



Building a better future

2011 Corporate Citizenship Report Summary

Overview

Sustainability, social responsibility, philanthropy, stewardship – there are a lot of words that can describe how Texas Instruments is working to build a better future. **We simply call it corporate citizenship.** Corporate citizenship is TI's commitment to be accountable for the company's social, environmental and economic global impact.

This document provides a summary of TI's 2011 social and environmental performance. The complete 2011 Corporate Citizenship Report is at ti.com/ccr.

Corporate citizenship at TI

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:

- Provides direction for the strategy, execution and reporting of our corporate citizenship initiatives.
- Discusses and addresses operational challenges, and establishes plans and targets for improvement.
- Discusses and addresses stakeholder questions related to social and environmental performance.
- Helps our business units and offices more effectively engage in issues important to many of our stakeholders.
- Evolves our internal culture of sustainability.
- Reviews and updates our Citizenship Principles to meet changing business and community needs.

See our Citizenship Principles at ti.com/citizenship-principles.



Awards and honors

A variety of third parties honor TI for its social and environmental achievements. In 2011, we were:

- Included in the Dow Jones Sustainability Index – North America.
- Named among the 100 Best Corporate Citizens by CR Magazine.
- Named among the World’s Most Ethical Companies by the Ethisphere Institute.
- Included on the Global Most Admired Companies list by Fortune Magazine.
- Included in the Green Rankings list by Newsweek Magazine.
- Named among the Global 1000 Sustainable Performance Leaders by CRD Analytics, published by Justmeans.

A comprehensive list is available at ti.com/ccr-awards.

Report scope

TI’s complete online Citizenship Report was prepared using the Global Reporting Initiative’s (GRI) Sustainability Reporting G3 Guidelines. The Citizenship Report, now in its sixth edition, meets the standards for GRI’s self-assessed Application Level A. See ti.com/ccr-griindex for more.

TI’s 2011 Corporate Citizenship Report provides a comprehensive overview of the company’s social and environmental performance in fiscal year 2011. The information presented covers all wholly owned TI operations worldwide (unless otherwise stated), including for the first time, the addition of three sites in late 2010.

The report does not include data on subsidiaries, joint ventures, leased facilities or outsourced operations nor National Semiconductor sites, acquired in late 2011. Information on former National sites will be reported in 2012.

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

2011 at a glance

Revenue by segment

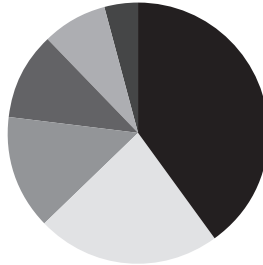
- 47% Analog
- 15% Embedded Processing
- 18% Wireless
- 20% Other



2011 total revenue: \$13.74B

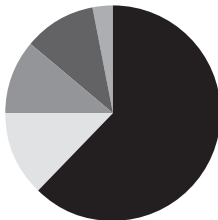
Product revenue by market

- 40% Communications
- 23% Computing
- 14% Industrial
- 11% Consumer electronics
- 8% Automotive
- 4% Education



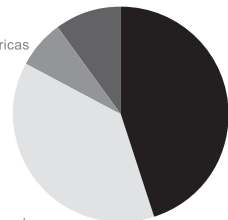
Revenue by region

- 63% Asia
- 13% Europe
- 11% U.S.
- 11% Japan
- 3% Rest of world



Employment by region

- Approximately 13,200 in the Americas
- 11,400 in Asia
- 2,800 in Europe
- 2,200 in Japan



2011 total employment:
approximately 29,600 worldwide



Letter from our CEO

Sustainability is a lasting evolution at Texas Instruments that challenges us to think about what we're doing today and what we want to achieve tomorrow. It is a journey that goes beyond our next earnings report and any unforeseen ups and downs year-to-year.

Our progress along this path in 2011 was no different. The devastating earthquake and tsunami in Japan, global economic uncertainty and flooding in Thailand impacted our production, our supply chain, our employees and our local communities. I'm proud of our response and the strides we made as a company to put our response plans into action, while continuing to adapt.

During the year, TI also made some significant improvements and investments toward building a better world, including:

- 134 energy-efficiency and water conservation projects that saved \$8.6 million in utility costs.
- 1.5 billion gallons of water and 92 percent of waste recycled.
- Full staffing of our Motor Driver Lab as a proving ground for more efficient technology; an estimated 60 percent of the world's electricity is used by motors.
- \$22.2 million contributed to education improvement and local communities. TI and the TI Foundation gave \$14.6 million for more effective science and math education to grow the number of students ready to pursue careers in technology.
- Almost \$1 million contributed to disaster relief in Japan by the TI Foundation and employees.
- A new supplier environmental and social responsibility policy that requires critical alignment of our expectations for ethics, labor practices and environmental controls.

