TEXAS INSTRUMENTS

2012 Corporate Citizenship Report Summary

Overview

Corporate citizenship is TI's commitment to be accountable for the company's social, environmental and economic global impact. We set high standards for our global operations and are focused on ethical business practices and compliance, both inside the company and throughout our supply chain.

Citizenship

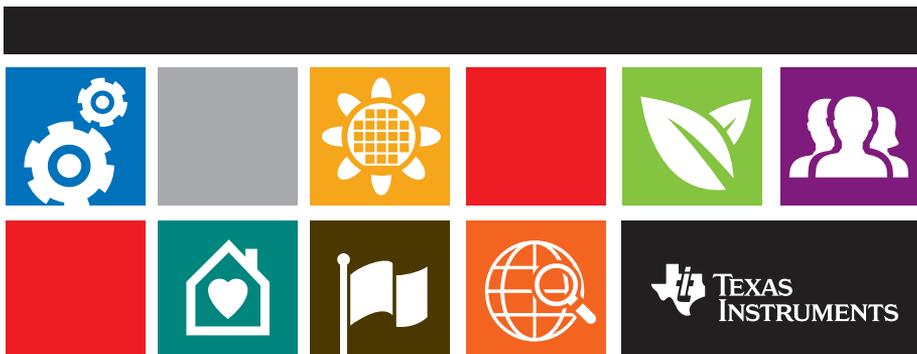Our commitment to corporate citizenship encompasses:

- Company operations
- Product stewardship
- Environmental responsibility
- Employee well-being
- Community commitment
- Responsible advocacy
- Corporate governance

Our citizenship strategy team, a cross-functional group of company leaders, directs our performance in these areas.

Sustainability

We use the term "sustainability" primarily in relation to the operation of our business. We believe responsible, sustainable operations can meet current resource needs without compromising the needs of future generations. TI works toward sustainability by reducing waste and inefficiency in operations, including its manufacturing facilities, office buildings and distribution activities.

To make sustainable progress, we set both annual and multiyear goals. Our annual targets focus on continued improvements and cost savings, including reductions in energy use, chemical use and utilities costs, among other results.

Report scope

This document summarizes TI's 2012 social and environmental performance. The information presented covers all wholly owned TI operations worldwide (unless otherwise stated), including, for the first time, former National Semiconductor facilities acquired in late 2011.

Terms such as "TI," "the company," "we," "our" and "us" refer to TI operations interchangeably. All currency is presented in U.S. dollars.

Global Reporting Initiative

The complete 2012 Corporate Citizenship Report is Web-based, available at **ti.com/ccr**. It was prepared using the Global Reporting Initiative's (GRI) Sustainability Reporting G3 Guidelines. The report, now in its seventh edition, meets the standards for GRI's self-assessed Application Level A. See **ti.com/ccr-griindex** for more.

Awards and honors

A variety of third parties honored TI for its social and environmental achievements in 2012.

- Dow Jones Sustainability Indexes inducted TI as a "North America" component.
- CR Magazine named TI among its "100 Best Corporate Citizens" as well as one of its "10 Best Corporate Citizens" in the information technology sector.
- Ethisphere Institute included TI on its list of the "World's Most Ethical Companies."
- Fortune Magazine included TI on its "World's Most Admired Companies" list.
- Thomson Reuters named TI to its "Top 100 Global Innovators" list.
- Newsweek Magazine included the company in its annual "Green Rankings" list.
- Working Mother Magazine included TI on its list of the "100 Best Companies for Working Mothers."
- Minority Engineer Magazine included TI on its "Top 50 Employers" list.

A comprehensive list is available at **ti.com/ccr-awards**.
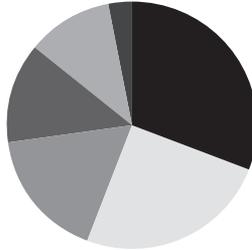
2012 at a glance

Revenue by segment

- ■ 55% Analog
- □ 15% Embedded Processing
- ▨ 11% Wireless
- ▨ 19% Other
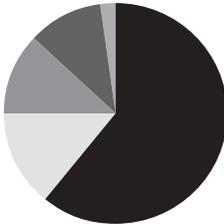
2012 total revenue: $12.8B

Product revenue by market

- ■ 31% Communications
- □ 25% Computing
- ▨ 17% Industrial
- ▨ 13% Consumer electronics
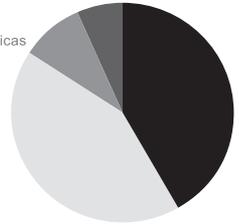- ▨ 11% Automotive
- ■ 3% Education

Revenue by region

- ■ 61% Asia
- □ 14% Europe
- ▨ 12% U.S.
- ■ 11% Japan
- ▨ 2% Rest of world

Employment by region

Approximately
- ■ 14,300 in the Americas
- □ 14,500 in Asia
- ▨ 3,200 in Europe
- ■ 2,200 in Japan

2012 total employment:
approximately 34,200 worldwide

Letter from our CEO

Innovation is our business. We've been passionate about creating the best technology solutions for more than 80 years. While our enthusiastic and conscientious approach to solving problems hasn't changed, the challenges have.

Over the last few years, we've been consciously fine-tuning our operations to focus more on Analog and Embedded Processing. These are large markets with lots of growth potential. Their applications can profoundly influence the quality of life for people globally and address some of today's greatest concerns, including energy efficiency, vehicle safety and medical imaging advancements. We are proud to help our customers tackle these issues.

