G4-DMA | Disclosure on management approach. | Employees |
| G4-LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. | In the U.S., TI provides 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. |
| **Occupational health and safety** | | |
| G4-DMA | Disclosure on management approach. | Health, Safety |
| G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | TI has formal Environmental, Safety and Health (ESH) Committees at all of our manufacturing sites. These committees include manufacturing managers, ESH specialists and employee representatives. |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region and by gender. | Recordable injury cases and lost/restricted day cases rates are available in the performance summary. We track employee absenteeism due to occupational injuries and illnesses based on number of days lost. Our absentee rate was 1.7. We had no work-related fatalities. |
| G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation. | TI does not have workers involved in occupational activities with a high incidence or high risk of specific diseases. We have very strong industrial hygiene programs that minimize chemical exposure in the workplace and thus avoid adversely affecting worker health. |
| **Training and education** | | |
| G4-DMA | Disclosure on management approach. | Employees, Development |
| G4-LA9 | Average hours of training per year per employee, by gender and by employee category. | Training average |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Employees take part in a variety of development opportunities over the course of their careers. |

# Social: Labor practices and decent work (continued)

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Training and education (continued)** | | |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category. | TI does not track the number of employees receiving performance reviews. In many of our organizations, we've seen greater success in employee engagement, goal-setting and alignment with company priorities by instead encouraging better conversations between supervisors and employees and by providing access to online resources to guide these conversations. We assess employees' understanding of their own goals and manager expectations throughout the year. |
| **Diversity and equal opportunity** | | |
| G4-DMA | Disclosure on management approach. | Employee, Diversity |
| G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity. | Governance results |
| **Equal remuneration for women and men** | | |
| G4-DMA | Disclosure on management approach. | Employee, Pay and benefits |
| G4-LA13 | Ratio of basic salary and remuneration of women to men, by employee category and by significant locations of operation. | TI compensates each employee based on legitimate work-related factors without regard to gender, race, ethnicity or other protected characteristics. Because pay ratios for broad categories of employees fail to consider legitimate and individualized factors such as the particular work performed, level of responsibility, job performance, skills, qualifications, education and experience, TI believes that pay ratio data is not a reliable indicator of pay equity. |
| **Supplier assessment for labor practices** | | |
| G4-DMA | Disclosure on management approach. | Supply chain, Responsible sourcing |
| G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken. | After conducting environmental and social responsibility assessments of our supply chain, we found no significant negative labor practices. |
| **Labor practices grievance mechanisms** | | |
| G4-DMA | Disclosure on management approach. | Employees |
| G4-LA16 | Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms. | Although compiled for internal review and action, we do not currently report labor practice allegations publicly, since we consider such information confidential. We work to successfully resolve any inquiries related to labor practices. |
| **Employment tenure** | | |
| TI-LA17* | Employee tenure at company by average years of service. | Less than 10 years: 48.9%<br>10-20 years: 26.0%<br>More than 20 years: 25.0% |

*Developed by TI.

# Social
## Human Rights

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Investment** | | |
| G4-DMA | Disclosure on management approach. | Human rights |
| G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | All employees receive training and guidance on TI's values and ethics, specifically as it relates to integrity and respect in the workplace. In 2016, we provided human rights training to select employees and 100 percent of security personnel globally. |
| **Nondiscrimination** | | |
| G4-DMA | Disclosure on management approach. | Diversity and inclusion |
| G4-HR3 | Total number of 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 successfully resolve any inquiries related to discrimination. |
| **Security practices** | | |
| G4-DMA | Disclosure on management approach. | Ethics |
| G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations. | Our Worldwide Protective Services organization has a standard protocol for maintaining a safe and respectful working environment globally. This includes delivering targeted training on ethics, compliance and human rights to 100 percent of our security personnel. |
| **Assessment** | | |
| G4-DMA | Disclosure on management approach. | Human rights |
| G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments. | TI successfully audited two operations for human rights as part of its Electronic Industry Citizenship Coalition (EICC) validated audit process. We assessed 100 percent of our worldwide manufacturing sites using the EICC's self-assessment tools. |
| **Supplier human rights assessment** | | |
| G4-DMA | Disclosure on management approach. | Human rights |
| G4-HR10 | Percentage of new suppliers screened using human rights criteria. | Not material to TI because new suppliers comprise a very small portion of TI's spend. |
| G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken. | After conducting environmental and social responsibility assessments of our supply chain, we found no significant negative human rights impacts. |
| **Human rights grievance mechanisms** | | |
| G4-DMA | Disclosure on management approach. | Human rights |
| G4-HR12 | Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms. | Although compiled for internal review and action, we do not currently report human rights grievances publicly, since we consider such information confidential. We work to successfully resolve any inquiries related to human rights. |