Our aim now is to turn great preparation into great results. Our five-year sustainability goals, to reduce energy, water and greenhouse gas emissions per chip, will help keep us on track.

I have an unshakable belief that the best is yet to come as technology makes a better world – one that is more exciting, more interactive, more connected and more efficient. We commit to doing our part by helping create problem-solving technology while continuing to grow responsibly.

Rich Templeton
Chairman, president and chief executive officer

Major worldwide locations*

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



*Other major sites in Santa Clara, California; South Portland, Maine; Melaka, Malaysia and Greenock, Scotland were added late 2011 with the acquisition of National Semiconductor. Data from these sites will be included in future reports.



Company operations

2011 performance

Sustainability

- Set annual targets to guide continued improvements, including employee safety and reduced chemical use.
- Launched a global, year-long campaign to educate employees on what sustainability is, what it means to the company, what we aim to achieve, and how each individual can help TI become a more sustainable company.
- Continued work toward our five-year energy, water and greenhouse gas (GHG) emissions per chip reduction goals. Although our performance declined in each of the areas due to the ramp-up of new facilities and reduced production (which impacts efficiency), we made strides in identifying best practices and worked to implement these at TI sites globally.

Business continuity

- Mitigated production and supply-chain impacts resulting from the March earthquake and tsunami in Japan, and flooding in Thailand. TI was one of the first companies to assess and communicate its production and revenue impacts, and a recovery timeline, to both customers and investors.
- Launched a supplier risk solutions portal that geographically locates our suppliers worldwide. It also assesses the business continuity preparedness and planning of our supply chain.
- Strengthened our ability to meet customers' needs through the acquisition of National Semiconductor and use of its global suppliers.
- Certified as compliant with the U.S. Custom Trade-Partnership Against Terrorism program.

Supplier stewardship

- Developed a new supplier environmental and social responsibility policy, which contains TI's expectations for not only humane treatment, human rights and ethics, but also more stringent environmental controls and performance.
- Expanded our supply-chain assessments to include suppliers' programs and performance related to human rights, and humane treatment in their labor and ethical business practices. After examining nearly 200 of our most critical suppliers, TI conducted more in-depth assessments of 22 vendors. No major findings were identified; minor issues were either resolved or are being addressed.
- Put processes in place to comply with emerging conflict minerals legislation.
- Recognized by three Texas organizations for fostering a business environment that promotes access and opportunity for minority-owned businesses. TI spent 5 percent (\$204 million) with certified minority- and women-owned prime suppliers in the U.S.

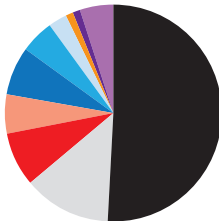


Looking ahead

- Join the Electronic Industry Citizenship Coalition, a group of leading electronics companies that work together to improve efficiency and social, ethical and environmental responsibility within companies and their global supply chains.
- Invest in processes that further reduce energy, water and GHG emissions and associated costs.
- Conduct risk assessments at former National Semiconductor sites and integrate the facilities into TI's incident management program.
- Take a holistic look at how we evaluate political, operational and sustainability-focused supply-chain risks to improve how these are managed moving forward.
- Ensure that suppliers understand and comply with our new environmental and social responsibility requirements and expectations.
- Begin integrating suppliers' environmental and social responsibility scores into CETRAQ, a tool that assesses supplier performance on cost, environment, technology, responsiveness, assurance of supply and quality.
- Spend at least 5 percent of U.S. procurement dollars with minority- and women-owned suppliers. We will also engage with National Semiconductor's former suppliers to ensure that they understand our commitment to doing business with certified and diverse enterprises.

Global spend with suppliers*

- 51% United States*
- 13% Philippines
- 8% Taiwan
- 6% Malaysia
- 7% Japan
- 5% Singapore
- 3% Germany
- 1% China
- 1% India
- 5% All other sites



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



Product stewardship

2011 performance

Innovation

- Increased R&D investments by about \$145 million (up from \$1.57 billion in 2010).
- Launched an external TI innovation website to better represent and communicate the scope of our activities to customers, investors and prospective employees.
- Signed a 10-year memorandum of understanding with the China Ministry of Education in support of China's university education and the cultivation of electronics engineering talent.
- Enabled nearly 20,000 students to participate in TI's global analog design competitions.
- Announced the first two commercial products that were derived from technology developed in TI's Kilby Labs.