In 2012, we worked to responsibly integrate new facilities and employees, which significantly expanded our manufacturing footprint and provided more flexibility to better serve our customers. While growth has its challenges, we continue our commitment to conduct business with integrity, source ethically, innovate responsibly and manage operational risks closely in order to thrive long term.

I encourage you to learn more about our progress and goals as you read through this report. It's the evidence of much hard work by many dedicated people to continually improve our global impact. Our task moving forward is to build an even stronger TI, supply chain and neighboring communities.

Rich Templeton
Chairman, president and chief executive officer

Major worldwide locations

TI has manufacturing, design and sales operations in more than 35 countries worldwide.

North America

Canada
Toronto

United States
Dallas, Texas★
Germantown, Maryland
Houston, Texas
Richardson, Texas
Plano, Texas
Waltham, Massachusetts
Manchester, New Hampshire
Schaumburg, Illinois
Lewisville, Texas
San Diego, California
Sunnyvale, California
Sherman, Texas
Tucson, Arizona
Austin, Texas

Central America
Aguascalientes, Mexico

Europe
Nice, France
Freising, Germany
Oslo, Norway
Northampton, United Kingdom

Asia
Bangalore, India

Chengdu, China
Hong Kong, China
Shanghai, China
Shenzhen, China

Kuala Lumpur, Malaysia
Singapore
Taipei, Taiwan

Baguio, Philippines
Pampanga (Clark), Philippines

Middle East
Tel Aviv, Israel

Japan
Aizu, Japan
Hiji, Japan
Miho, Japan
Tokyo, Japan

Korea
Seoul, Korea

● facilities
● manufacturing sites
★ TI headquarters

Company operations

TI designs and manufactures analog integrated circuits and embedded processors, helping more than 100,000 customers transform the future today.

2012 performance

Sustainability and citizenship
We hold ourselves accountable for our social, environmental and economic impact around the world.
• Joined the Electronic Industry Citizenship Coalition to advance efficiency and social, ethical and environmental responsibility in the global electronics supply chain.
• Implemented 217 energy and water efficiency projects – a 62 percent increase – resulting in annualized savings of $10.1 million.
• Set annual goals to make continual improvements and cost savings, including reducing waste and chemical use and improving employee safety.
• Continued working toward our five-year energy, water and greenhouse gas (GHG) emissions reduction goals (from a baseline established in 2010).

Business continuity
We maintain operations by preparing for business interruptions.
• Established a Business Continuity team to set a strategic direction and alignment with business-continuity objectives, including operational effectiveness for large-scale events such as natural disasters.
• Analyzed and expanded alternate sourcing and inventory strategies across our supply chains to ensure preparedness and meet customers' requirements.
• Established a Central Privacy Committee to ensure the protection of the personal data of our employees, customers and business partners.
• Assessed 2011's natural disasters to identify lessons learned.
• Improved business-continuity program elements at acquired National Semiconductor sites.
• Worked to better evaluate and manage supply-chain risks.
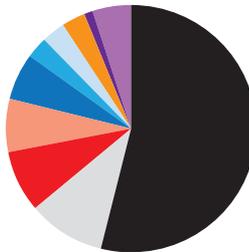
Company operations

Supplier stewardship

We work closely with more than 11,000 suppliers to responsibly manufacture and deliver innovative products.

- Updated our supplier environmental and social responsibility policy and expanded our assessments to not only include TI's expectations for humane treatment, human rights and ethics, but also more stringent environmental and social responsibility controls.
- Exceeded our goal of spending at least 5 percent of U.S. procurement dollars with minority- and women-owned suppliers.

Looking ahead: 2013 and beyond

- Further implement the Electronic Industry Citizenship Coalition's code of conduct, which provides guidance on labor, health and safety, environment, and ethics practices. We will train employees and suppliers accordingly.
- Ensure business-continuity readiness in developing locations such as India and China.
- Spend at least 5.5 percent of U.S. procurement dollars with minority- and women-owned suppliers.

Global spend with suppliers*

54%	United States*
10%	Philippines
8%	Taiwan
7%	Malaysia
6%	Japan
3%	Singapore
3%	Germany
3%	China
1%	India
5%	All other sites

*Approximately 5 percent of U.S. spend was with diverse suppliers.

Product stewardship

Our innovations help dozens of industries make their products more efficient, more reliable and safer.

2012 performance

Innovation

For more than 80 years, technological innovation has been at the core of our success.

- Invested nearly $2 billion in research and development. This effort included expanding innovation centers globally and strengthening research partnerships.
- Placed greater emphasis on embedded analytics by forming a separate Embedded Processing team.
- Conducted global student engineering design contests, with 35,000 students participating.

Sustainable product design

- We strive to solve customers' problems, anticipate their technological aspirations, and work conscientiously to meet their needs.
- Introduced a new family of energy meter integrated circuits that help consumers better manage energy use and make informed decisions about investing in conservation upgrades.
- Launched a smart meter system-on-chip and platform that allows utilities to more accurately measure and monitor energy use. It also helps consumers shift their energy consumption to off-peak hours.
- Released a family of low-voltage motor drivers that reduce power consumption in products such as printers, video surveillance, fans, pumps, valves, power tools and consumer electronics.
- Created an ultra-low-power microcontroller that cuts power and energy consumption in everyday devices, such as glucose meters and smoke detectors, by more than half. It also increases battery life to 10 to 20 years, bringing consumers one step closer to a battery-free world.
- Introduced the SafeTI™ functional safety platform, which helps auto manufacturers produce safer vehicles.
- Released the DLP® LightCrafter™ design platform for use in 3-D pipe scanning, industrial quality control, vein imaging, dental scanning and 3-D fingerprinting.

