Welcome to your CDP Water Security Questionnaire 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Texas Instruments (TI) designs and makes semiconductors that we sell to electronics designers and manufacturers all over the world. Our approximately 80,000 analog and embedded processing products help over 100,000 customers efficiently manage power, accurately sense and transmit data and provide the core control or processing in their designs, going into markets such as industrial, automotive, personal electronics, communications equipment and enterprise systems. With headquarters in Dallas, Texas, we have design, manufacturing or sales operations in more than 30 countries and employ approximately 30,000 people.

For many years, we have run our business with three overarching ambitions in mind. First, we will act like owners who will own the company for decades. Second, we will adapt and succeed in a world that is ever changing. And third, we will be a company that we are personally proud to be a part of and that we would want as our neighbor. When we are successful in achieving these ambitions, our employees, customers, communities and shareholders all win.

Our commitment to being a good corporate citizen – including environmental, social and governance (ESG) and sustainability priorities – impacts our communities and the world in two ways.
• Our ambitions guide how we run our business and are foundational to ensuring that we operate in a sustainable, socially thoughtful and environmentally responsible manner. Central to these ambitions is a belief that in order for all stakeholders to benefit, the company must grow stronger over the long term.
• Semiconductors are and will continue to play a critical role in creating a better world and helping reduce environmental impacts. Semiconductors reduce energy consumption by making electric motors smarter. They electrify vehicles for a cleaner environment and preserve natural resources by sensing water and gas leaks. For decades, we have operated with a passion to create a better world by making electronics more affordable through semiconductors. Our passion is alive today and is central to the growing list of the ways in which semiconductors help create a better world.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2020	December 31, 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.
China
Germany
India
Japan
Malaysia
Mexico
Philippines
Taiwan, Greater China
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.
USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Leased and owned facilities that are less than 50,000 square feet in size.	Facilities smaller than 50,000 square feet are typically design or sales facilities where usage is limited to common sanitary and potable uses.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Water is a key ingredient in semiconductor manufacturing. We use it to create deionized water, a critical component in our production processes. Our primary water supply at most of our manufacturing sites is local municipal water. We consider indirect use to be important to operations because many of our suppliers use water in their production processes.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	In 2020, our sites recycled 27.46% of the water used. For example, recycled water is used in cooling towers, scrubbers or in manufacturing processes.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Water withdrawals (total volume) are tracked across all major TI facilities.
Water withdrawals – volumes by source	76-99	Water withdrawals by source are tracked across all major TI facilities.
Water withdrawals quality	76-99	Water withdrawals quality is regularly monitored at all of our manufacturing facilities. Within the U.S., we predominantly use municipal water, the quality of which is determined by federal and state regulations. To confirm water quality, regular testing is conducted to ensure internal standards are maintained.
Water discharges – total volumes	76-99	Water discharges (total volume) are tracked across our manufacturing facilities.
Water discharges – volumes by destination	76-99	Volume of water discharged by destination is tracked across our manufacturing facilities.

Water discharges – volumes by treatment method	76-99	Volume of water discharges by treatment are tracked across our manufacturing facilities.
Water discharge quality – by standard effluent parameters	76-99	Water discharge quality by standard effluent parameters is tracked across our manufacturing facilities. Parameters that are evaluated vary for each site, but are typical for the semiconductor sector and typically include biological oxygen demand, total suspended solids, metals, pH, and temperature.
Water discharge quality – temperature	76-99	We monitor, track and comply with water discharge temperature requirements where applicable.
Water consumption – total volume	76-99	The volume of water consumption is monitored and tracked across our manufacturing facilities.
Water recycled/reused	76-99	We reuse water in manufacturing processes, cooling towers, and some irrigation to reduce municipal water consumption.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Fully-functioning WASH services that meet local guidelines are a requirement at all of our facilities as outlined in TI's environment, safety and health (ESH) Standards. These standards include or reference other standards and codes including the World Health Organization's "Prevention of Foodborne Disease" and the Responsible Business Alliance's (RBA) Validated Audit Process Protocol.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	18,560	Higher	The increase in total withdrawal is primarily driven by an increase in production in 2020. On a per chip basis, we continued to decrease. In 2020, the water used per chip was 42% of 2005 usage. In 2020 we completed 76 water conservation projects resulting in a combined savings of 206.92 million gallons/year or 783 megaliters.