Sustainable product design

- Helped forge an agreement to develop a common charger for data-enabled mobile phones in Europe. This will eliminate an estimated 51,000 tons of electronic waste per year.
- Announced the world's first color graphing calculator, the TI-Nspire CX. It contains rechargeable batteries, which extends its power and eliminates the need for single-use batteries.
- Fully staffed our Motor Driver Lab, a proving ground for more efficient technology, since an estimated 60 percent of the world's electricity is used by motors.
- Enabled one customer to create a new LED light bulb that requires 7 watts, yields more than 400 lumens of light and can last for 25 years.



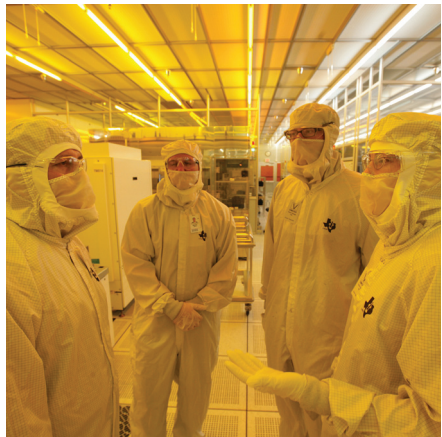
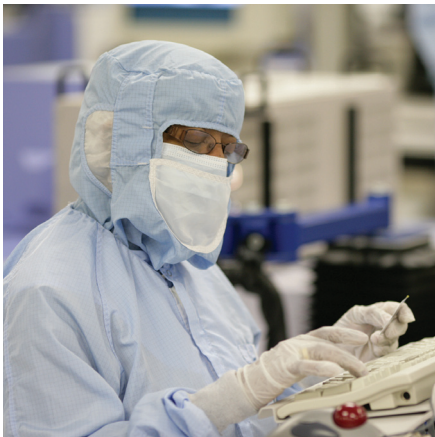


Sustainable manufacturing

- Ensured that more than 90 percent of the semiconductor products we ship are considered “TI-green” (including those that meet low-halogen industry requirements).
- Unveiled a new PowerStack™ packaging technology, a unique 3-D solution that essentially stacks semiconductor chips vertically, reducing board space by about half. This reduces total energy and cooling costs, which allows our customers to make smaller electronics that are more powerful yet efficient to operate.
- Upgraded Educational Technology retail packaging to reduce the amount of polyvinyl chlorides within them by 50 percent.
- Stopped including batteries that contain more than 5 parts per million of mercury in our Education Technology products.
- Monitored ever-changing manufacturing laws and regulations to ensure compliance with all applicable standards and certifications.
- Began evaluating and implementing additional manufacturing controls at former National Semiconductor fabrication sites in the U.S., Malaysia and Scotland.

Looking ahead

- Open new R&D centers in Shanghai, China, and Silicon Valley Labs in Santa Clara, California.
- Spend at least 12 percent of TI’s revenue on R&D programs.
- Expand our portfolio in utility metering, home and building automation, and smart grid infrastructure technology.





Environmental responsibility

2011 performance

Air quality

- Reduced nitrous oxides emissions by shutting down old equipment, and using advanced burner technology and abatement systems.
- Reduced our chlorofluorocarbon refrigerant leak rate from 7.27 percent to 4.8 percent by decommissioning 20 percent of our chiller inventory.

Biodiversity

- Conducted biodiversity assessments and found that none of our operations impact high biodiversity areas.

Climate change

- Set a goal to reduce GHG emissions per chip produced by 30 percent by 2015 (from a 2010 baseline).
- Joined the worldwide industry in establishing a goal to reduce GHG emissions by 30 percent per area of silicon wafers processed by 2020 (from a 2010 baseline).
- Complied with the U.S. Environmental Protection Agency's Tailoring Rule and mandatory reporting of GHG emissions from combustion sources.
- Generated a carbon footprint of 2.32 million metric tons carbon dioxide equivalent (MMTCO₂e). The footprint increased 18 percent from 2010 due to increased energy use from expanded TI operations.

Energy use

- Saved \$7.1 million in annual energy costs through efficiency projects.
- Sourced 10 percent of the electric power used by our Texas sites from wind power. Worldwide, TI purchased 5 percent of electricity from renewable energy certificates and 16 percent from hydroelectric power plants.
- Increased energy use globally 8 percent since 2010 (to 10.7 million British thermal units or 3,123 million kilowatt hours) due to expanding operations. However, TI has reduced the amount of energy required to design, market and manufacture a semiconductor chip by 33 percent since 2005.

Transportation

- Opened our first product distribution center in Shanghai, China, which reduced shipping costs and expedited product arrival for our Asia-Pacific customers.
- Doubled participation in TI's annual Bike to Work Day, which kept 5,820 pounds of carbon dioxide out of the atmosphere.
- Replaced eight older vehicles in our North Texas fleet with more efficient options, including adding one hybrid.