Product stewardship

Sustainable manufacturing

We aim to source materials responsibly, reduce inefficiency in operations, preserve the rights of our employees, and maintain compliance with all applicable laws and regulations.

- Reduced the polyvinyl chloride content of retail packaging by 55 percent in about 1 million Education Technology products.
- Replaced printed instruction manuals for about 1.5 million graphing calculators with digital versions to reduce printing, shipping and disposal impacts.

Looking ahead: 2013 and beyond

- Invest at least 12 percent of revenues in R&D that will help drive breakthrough and incremental innovations.
- Implement the Electronic Industry Citizenship Coalition's protocols and tools to promote continuous improvement in product manufacturing and regulatory compliance.
- Work with the International Sematech Manufacturing Initiative and the Engineering Research Center for Environmentally Benign Semiconductor Manufacturing to better understand and mitigate the risks associated with using nanomaterials.
- Develop technologies, tools and techniques to enable the electrical grid to become smarter and work more efficiently.
- Advance sensor technologies that help customers measure and manage water, energy, gases and environmental factors in real time, in order to use scarce resources more efficiently.
- Help make LED lighting systems easier to design and more affordable to facilitate widespread adoption.
- Bring solar power technologies to the next level with energy harvesting, storage and delivery.
- Develop semiconductor devices and systems to help further automotive safety, with features such as autonomous emergency braking and heads-up display.
- Improve projection solutions for use in classrooms, cutting-edge medical imaging, 3-D fingerprinting and industrial inspection systems.

Environmental responsibility

We work to continuously improve environmental performance, including resource conservation and operational efficiency at our sites worldwide.

2012 performance

Air quality
We voluntarily reduce air emissions beyond what is required by law, where feasible.
- Reduced our chlorofluorocarbons refrigerant leak rate from 4.8 percent in 2011 to 2.8 percent.
- Assessed facility systems, including air quality controls, to address opportunities for improvement.
- Recognized by the North Texas Commission as the winner of its 2012 Working for Clean Air Awards in the Best Business Operations category for having an overall plan to reduce energy consumption in operations, which reduces emissions.
- Increased emissions of volatile organic compounds in the U.S. by an estimated 11 percent. Nitrogen oxides emissions from our U.S. sites increased by 3.7 percent.*

Biodiversity
We monitor operations to minimize impacts on local species and ecosystems.
- Conducted biodiversity assessments and found that none of our operations impact high-biodiversity areas.
- Consulted the International Union for Conservation of Nature Red List to understand any potential risks to plant and animal species and to ensure that there are no adverse effects from TI operations.

Climate change
We are working proactively within the semiconductor industry to reduce greenhouse gas (GHG) emissions.
- Worked with the U.S. Environmental Protection Agency (EPA) identify and develop workable and more accurate GHG accounting methodologies for the semiconductor industry.
- Reported annual GHG emissions to the EPA in compliance with its new mandatory reporting rule.
- Disclosed annual European air-travel emissions in compliance with the European Union Emissions Trading System.
- Increased our carbon footprint 1.5 percent. Our normalized GHG emissions (the amount of GHG emissions produced for each semiconductor chip we manufacture) also increased.*

*See footnote above charts on p.13.

Environmental responsibility

Energy use

We take a holistic approach to reducing energy use, from energy-efficiency measures to conservation practices.

- Surpassed our goal of saving $6 million in utility costs by $1.9 million. We did this by implementing 181 energy-efficiency projects that prevented 46,000 metric tons of carbon dioxide from entering the atmosphere.
- Joined the U.S. Department of Energy's Better Plants program and committed to reducing our energy intensity by 25 percent over 10 years. This means we will use 25 percent less energy to complete the same manufacturing tasks.
- Continued sourcing 10 percent of the electric power used by our sites in Texas from wind power.
- Increased energy use 5 percent; however, normalized energy use continued to decline.*

Transportation

Our efficient product distribution, fleet and employee commuting programs reduce costs, improve air quality, and benefit employees.

- Saved more than $15 million by consolidating product volume, optimizing our shipping network, and negotiating better prices despite fuel and industry cost increases. We also saved more than $5 million in transportation expenses shipping freight by sea instead of by air.
- Increased participation in our international Bike to Work Day by 57 percent. More than 450 TI bike commuters pedaled a combined 7,300 miles in 14 countries, which saved 359 gallons of gasoline and eliminated 3.1 metric tons of carbon dioxide emissions.
- Installed four charging stations at TI's Santa Clara, Calif., site for employees to plug in their electric vehicles while at work.
- Encouraged our North Texas workforce to use mass transit to commute to work; about 10 percent of employees participated.

Water use

We conserve and reuse water, and work to preserve water quality.

- Reused 1.8 billion gallons (a 20 percent increase) – enough to fill 2,728 Olympic-sized swimming pools.
- Conducted 36 water-efficiency projects that saved about 369 million gallons of water and $2.2 million.
- Increased water use 9 percent; our normalized water use also increased.*

*See footnote above charts on p.13.