Total discharges	15,735	Higher	The increase in discharge was driven by our increased total water withdrawal as result of an increase in production. The total water discharged through 2020 increased by 6.5% from 2019.
Total consumption	2,825	Lower	Consumption is calculated as total water withdrawals (water in) minus total water discharged (water out). Water is "consumed" in our operations through evaporation (primarily cooling towers and air pollution control equipment), onsite landscaping irrigation, and in some waste streams. During 2020, we consumed approximately 15% of our total water withdrawals globally. The decrease is primarily due to the fact that our discharges increased slightly more than our withdrawals did.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	Lower	WRI Aqueduct	Our water withdrawals come from local utility companies. We designate areas as water stressed if they are noted in the Aqueduct Water Risk Atlas as high, extremely high, or arid and low water use. The percentage of water withdrawals from water-stressed areas decreased slightly from 15.1% in 2019 to 14.5% in 2020.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant			We do not withdraw from fresh surface water, such as rainwater, wetlands, rivers or lakes for any manufacturing purposes.
Brackish surface water/Seawater	Not relevant			We do not withdraw brackish surface water or seawater.
Groundwater – renewable	Relevant	1,408	Lower	Several of our manufacturing sites use groundwater, primarily as a substitute for municipal water depending on quality.
Groundwater – non-renewable	Not relevant			We do not withdraw non-renewable groundwater.
Produced/Entrained water	Not relevant			We do not produce water or use produced water in our manufacturing process.
Third party sources	Relevant	17,152	Higher	Increase in water use was primarily driven by an increase in production in 2020.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	1,124	Higher	The increase is primarily driven by an increase in production in 2020.
Brackish surface water/seawater	Not relevant			We do not release to brackish surface water or seawater.

Groundwater	Not relevant			We not discharge directly to groundwater.
Third-party destinations	Relevant	14,611	Higher	Discharge is primarily into municipal wastewater plants. The increase is primarily driven by an increase in production in 2020.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	781	About the same	1-10	Some manufacturing sites have systems that remove undesirable colloidal and dissolved solids through a chemical treatment system, typically through coagulation and flocculation.
Secondary treatment	Relevant	174	About the same	1-10	Some manufacturing sites have systems that treat high chemical oxygen demand waste

					streams with a biological process, such as activated sludge.
Primary treatment only	Not relevant				No water discharge with only primary treatment
Discharge to the natural environment without treatment	Not relevant				Water is not discharged to the natural environment without treatment
Discharge to a third party without treatment	Not relevant				Water is not discharged to a third party without treatment
Other	Relevant	14,780	About the same	91-99	Although primary, secondary and tertiary treatment is not performed at all sites, all wastewater undergoes elementary neutralization prior to discharge to municipal waste plants for further treatment. Certain waste streams are segregated from wastewater to prevent pollutants

					from entering TI's wastewater. For example, solvent and organic waste streams are segregated from industrial wastewater for reuse or disposal. Waste streams containing concentrated metals are collected for metals reclaim and/or disposal.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

No, we do not engage on water with our value chain

W1.4d

(W1.4d) Why do you not engage with any stages of your value chain on water-related issues and what are your plans?

	Primary reason	Please explain
Row 1	Other, please specify We continue to assess the need for more specific engagement on water-related issues with our value chain, as detailed in the comments.	We continue to assess the need for more specific engagement on water-related issues with our value chain. We encourage our suppliers to consider all relevant environmental issues as part of their responsible management processes through our supplier agreements and additional information provided via our various supplier engagement programs (including our commitments to the RBA). TI requires suppliers to: (1) achieve and maintain benchmark levels of performance in ensuring manufacturing processes are environmentally responsible. (2) demonstrate their commitment by complying with the TI Supplier Code of Conduct, (3) establish and implement appropriate policies and procedures, including (but not limited to) the following:

		- an ESH policy that is approved by the supplier's board of directors, the chief executive officer or equivalent management. - a process or system to identify all applicable ESH laws, regulations, rules, ordinances, permits, licenses, approvals, orders, standards, and relevant customer requirements and ensure compliance with them. - a process or system to determine and control significant ESH impacts and risks, and demonstrate continual improvement and conservation of natural resources. More information on our supplier responsibility programs can be found here: https://www.ti.com/lit/ml/szzo006/szzo006.pdf

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
> No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
> No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?
> Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
> Full

Risk assessment procedure
> Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Every two years

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

WRI Aqueduct

Internal company methods

External consultants

Comment

TI conducts various levels of related risk assessments. Each site incorporates water use and consumption in their annual site risk assessment, which is a requirement of our ESH management system, (certified to ISO 14001 standard). Any risks identified are reviewed by the WWESH Director, who oversees TI's water strategy, in a compliance function risk assessment performed annually. This information is incorporated into our business continuity assessments which are conducted every 3 years or as significant changes occur.