Water use

- Implemented efficiency projects that saved about 467 million gallons of water and \$1.5 million.
- Reused 1.5 billion gallons of water, enough to fill 2,273 Olympic-sized swimming pools.
- Increased total water use globally by 21 percent due to the addition of several new facilities.
- Identified the most innovative water reduction and reuse projects across the company, and began applying these practices worldwide.

Waste management

- Ended the year with a waste efficiency (recycling) rate of 92 percent.
- Kept 7,166 kilograms (nearly 8 tons) of silicon wafers out of the waste stream by recycling scrap wafers.
- Increased organic recycling at TI's North Texas campuses by more than 155 percent over the past four years.

Procurement

- Began evaluating how efficiently we use the direct materials we purchase (those used to manufacture semiconductors that are present in our final products).

Sustainable site

- Reduced our utility bill (including electricity and water) by about \$31 million due to efficiency investments made since 2006.
- Consolidated workspace at some Texas sites, and rebuilt about 250,000 square feet of space with more efficient windows and lighting.

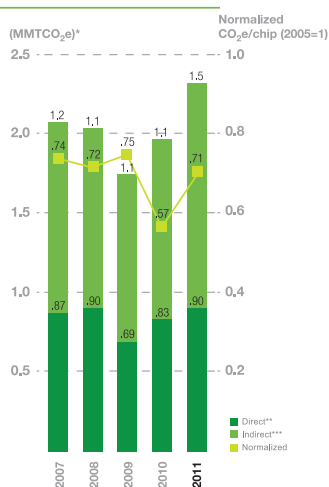




Looking ahead

- Reduce utility costs by \$6 million by implementing energy-savings projects.
- Examine TI's global distribution centers, transportation providers and strategies holistically to identify cost and efficiency opportunities.
- Evaluate the environmental performance of former National Semiconductor facilities to prioritize capital investments and consolidate building space.
- Begin ramping down two older, less-efficient TI factories and transfer production to more efficient sites.
- Boost overall waste efficiency (recycling) rate to 95 percent.
- Reduce chemical use by 3 percent at manufacturing sites.
- Expand and increase participation in global commuting programs.
- Continue to review the International Union for Conservation of Nature Red List to understand any potential risks to plant and animal species and ensure there are no impacts due to TI operations.
- Maintain compliance with existing GHG emissions regulations and continue reporting to the Carbon Disclosure Project.
- Continue monitoring our purchase of direct materials and production demands to better understand our resource-use efficiency.

Carbon footprint



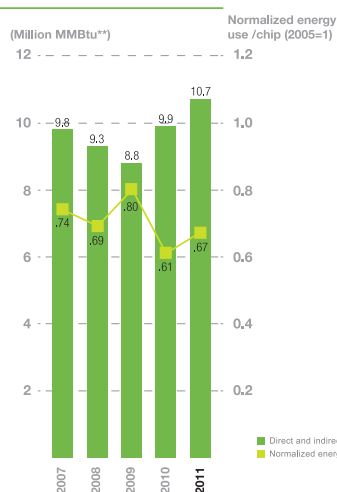
*Million metric tons equivalent carbon dioxide (MMTCO₂e) is a unit of measure for GHGs. Emission totals are from global TI manufacturing sites only.

**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.

TI discovered an inaccuracy in a specific data set of U.S. fab performance information. Based on this information, TI has updated its direct GHG emissions for 2011, which result in a 2.6 percent increase in TI's total carbon footprint published in May 2012.

Total energy use*

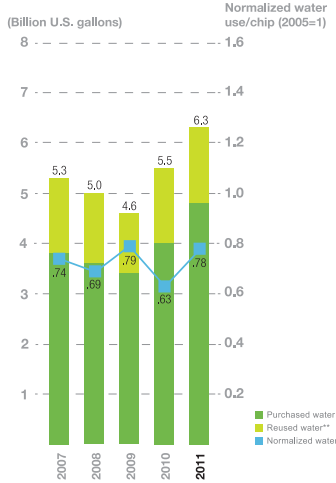


*The total of all energy resources consumed by TI (direct and indirect). Total energy use increased due to the continued ramp-up of two manufacturing facilities and an assembly/test site as well as decreased efficiency in operations that were unloaded, including two facilities in Japan impacted by the March 2011 earthquake. The total also includes indirect energy consumed by our onsite gases supplier at our Dallas north campus.