Environmental responsibility

Waste management

We strive to use each product efficiently and recycle where feasible.

- Implemented a new program for manufacturing and assembly/test operations to reduce targeted chemical use by 3 percent.
- Kept 23,714 kilograms of scrap silicon wafers out of the waste stream by selling them to solar-panel fabricators.
- Recycled more than 350 metric tons of compostable organic waste.
- Improved our total waste recycling to 93 percent.

Procurement

We work to maximize the efficiency of the materials we purchase, source our materials responsibly, and recycle materials inside and outside of our operations where possible.

- Increased procurement of semiconductor manufacturing and packing materials primarily due to the integration of former National Semiconductor manufacturing facilities.

Sustainable sites

We adhere to Leadership in Energy and Environmental Design (LEED) standards to build and operate both new and existing buildings more sustainably.

- Began designing a new office building in Sugar Land, Texas, which is registered with U.S. Green Building Council's LEED-NC (new construction) program.

Looking ahead: 2013 and beyond

- Work toward our goals of reducing energy and water use per chip produced by 45 percent, and reduce greenhouse gas emissions per chip by 30 percent by 2015 (based on a 2010 baseline).
- Work to comply with a new U.S. nitrous oxide-reduction regulation that places limitations on diesel-powered generator maintenance and requires documenta-tion of such activities. We are currently ahead of schedule to comply with this requirement.
- Seek opportunities to replace or retire our remaining 28 chillers, further reducing our use of chlorofluorocarbons.
- Reduce utility costs by $8 million by implementing energy-savings projects.
- Increase participation in global commuting programs.
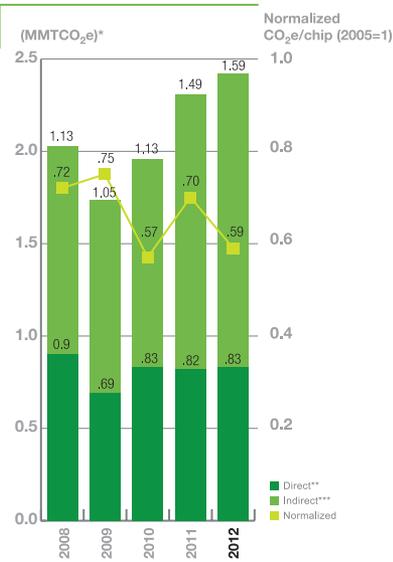- Continue our commitment to minimize operational impacts on local ecosystems.

Environmental responsibility

- Identify additional product shipping cost, efficiency and consolidation opportunities, and continue to optimize our freight movement infrastructure.
- Monitor drought conditions in Texas and work with local public water suppliers to address availability concerns.

*Our year-to-year performance was impacted in some areas following our acquisition of National Semiconductor in late 2011. The acquisition included the addition of three manufacturing facilities and one large office complex (representing an 11 percent increase in global square feet of building space).

Carbon footprint

(MMTCO$_2$e)*   Normalized CO$_2$e/chip (2005=1)

Direct**
Indirect***
Normalized

2008   2009   2010   2011   **2012**

*Million metric tons equivalent carbon dioxide (MMTCO2e) is a unit of measure for GHGs. Emission totals are from global TI manufacturing sites only.

**Direct (scope 1) emissions include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

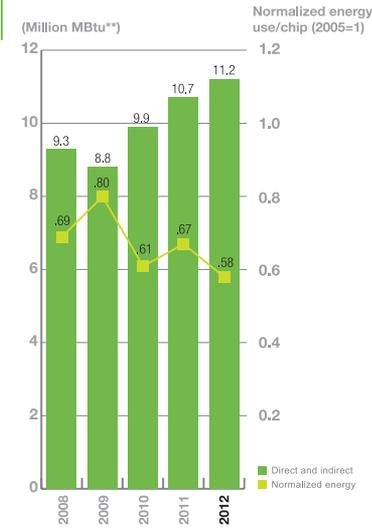***Indirect (scope 2) emissions include CO2, CH4 and N2O.

Nonindustrial waste by type

Recycled
- 14.2% Paper
- 18.0% Metal
- 24.0% Plastic
- 8.5% Wood
- 6.8% Organic
- 15.9% Other
- 0.2% Silicon wafers
- 0.3% Glass

Disposed
- 12.0% Sent to landfill

Environmental responsibility

Total energy use*

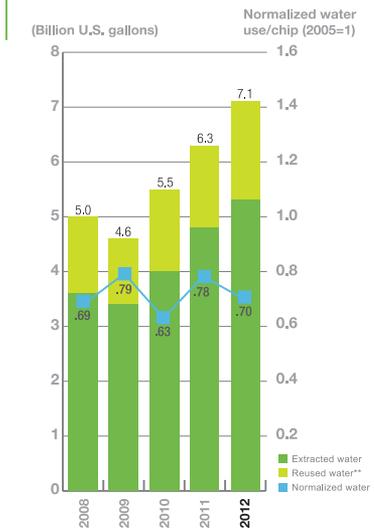(Million MBtu**)   Normalized energy use/chip (2005=1)

- Direct and indirect
- Normalized energy

*The total of all energy resources consumed by TI (direct and indirect). Total energy use increased due to the addition of four former National Semiconductor facilities, acquired in late 2011.