# Social
## Society

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Local communities** | | |
| G4-DMA | Disclosure on management approach. | Community |
| G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments and development programs. | TI actively engages with its local communities through philanthropy, volunteerism, leadership involvement and collaborative initiatives, especially in education, in addition to working with local suppliers and civic leaders. We do not conduct formal impact assessments. |
| G4-SO2 | Operations with significant actual and potential negative impacts on local communities. | In 2016, TI announced that it is taking steps to begin the closure of the GFAB manufacturing facility in Greenock, Scotland, to transfer work to more cost-effective plants in Germany and the U.S. We expect to complete this process by the end of 2018. If we are unable to find an appropriate buyer, as announced in 2016, about 365 TI jobs will be affected through elimination or transfers. |
| **Anti-corruption** | | |
| G4-DMA | Disclosure on management approach. | Ethics |
| G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified. | We assess 100 percent of our worldwide manufacturing operations for risks related to corruption. |
| G4-SO4 | Communication and training on anticorruption policies and procedures. | TI provided ethics and compliance awareness training that included anti-corruption lessons to all employees; 99.9 percent completed the classes. We also refreshed our anti-bribery and records falsification policies in 2016 and continue to promote awareness about this topic through regular internal news articles. |
| G4-SO5 | Confirmed incidents of corruption and actions taken. | Although recorded for internal review and action, we do not currently report corruption incidents publicly, since we consider such information confidential. We work to successfully resolve any incidents related to corruption. |
| **Public policy** | | |
| G4-DMA | Disclosure on management approach. | See Governance, Priorities and Corporate political activities. The vice president of Worldwide Government Relations provides a written quarterly update of government relations activities and progress to TI's Strategy Leadership Team and board of directors, and gives a formal presentation annually to the board's Governance and Stockholders Relations Committee. We adjust priorities and strategies as company needs or political realities warrant. |
| G4-SO6 | Total value of political contributions by country and recipient/beneficiary. | TI's political activities and contributions reports and local contributions reflect U.S. activity only. We do not make political contributions in any country outside of the United States. |

# Social: Society (continued)

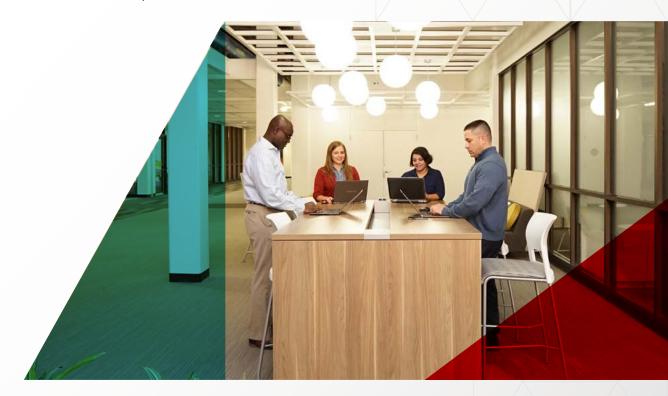| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Anti-competitive behavior** | | |
| G4-DMA | Disclosure on management approach. | Ethics |
| G4-SO7 | Total number of legal actions for anticompetitive behavior, antitrust, and monopoly practices and their outcomes. | For material legal proceedings involving TI, SEC Form 10-K, page 15. |
| **Compliance** | | |
| G4-DMA | Disclosure on management approach. | Ethics |
| G4-SO8 | Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with laws and regulations. | We received no material fines and no material nonmonetary sanctions in 2016 for noncompliance with laws and regulations. |
| **Supplier assessment for impacts on society** | | |
| G4-DMA | Disclosure on management approach. | Supply chain |
| G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken. | After conducting environmental and social responsibility assessments of our supply chain, we found no significant negative societal impacts. |

# Social
## Product responsibility

| DMA and indicators | Specific standard disclosures | Page/response/omission |
|---|---|---|
| **Product and service labeling** | | |
| G4-DMA | Disclosure on management approach. | Quality and compliance |
| G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements. | Responsible packaging |
| G4-PR4 | Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | TI complies with regulations and customer requirements for shipping and labeling. While minor labeling mistakes can occur, such as a typographical error or incorrect code, we work to correct these errors to ensure timely and cost-effective product delivery. |
| **Marketing communications** | | |
| G4-DMA | Disclosure on management approach. | Ethics |
| G4-PR7 | Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes. | We are proud of TI's compliance record. We received no material fines or penalties for noncompliance with regulations. |
| **Customer privacy** | | |
| G4-DMA | Disclosure on management approach. | Business continuity |
| G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | Business continuity (Privacy and data protection) |

# Notice regarding forward-looking statements

This communication includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import.

Similarly, statements herein that describe TI's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements. For a more detailed discussion of these factors, see the Risk Factors discussion in Item 1A of TI's most recent Form 10-K filed with the SEC. The forward-looking statements included in this communication are made only as of the date of this communication, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.