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



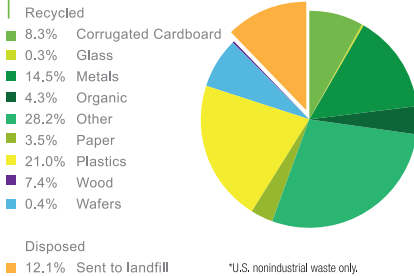
Total water use*



*Water obtained from local utilities and on-site wells. This does not include 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.

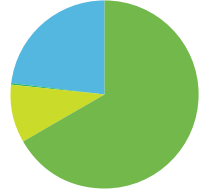
**TI reclaimed and recycled 23% of total water use in 2011.

Waste by type*



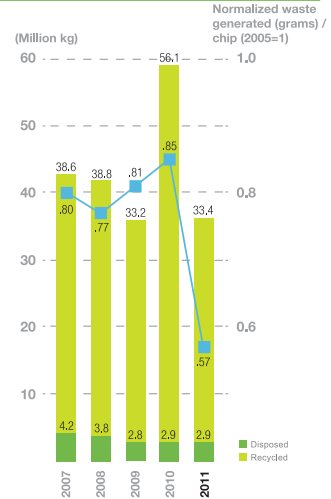
Water sources

- 67% Municipal water
- 10% Well water
- 0.3% Rain water
- 23% Recycled and reclaimed



Total water withdrawn by source: 6.5 billion gallons.

Total waste



TI recycled 92% of its total waste worldwide.



Employee well-being

2011 performance

Safety

- Achieved the best safety rate in the U.S. semiconductor industry, with the lowest recordable incidence rate overall and lowest restricted workday cases according to the Semiconductor Industry Association.
- Reduced the on-the-job recordable injuries rate to 0.19 per 100 employees, which exceeded our 0.20 goal. Lost/restricted day cases also declined from 0.13 in 2010 to 0.085.
- Regrettably, had one work-related fatality that resulted from an equipment malfunction. This employee was a friend and colleague, and will be missed.
- Developed a new health and safety metrics tracking system that will help us share and respond to potential risks faster.
- Performed more than 2,264 ergonomic assessments for computer workstations.

Health

- Launched a high-deductible health plan that includes a health savings account. TI contributes \$500 per employee or \$1,000 per family.
- Established a new benefits advocacy service to assist employees.
- Unveiled Color Matters, an awareness campaign designed to help employees identify healthy food options.
- Enabled nearly 550 employees and dependents to take advantage of our Individual Health Management service. TI has seen nearly a 275 percent return on this program's investment through avoided health care costs.

Work-life balance

- Served more than 3,100 U.S. employees and fulfilled more than 9,200 concierge requests to shop for gifts, plan parties and complete other tasks, which saved employees time and trips away from work sites during business hours.
- Named by Working Mother Magazine as one of its 100 Best Companies for Working Mothers for the 16th consecutive year.
- Enabled almost 19,000 employees and their family members to attend symphony concerts, theater productions, museums, gardens and zoos as part of our partnerships with affiliated arts and cultural organizations in Dallas.
- Enabled 60 percent of our workforce to telecommute. Of that group, an estimated 77 percent worked remotely at least once per month.



Pay and benefits

- Launched a Perks@TI website to build employee awareness of the extensive benefits we offer.
- Performed a site-level comparison of wages and benefits at TI and former National Semiconductor sites to ensure they were based on competitive market practices.
- Increased salaries and paid about 17.3 percent of profit sharing.
- Enabled about 95 percent of U.S. employees to participate in a retirement program.
- Contributed \$55 million to employees' 401(k) savings plans.

Diversity and inclusion

- Named by the Human Rights Campaign Foundation among the Best Places to Work for gay, lesbian, bisexual and transgender equality.
- Named by the National Association for Female Executives among the Top 50 Companies for Executive Women in the U.S.
- Sponsored a large gender symposium along with Catalyst and members of the Diversity Consortium. Rich Templeton gave the keynote address at the event which focused on the development of women employees.
- Conducted Feedback Across Differences workshops for more than 400 U.S. employees.

Recruitment

- Welcomed and provided orientations for more than 5,000 new employees gained through the acquisition of National Semiconductor.
- Hired about 3,200 new employees globally. Approximately 40 percent were women and 48 percent of new U.S. hires were ethnic minorities. We also increased new college graduate hires worldwide by 75 percent.
- Offered 200 top-performing new college graduates the opportunity to work full time while discovering their passion, gaining hands-on experience with challenging projects, and receiving customized mentoring from industry leaders through a global rotation program.

Retention

- Testified to a U.S. Congressional Subcommittee on how to best retain U.S. university graduates holding advanced degrees in science, technology, engineering and math.
- Recognized approximately 48 percent of our workforce who had more than 10 years of service with the company. Another 21 percent have been with TI for 20 years or more. The average tenure of our global workforce is 12 years.
- Experienced a slight increase in employee-initiated turnover, which was at 6.5 percent.