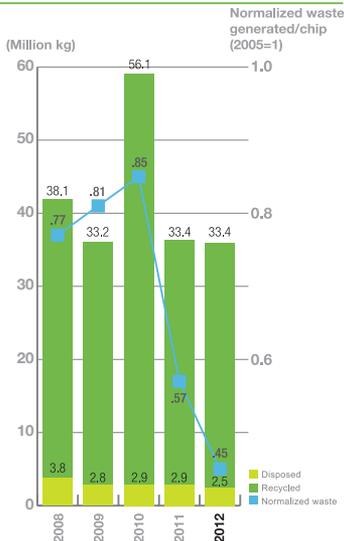**Million British thermal units (MBtu) is a measurement denoting the amount of heat energy in fuels.

Total water use*

(Billion U.S. gallons)   Normalized water use/chip (2005=1)

- Extracted water
- Reused water**
- Normalized water

*Water obtained from local utilities and on-site wells. This does not include collected rainwater or used once-through cooling water; water pumped from on-site wells at our Freising, Germany site for heat rejection, which is returned to the same aquifer.

**TI reused 26% of total water use in 2012.

Total waste*

(Million kg)   Normalized waste generated/chip (2005=1)

- Disposed
- Recycled
- Normalized waste

TI recycled 93% of its total waste worldwide.

*Totals include all manufacturing sites, which account for the majority of waste, as well as some of our largest non-manufacturing sites.

Employee well-being

We believe that a collaborative and inclusive work environment, complemented with targeted training and development, inspires innovation.

2012 performance

Safety

We invest significantly in programs, policies and tools that keep our workplace safe.

- Achieved among the safest performance records in the U.S. semiconductor industry according to the Semiconductor Industry Association, with a 0.24 on-the-job recordable incident rate overall and a days away, restricted or job transfer rate of 0.12.
- Developed a new health and safety metrics tracking system that will help us share and respond to potential risks faster.
- Performed more than 1,929 ergonomic assessments for employees working at computer workstations and in manufacturing areas.
- Improved ergonomics monitoring and reporting and also identified new opportunities to apply ergonomic resources. While this resulted in an increase in ergonomics-related injuries (from a recordable incident rate of 0.036 to 0.097), our overall performance remains stellar.

Health

Our comprehensive health and wellness programs are designed to protect employees at work and help address their specific health needs.

- Named by the National Business Group on Health as platinum winner of the 2012 Best Employers for Healthy Lifestyles Awards.
- Launched a 12-12-12 campaign to encourage employees to spend 12 minutes each day on a healthy or relaxing activity and/or lose 12 pounds over 12 months. More than 1,600 employees participated.
- Gave 5,946 employees and retirees immunizations at on-site flu clinics at various U.S. sites.

Work-life balance

We offer work-life support, in addition to competitive pay and benefits and opportunities for advancement, which help attract, engage and retain the best talent.

- Named by Working Mother Magazine as one of its "100 Best Companies for Working Mothers" for the 17th consecutive year.
- Conducted an employee survey of new mothers and improved lactation rooms as a result.

Employee well-being

- Responded to 11,450 requests through our concierge service. Approximately 21 percent of U.S. employees used the service, saving more than an estimated 34,350 hours.
- Enabled 2,156 employees to use our resource and referral service.

Pay and benefits

We provide competitive pay and benefits.

- Increased salaries and paid approximately 8 percent of base earnings in profit sharing (based on our 2011 performance) to all employees globally except for France and Mexico, which have locally regulated plans.
- Enabled approximately 95 percent of U.S. employees to participate in a retirement program.
- Contributed $68 million to employees' 401(k) savings plans.

Diversity and inclusion

A diverse workforce helps us achieve a sustained competitive advantage through variations in experiences, work styles, thoughts and ideas.

- Launched a Veterans Diversity Initiative to support the more than 750 U.S. veterans and spouses at TI, and provide focused community outreach to military families.
- Increased female hires by 23 percent in an industry dominated by men. Nearly half of our total hires were women.
- Named by the National Association for Female Executives as one of the "Top 50 Companies for Executive Women" in the U.S. for the seventh time.
- Ranked 26th on Woman Engineer Magazine's "Top 50 Employers" list.
- Named by Minority Engineer Magazine as one of its "Top 50 Employers."

Recruitment

We continually seek diverse and innovative thinkers to join our team – people who are inspired to create game-changing technologies that better our world.

- Hired 3,496 new employees globally, offered 364 top-performing new college graduates the opportunity to work full time, and employed nearly 1,000 interns.
- Launched engineeringchange, a new initiative to share more about TI's culture and career opportunities online and on campuses worldwide.
- Engaged RecruitMilitary to increase our outreach to veterans through that organization's conferences and online forums.

Employee well-being

Retention

We offer a variety of programs and incentives to engage and retain employees.

- Accelerated the integration of new college graduates through customized development programs to ensure retention.
- Maintained a global turnover rate that continues to be below industry averages. Employee-initiated turnover was 7.6 percent.
- Continued retaining long-term employees; the average tenure of our global workforce was 12 years.
- Reshaped our business strategy to focus on growing and profitable markets. This resulted in the elimination of select mobile and wireless business investments and approximately 1,700 positions worldwide.

Human rights

We work diligently to treat our employees fairly and ethically, and encourage suppliers to treat their own workers with respect and dignity as well.