A risk assessment on water-related issues is always conducted prior to new construction.

We also use the Aqueduct Water Risk Atlas to identify water-stressed areas. We designate areas as water stressed if they are noted in the Aqueduct Water Risk Atlas as high, extremely high, or arid and low water use.

Supply chain

Coverage

None

Comment

Environment-related risks are considered as part of our supply chain strategy. We use the RBA Code of Conduct, a set of social, environmental and ethical industry standards, as the basis for our Supplier Code of Conduct, which allows us to track a variety of risks within our supply chain. For critical suppliers, their performance on the above-described risk assessments is included in a biannual supplier performance measurement program called CETRAQ, which focuses on identifying risk in the areas of cost, environment and social responsibility, technology, assurance of supply and quality. The output of this assessment is reviewed together by TI and the suppliers' management team.

Other stages of the value chain

Coverage

None

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water is primarily withdrawn from municipal water sources. To ensure long-term water availability, we have controls in place to reduce and reuse water where we can. We consult with local water authorities to assess long-term availability and use needs, when necessary.
Water quality at a basin/catchment level	Relevant, always included	Water is primarily withdrawn from municipal water sources. Water quality is an essential part of semiconductor manufacturing which requires stable, good quality and sufficient water supply. Because water is so important to our operations, and to the communities where we operate, we take great care to use it responsibly and efficiently. TI continuously monitors the water quality and quantity of our water intake and storage systems.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Our risk assessment identifies key local stakeholders and ensures there are not conflicts.
Implications of water on your key commodities/raw materials	Relevant, always included	Through our supplier agreements and additional information provided via our various supplier engagement programs (including our commitments to the RBA), we encourage our suppliers to consider all relevant environmental issues as part of their responsible management processes. TI does not depend on one supplier for any one commodity, which minimizes our risk. Our business continuity planning includes alternatives to key commodities.
Water-related regulatory frameworks	Relevant, always included	We engage with local regulators in each of the areas we operate to ensure that our water needs and projections of future use are not impacted.
Status of ecosystems and habitats	Relevant, always included	We do not currently have any operations in sensitive areas.

Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Fully-functioning WASH services that meet local guidelines are a requirement at all of our facilities.
Other contextual issues, please specify	Not relevant, explanation provided	No additional contextual issues have been identified as applicable to our industry or our manufacturing process.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Our customers demand assurance of supply. It is a top priority to maintain customer relationships, generate revenue and protect future business.
Employees	Relevant, always included	Each year, we measure and report our environmental, social and governance (ESG) performance. For our employees, we discuss a full spectrum of topics that impact our business and TIers' well-being. As an example, our Worldwide ESH team provides annual training to employees on water-related issues such as stormwater management requirements, and how to report drips and leaks to minimize wasted water, etc.
Investors	Relevant, always included	Each year, we measure and report our ESG performance. We engage with investors regularly to understand their areas of interest and discuss TI's priorities, strategy and progress regarding ESG-related topics.
Local communities	Relevant, always included	To ensure long-term water availability, we have controls in place to reduce and reuse water where we can. We consult with local water authorities to assess long-term availability and use needs. At our Texas sites, which make up the largest concentration of our operations, we stay connected with the Texas Water Development Board and its survey activities. Since we are stakeholders in the Dallas Water Utilities long-range water supply project, we participate in related public meetings and stay current on its status. This enables us to help shape the community's water supply into the future and prepare our own operations.
NGOs	Relevant, always included	We are committed to managing our ESG impacts, as well as understanding our stakeholders' interests. Our engagement with NGOs is considered on a case-by-case basis.