Human rights

- Complied with the California Transparency in Supply Chains Act of 2010, which requires companies to report on their efforts to eradicate slavery and human trafficking in their supply chain.
- Assessed the human rights, ethics standards and labor performance of critical suppliers.
- Successfully resolved five allegations of discrimination filed by employees and contractors.
- Was not made aware of any incident related to human rights abuses involving indigenous people, forced or compulsory labor, child labor, or violations of freedom of association and collective bargaining.
- Met with factory managers in China to ascertain how TI's human rights standards are being integrated and to provide additional related training.

Development

- Offered customized, individual leadership development opportunities to employees selected through our talent review process.
- Elected or promoted 220 employees to TI's Technical Ladder, a prestigious company institution that recognizes, rewards and encourages exceptional technical contribution and leadership.
- Provided more than 35 hours of training per employee.
- Unveiled several new Learn@TI channels to provide targeted content for global TI employees. It contains comprehensive learning and development resources to help solve business problems, and build technical and professional skills. Nearly 19,000 unique users visited Learn@TI during the year.
- Helped 455 employees further their education by reimbursing a total of \$2.2 million in tuition.

Recognition

- Increased the average value of awards recognizing employees who made professional contributions during the year compared to 2010.



Engagement

- Improved the design, navigation and content organization of our internal news portal, Infolink. Employee visits increased 270 percent.
- Launched local portals to enable TI sites in Europe, the Middle East, Asia, India and China to post site-specific information or repurpose global content in their native languages.
- Created an integration room on Infolink for former National Semiconductor employees that explained where they could find specific information, get their questions answered, or learn about our teams.
- Incorporated feedback from our employee panel and employee communications forum to strengthen communications programs.
- Leveraged social media to communicate critical information to our employees at TI Japan sites, who were impacted by the March earthquake. This helped expedite a two-way flow of information in a time of crisis.

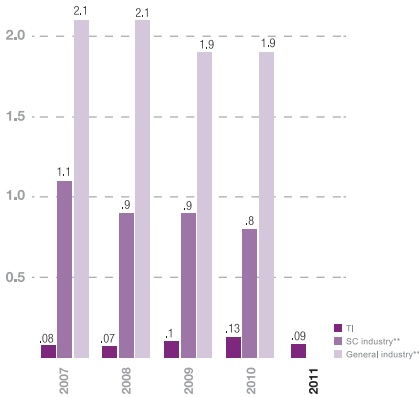
Looking ahead

- Develop a new health and safety metrics tracking system that will help us share and respond to potential risks faster.
- Achieve a lost/restricted day cases rate of 0.08 or less and an on-the-job recordable injuries rate of 0.20 or better.
- Launch a 12-12-12 campaign to encourage employees to spend 12 minutes each day on a healthy or relaxing activity (e.g., exercise, yoga or reading) and/or lose 12 pounds over 12 months.
- Offer on-site biometric screening programs at U.S. sites.
- Grow our global intern/co-op programs and increase new college graduate hiring to meet our future needs.
- Implement an infrastructure that supports our multiyear China hiring plan to meet TI's future needs for skilled professionals.
- Expand global rotation training programs for sales, applications, manufacturing management, product/test, and finance and operations.
- Continue building a strong bench of leaders and evaluate their readiness for critical roles.
- Visit former National Semiconductor sites to evaluate their human rights policies, reporting processes and training needs.



Lost/restricted day cases*

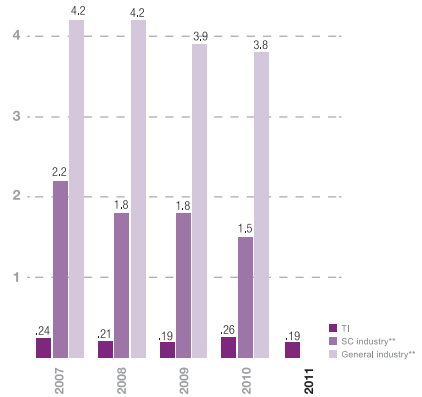
(Cases per 100 employees)
2,5



*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)
5

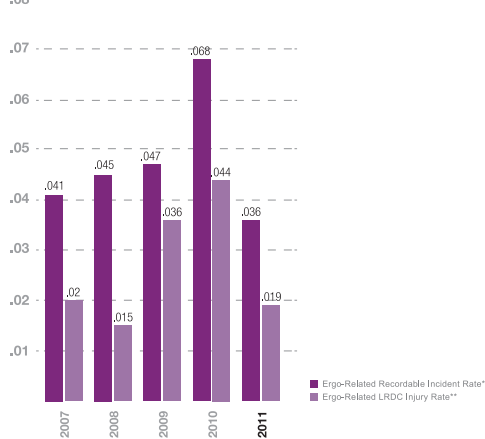


*Work-related injury (rate per 100 employee-years) that requires treatment beyond first aid or results in lost time or restricted job duties for one or more workers as defined by the U.S. Occupational Safety and Health Administration.