- Scored 85 percent on the Human Rights Campaign Foundation's U.S. Corporate Equality Index for gay, lesbian, bisexual and transgender equality. This is the fifth consecutive year that TI was included.
- Continued compliance with the California Transparency in Supply Chains Act, which requires companies to report efforts to eradicate slavery and human trafficking in their supply chains.
- Engaged worldwide factory managers on our enhanced social responsibility and human rights expectations and standards following the company's membership in the Electronic Industry Citizenship Coalition.

Development

We provide access to a wide range of tools and resources to help our global workforce learn, perform and grow.

- Successfully welcomed and provided introductory orientations to 3,496 new employees.
- Invested in the development and launch of a structured first-year development program called Make an Impact.
- Expanded our global rotation programs and identified expert rotation managers who offer the highest-quality experiences. Nearly 370 new college graduates participated, a 79 percent increase from 2011.
- Provided an average of 33 hours of training per employee.

Employee well-being

- Helped 454 employees further their education by reimbursing a total of $2.5 million in tuition.
- Provided access to TI's online learning tool, Learn@TI. Nearly 17,000 employees visited the site, accessing books about software 18,000 times, books about hardware 34,000 times, and book summaries 70,000 times. The top areas of interest were career and self-development.

Recognition
We discovered years ago that when we acknowledge the value and commitment of our workforce, employees become better connected, engaged and aligned.
- Selected a new recognition vendor and successfully transitioned to a new software platform that is helping track and drive consistency in employee recognition at U.S. sites.

Engagement
We continually evolve our existing employee outreach programs to better engage our global workforce.
- Launched CEO360°, an internal site that connects employees to our CEO's global activities, priorities and vision.
- Conducted 25 CEO roundtable discussions as well as dozens of other forums with business-unit managers to connect employees with leaders.
- Launched and expanded Infolink, our intranet news portal, in Europe, Japan, the Middle East, Asia, India and China, and encouraged employees to generate their own local content.
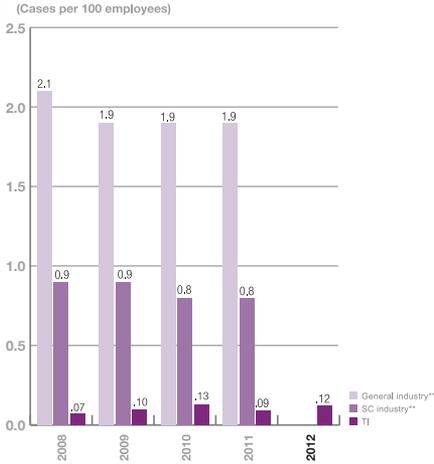
Looking ahead: 2013 and beyond
- Maintain a days away, restricted or job transfer case rate less than or equal to 0.08, and a recordable case rate less than or equal to 0.20.
- Provide targeted safety and health education and prevention information to help reduce workplace injury and illness.
- Increase awareness of work-life initiatives, flexible work options and benefits.
- Expand our diversity recruitment efforts to people with disabilities and veterans through partnerships with organizations such as GettingHired and RecruitMilitary.
- Support our multiyear hiring plan in China and increase campus recruitment in Malaysia.
- Complete the global rollout of the engineeringchange and Make an Impact programs.
- Encourage managers to meaningfully recognize employees' successes and contributions.
- Launch myDevelopment, a rebranding of our employee learning and development initiatives, to increase awareness of the variety of opportunities available worldwide.
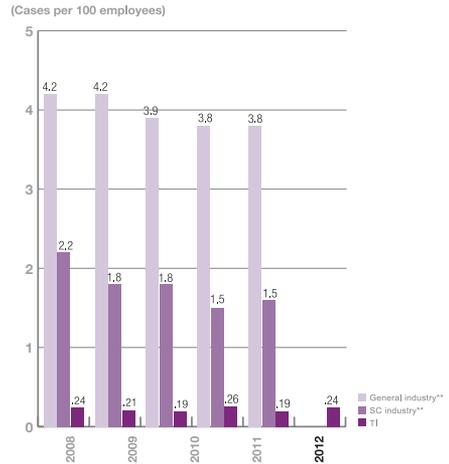
Employee well-being

Days away, restricted, or transferred cases*

(Cases per 100 employees)

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

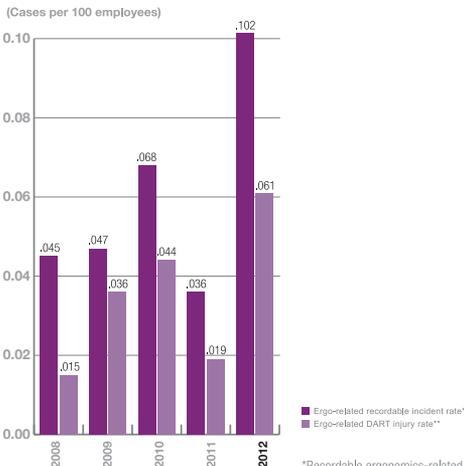## Recordable injury cases*

(Cases per 100 employees)

*Work-related injury (rate per 100 employee-years) that requires treatment beyond first aid or results in lost time or restricted job duties for one or more workers as defined by the U.S. Occupational Safety and Health Administration.

**Industry data provided by the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. Statistics represent U.S. performance only. SC and general industry data for 2012 were not available at the time of report development.

Ergonomics-related cases

(Cases per 100 employees)

*Recordable ergonomics-related injuries decreased by 50% from 1999 to 2012.

**Days away, restricted, or transferred (DART) ergonomics-related injuries decreased by 37% from 1999 to 2012.

Community commitment

We believe strong companies build strong communities and strong communities build strong companies.

2012 performance

Giving

We support initiatives that enhance our ability to innovate and improve the quality of life in the areas where we operate.

- Granted $30.4 million to local community organizations through TI, the TI Foundation and the TI Community Fund.
- Contributed $6.3 million to the United Way in the U.S.; this includes employee, TI and TI Foundation grants. Employees also gave $1.8 million to education and arts and culture organizations; we matched their donations through the TI Foundation and gave an additional $200,000 to other community organizations.
- Launched the TI Foundation volunteer incentive program, which matches U.S. employees' volunteer hours with dollars to qualified nonprofits.

Education

We invest significantly in science, technology, engineering and math (STEM) education efforts, particularly in the U.S., to prepare our future workforce and continue technological advancements.

- Invested more than $150 million to support education in the past five years.
- Leveraged Education Technology spokesperson and actress Mayim Bialik to promote the importance of STEM education through media outreach.
- Launched new educator professional development programs and resources for math and science to improve educator effectiveness.
- Created new classroom-ready activities to support STEM education in partnership with the National Aeronautics and Space Administration.
- Partnered with China's Ministry of Education to donate 100 multimedia classrooms to schools in poverty-stricken areas of central and western China. We also donated $63,215 to the China Youth Development Foundation for a new Project Hope school classroom building near our Chengdu manufacturing facility.
- Donated $25,000 so that Generation Science could offer a free science workshop at all 22 primary public schools within the Inverclyde Educational Authority, which is near TI's Greenock, Scotland, site.
- Announced a $2.2 million gift to support engineering education at the University of California, Berkeley.

Community commitment

Volunteerism

We encourage both employees and retirees to contribute their time and expertise to benefit their communities.

- Enabled employees to contribute almost 47,000 hours of their time, a 30 percent increase, valued at $1 million, to community organizations.
- Expanded the TI Founders Community Service Awards program to all employees worldwide and received 123 nominations.
- Trained 121 community ambassadors in the U.S. to help them be more effective board members.
- Established Community Involvement teams and expanded community efforts in TI communities including Tucson, Ariz.; Sherman, Texas; and South Portland, Maine.

Engagement

We use a variety of forums to engage a wide spectrum of stakeholders.

- Learned stakeholders' top social and environmental questions and concerns focused on supply chain transparency, operational practices and issues related to environmental impact, as well as product stewardship.
- Increased social engagement with customers through our E2E Community, which has more than 100,000 registered members. Participation in the community increased 46 percent over 2011, with more than 6 million visits.
- Received international recognition within the market research industry for TI's innovative customer expert advisory panel. At the end of 2012, the panel had more than 4,800 active members from 104 different countries.
- Used Facebook and Twitter to aggressively promote engineeringchange to help the company build relationships and recruit future employees. Engagement tripled following the launch of this initiative.
- Worked with Semiconductor Industry Association and World Semiconductor Council members to promote trade, address environmental regulations, and protect intellectual property in the U.S. and globally.
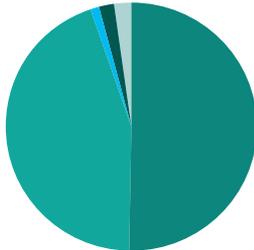
Community commitment

Looking ahead: 2013 and beyond

- Maximize corporate philanthropic investments in science, technology, engineering and math (STEM) student engagement programs by focusing resources, improving measurement, and developing strategic grants.
- Support and strengthen best practices in our existing student achievement and teacher effectiveness programs.
- Open a TI Project Hope school in Nanbu County, China, through the China Youth Development Foundation. Plan for another school near our Shanghai site.
- Expand training and support to specific TI sites to increase employee volunteerism and involvement in local communities.
- Improve dialogue with our new hires and existing employees so we can better respond to their information needs.
- Survey our nonprofit partners to gather their perspectives on TI's philanthropic support and volunteerism.
- Engage our customer expert advisory panel to assess future semiconductor needs and improve technical support.
- Launch **www.ti.com/training** to further expand our ability to deliver training that our customers need, anytime and anywhere.

Corporate giving by type

- 50% Education
- 44% TI Foundation contribution*
- 1% Health and human services
- 2% Arts and culture
- 2% Civic and business
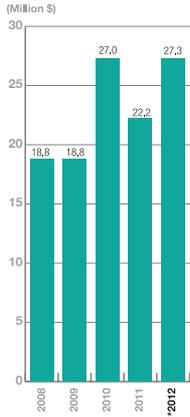
2012 TI corporate contributions worldwide: $27.3M

*TI gives an annual donation to the TI Foundation. In 2012, TI contributed $12 million. The TI Foundation funded $13.7 million in programs through grants, matching gifts and VIP (Volunteer Incentive Program) grants.
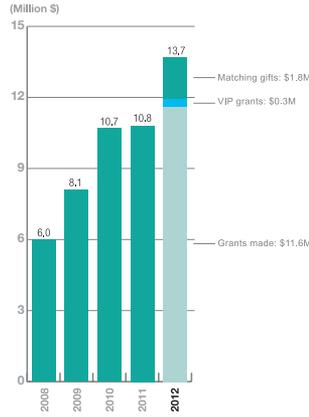
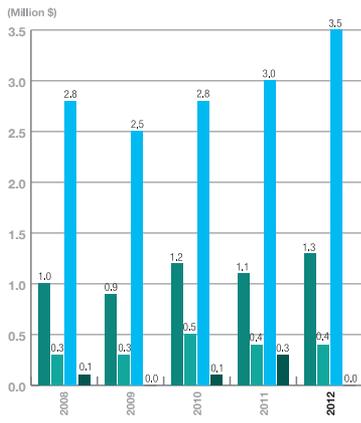**Community commitment**

Corporate giving

(Million $)

*Does not include gifts-in-kind valued at $202,000.