**Industry data provided by the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. Statistics represent U.S. performance only. Semiconductor and general industry data for 2011 were not available at the time of report development.

Ergonomics-related cases

(Cases per 100 employees)



*Recordable ergonomics-related injuries decreased by 92% from 1999 to 2011.

**Lost/restricted day case ergonomics-related injuries decreased by 95% from 1999 to 2011.



Community commitment

2011 performance

Giving

- TI granted \$22.2 million from corporate funds to support numerous agencies, programs and charities. Of that amount, \$12 million went to support the TI Foundation. The TI Foundation made \$10.8 million in grants and matching gifts by year-end.
- TI and the TI Foundation invested \$2.26 million to support arts and cultural groups and programs.
- TI Foundation, employees and retirees provided \$4.9 million to the United Way for lasting community improvements. Additionally, TI and the TI Foundation granted almost \$1.9 million to support other health and human services programs.
- Gave almost \$1 million through TI Foundation, employee and retiree gifts in support of the American Red Cross Japan Earthquake and Pacific Tsunami Fund, established following the March earthquake and tsunami that affected Japan.
- Renamed the National Semiconductor Foundation as the TI Community Fund. It will be used to improve science, technology, engineering and math (STEM) education and address critical community needs in TI locations globally.

Education

- TI and the TI Foundation granted \$14.6 million to develop STEM teachers and support related student programs to increase the number of graduates entering the technology workforce.
- Announced a \$1 million Power of STEM Education initiative through the TI Community Fund to provide collaborative grants in four new TI communities in California, Maine, Scotland and Malaysia to improve student achievement and teacher effectiveness in STEM.
- Provided educators with an unprecedented level of resources and support through TI's Education Technology initiatives.
- Funded and installed multimedia classrooms in 30 schools and libraries in 20 schools in Nanbu County, China, one of the country's most impoverished.



Volunteerism

- Enable employees to donate 35,201 hours of their time, valued at more than \$750,000, to community organizations.
- Increased tracked U.S. volunteer hours by 12 percent.
- Expanded the TI Founders Community Service Awards program to India. A total of seven individuals and three teams were recognized for improving their communities in the U.S. and India.
- Received numerous local recognitions for corporate and employee involvement in communities, including the Trendsetter Award from the United Way of Metropolitan Dallas for our focus on volunteerism.

Engagement

- Learned that stakeholders' top social and environmental questions and concerns included supply-chain management (particularly conflict minerals and labor practices); business continuity preparedness following global natural disasters; and issues related to environmental impact, including climate change management, water use, energy use and renewable energy.
- Increased social engagement with customers and grew our E2E Community to more than 75,000 registered members in just three years.
- Trained more than 26,000 customers in person and delivered more than 111,000 online technical courses, a 60 percent increase.

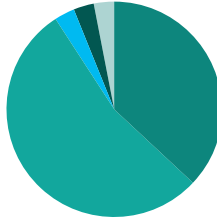
Looking ahead

- Introduce the TI Foundation's volunteer incentive program, which matches the hours a U.S. employee or retiree volunteers with a grant to a qualified organization.
- Provide training and support to assist targeted TI sites with building more robust volunteer programs.
- Expand our Community Ambassador program to other U.S. sites.
- Expand the TI Founders Community Service Awards globally.
- Expand and leverage TI's support of STEM education in the four communities it recently gained through the National Semiconductor acquisition.
- Continue to enhance, integrate and enrich student and educator STEM experiences through the use of our classroom technology.
- Fund a TI Project Hope school in Nanbu County, China, through the China Youth Development Foundation.
- Announce a program with the Girl Scouts of Northeast Texas that engages and encourages girls to explore STEM opportunities.
- Formally launch a new corporate blog, Around TI, to provide more insight on how TI innovation and operations are impacting the world.