TI Foundation giving*

(Million $)

Matching gifts: $1.8M

VIP grants: $0.3M

Grants made: $11.6M

*Includes grants to eligible organizations, in addition to employee matched contributions and VIP (Volunteer Incentive Program) grants.

Employee giving
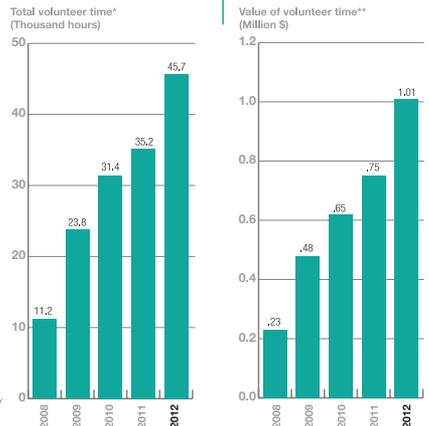
(Million $)

Education*
Arts and Culture*
Health and Human Services (United Way and others)
Disaster Relief**

*Giving tracked through the U.S.-based TI Foundation matching gifts program.

**Includes employee gifts in support of domestic and international disaster relief efforts but does not include value of employee volunteer hours. This does not include a 2010 TI Foundation gift of $200,000 given for relief efforts in Haiti and 2011 gift of more than $428,000 for relief efforts in Japan.

Volunteerism*

Total volunteer time*
(Thousand hours)

Value of volunteer time**
(Million $)

*These are estimates based on select, corporate-sponsored volunteer activities only.

**Value based on Independent Sector calculation: http://www.independentsector.org/volunteer_time.

Responsible advocacy

We have an obligation to our shareholders, employees and customers to advocate for responsible government policies that help us achieve our business goals, promote and protect our interests, and fulfill our societal obligations.

2012 performance

• Educated and engaged U.S. policymakers on critical issues. We also deepened and forged new relationships with key government officials in Maine, California and Scotland following the late 2011 acquisition of National Semiconductor.
• Advanced initiatives that promote innovation, improve science and engineering infrastructures, extend key tax provisions, reduce trade barriers, and accelerate the deployment of energy-efficient and clean energy technologies, as well as other technologies related to growth.

Looking ahead: 2013 and beyond

• Develop and enhance relationships with policymakers in the countries where we operate.

Corporate governance

We believe good corporate governance is integral to our long-term success.
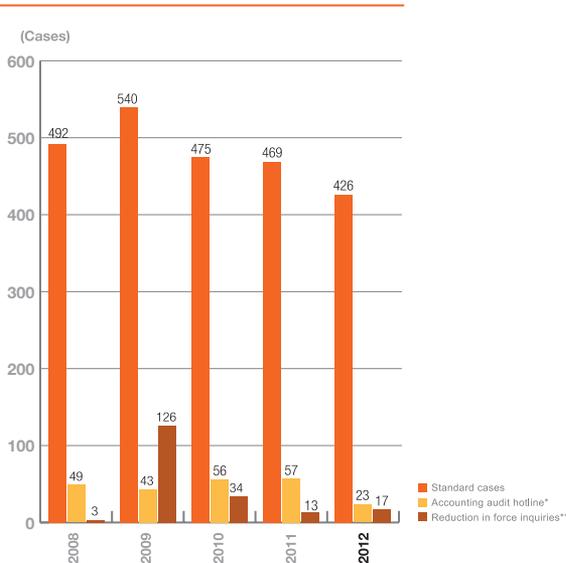
2012 performance
- Adopted a new protection of personal data policy to build on our commitment to protect confidential information across a multinational workplace with potentially diverse understandings of privacy.
- Experienced no material incidents and received no material fines due to noncompliance with environmental, labor or human rights laws. We also received no substantiated allegations of illegal bribery or corruption.
- Provided ethics and compliance awareness training to all employees; 98.7 percent completed the course.

Looking ahead: 2013 and beyond
- Train all employees worldwide on TI's code of business conduct and how to prevent workplace harassment. We will also continue to train employees on preventing workplace harassment and confidential information protection.

Ethics office inquiries and contacts*

(Cases)

	2008	2009	2010	2011	2012
Standard cases	492	540	475	469	426
Accounting audit hotline*	49	43	56	57	23
Reduction in force inquiries**	3	126	34	13	17

*None of the inquiries or contacts presented an accounting issue or appeared to pose a material financial risk.

**Employee calls; primarily from those affected by downsizing.

Corporate citizenship at Texas Instruments starts with employees and is strengthened by people like you. We welcome your comments and questions through **citizenshipreportfeedback@list.ti.com.** or the company's social media outlets (**@AroundTI** on Twitter and **texasinstruments** on Facebook). Stay up to date year-round through **www.ti.com/citizenship**.

TEXAS INSTRUMENTS

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