Corporate giving by type

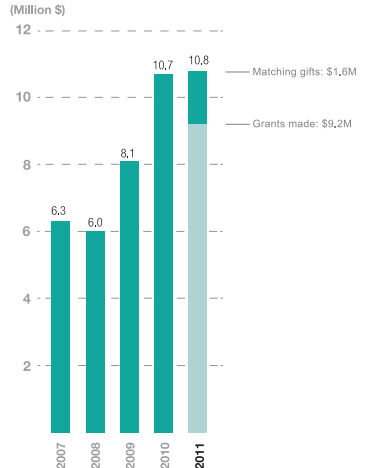
- 37% Education
- 54% TI Foundation contribution*
- 3% Health and human services
- 3% Arts and culture
- 3% Civic and business



2011 TI corporate contributions worldwide: \$22.2 million

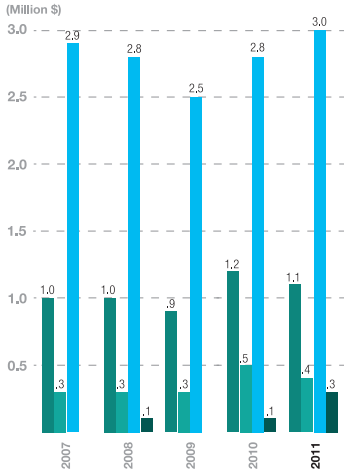
*TI gives an annual donation to the TI Foundation. In 2011, TI contributed \$12 million. The TI Foundation funded \$10.8 million in programs through grants and matching gifts.

TI Foundation giving*



*Includes grants to eligible organizations, in addition to employee matched contributions.

Employee giving



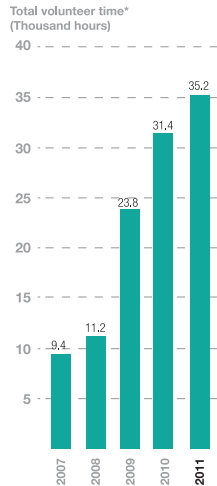
- Education*
- Arts and culture*
- Health and human services (United Way and others)
- Disaster relief**

*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



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



Responsible advocacy

2011 performance

- Advocated and secured support for research initiatives, U.S. anti-counterfeit laws, U.S. patent laws, trade agreements, and clean and energy-efficiency policies.
- Continued to ensure that all lobbying activity and funding are accounted for and properly disclosed.
- Supported legislation that would remove per-country caps on employment-based visas.
- Advocated to reform U.S. immigration policies affecting highly educated foreign professionals who graduate with advanced degrees.

Looking ahead

- Continue to develop and enhance relationships with policymakers, specifically those in California, Maine and Scotland, where TI now has a significant presence.
- Advocate to ensure a fair and competitive playing field for TI products, and to advance the company's reputation as an ethical supplier and partner.





Corporate governance

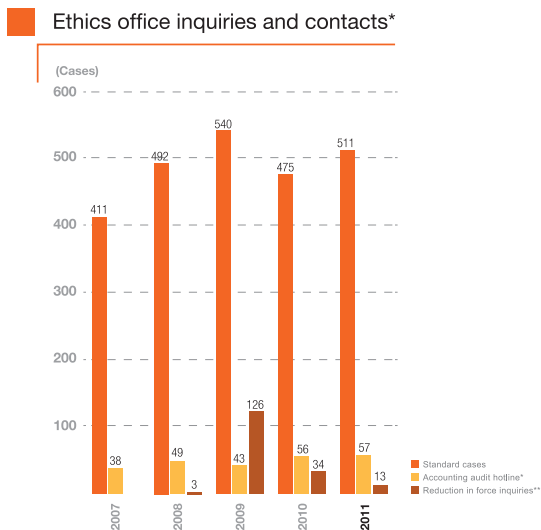
2011 performance

- Thanked David Boren and David Goode, who retired from our board of directors after more than 16 and 15 years of service, respectively. Welcomed Robert Sanchez, president and COO of Ryder System, Inc., as a new board member.
- Began working to ensure that our standards and expectations for ethical and lawful behavior are understood and embraced by former National Semiconductor employees.
- Experienced no material incidents and received no material fines due to noncompliance with environmental, labor or human rights laws. Received no formal allegations of suspected bribery or corruption.
- Provided ethics and compliance awareness training to 99.2 percent of employees. Of our top 130 managers, 100 percent completed the training.

Looking ahead

Train:

- All employees worldwide on ethics at TI and all salaried employees on export control basics.
- Selected audiences on the Foreign Corrupt Practices Act and other anti-corruption topics.
- All U.S. employees working in a nonmanufacturing workspace on environmental, safety and health.



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

**Submitted through the accounting audit hotline.

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**.

Stay up-to-date year round through **www.ti.com/citizenship**.



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This communication contains some forward-looking statements that involve a number of risks and uncertainties that could cause actual results to differ materially from predictions. These "forward-looking statements," including descriptions of TI's expectations, plans, intentions or goals, are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Please refer to TI's most recent Form 10-K for more information on the risks and uncertainties that could materially affect future results of operations. We disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

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