Other water users at a basin/catchment level	Relevant, always included	We tailor our engagement strategies, methodologies and communications to the unique interests of the people and organizations that directly influence or have an interest in our operations. Any potential impact to other water uses in the catchment/water basin would be fully evaluated during the planning phase of any TI projects.
Regulators	Relevant, always included	Regulators determine possible restrictions based on water availability. These restrictions can determine operability. Our Worldwide ESH professionals engage with regulators in each of the regions we operate to monitor potential changes and ensure ongoing compliance.
River basin management authorities	Relevant, always included	TI interacts with relevant river basin management authorities in the areas in which we operate, and we consider these in our water-related risk assessments. As a requirement of our ESH management system, which is certified to ISO 14001, each of our sites evaluate water risks – such as availability, quality and groundwater impacts – in an annual assessment.
Statutory special interest groups at a local level	Relevant, always included	We are committed to managing our ESG impacts, as well as understanding our stakeholders' interests. Our engagement with special interest groups is considered on a case-by-case basis.
Suppliers	Relevant, always included	Suppliers can impact operational issues (such as quality). Effective supply chain management enables us to reduce costs and waste, streamline efficiencies and increase our competitiveness. Integrating responsible business practices into our supply chain also helps mitigate our vendors' business, labor and environmental risks.
Water utilities at a local level	Relevant, always included	To ensure long-term water availability, we have controls in place to reduce and reuse water where we can. We consult with local water authorities to assess long-term availability and use needs. At our Texas sites, which make up the largest concentration of our operations, we stay connected with the Texas Water Development Board and its survey activities. Since we are stakeholders in the Dallas Water Utilities long-range water supply project, we are able to participate as needed in related public meetings and stay current on its status. This enables us to help shape the community's water supply into the future and prepare our own operations. While we cannot control regions facing drought, we monitor future water availability issues for operations in North Texas, California, Mexico, China and India.
Other stakeholder, please specify	Not relevant, explanation provided	No additional contextual issues have been identified as applicable to our industry or our manufacturing process.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Each TI site incorporates water in their annual site risk assessment, which is a requirement of our ESH management system that is certified to ISO 14001. Any risks identified are reviewed by the WWESH Director, who oversees TI's water strategy, in a compliance function risk assessment performed annually.

Every three years or as needed, we conduct business impact risk assessments that evaluate whether additional water controls are needed to help ensure business growth, and to assess risks that could reduce or disrupt our supply chain and/or production. We also continually monitor local and country water restrictions and conservation measures. Our water management standard establishes minimum expectations for water, wastewater and storm water management. This standard applies to our manufacturing and assembly/test sites around the world and often exceeds applicable regulatory requirements.

We have dedicated water process system teams (PST) and champions at our corporate office and sites around the world who monitor consumption, maintain compliance and drive efficiencies. This information is shared with our ESH leadership. The water PST is comprised of TIers who are system experts from around the world, who manage water protection/conservation efforts, troubleshoot issues and ensure that our sites track water use, implement best practices, conduct assessments, mitigate risks and maintain compliance. Our site water champions gather and share water use data with the water PST, and promote conservation and share best practices.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

TI defines a substantive financial or strategic impact as anything that significantly affects the company's financial position or ability to manufacture or sell its products.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Since semiconductor manufacturing is a water-intensive process, we locate our manufacturing facilities in areas with proven availability to water resources and lower risks of short and long-term water shortages. In addition, we continually invest in water efficiency programs in order to help manage non-substantive water risks in our manufacturing operations. To assess the effectiveness of our water management strategies, we conduct comparative assessments of tools and processes, benchmark against peers and share best practices. We also track actual water usage at each site as well as projects that were completed to reduce consumption. Site managers review results and compare them to their site's specific water-reduction goals.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	We engage with our supply chain to the extent necessary to evaluate whether our suppliers face water risks with the potential for a substantive financial or strategic impact on TI. To date, we have not determined that any supplier exposes us to such an impact. We also work proactively with suppliers to source products and tools that help reduce our environmental impact. In addition, as member of the RBA, we request our top major suppliers to provide us with a self-assessment questionnaire (SAQ), which highlights any high-risk areas including risk indicators around water use and wastewater.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

In 2020 we completed 76 water conservation projects resulting in a combined savings of 206.92 million gallons/year or 783 megaliters. Since 2011, we have consistently reduced our water withdrawn per unit of production due to significant water reduction efforts at TI, such as using reclaimed water, reusing water in other processes, improving technology for our deionized water plants, reducing manufacturing tool idle flows and other efforts to identify and reduce water leaks.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Water-related savings for 2020 was $1.3 million. Our water-saving initiatives implemented so far have reduced our costs. Teams such as the water PST collaborate and share ideas on optimizing systems and reducing water consumption. Overall, the initiatives have achieved significant water savings.

Type of opportunity

Products and services

Primary water-related opportunity

Sales of new products/services

Company-specific description & strategy to realize opportunity

Some of our technology solutions may enable water efficiency and conservation – in utilities distribution and monitoring or home appliances. For example, new metering

technology using TI's advanced flow metering chip helps make every drop of water count by significantly improving accuracy while reducing overall cost and power consumption. However, we have not quantified this information.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact
We recognize that sound water management is increasingly important. This creates opportunity for our more energy efficient product lines as well as our more innovative analog products designed to help management of water use.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water	Our ESH policy and principles guide our efforts to operate sustainably: https://www.ti.com/lit/ml/sszo051/sszo051.pdf. TI's water-related targets and goals are found in our annual Corporate Citizenship Report, found at this link: https://www.ti.com/about-ti/citizenship-community/texas-instruments-citizenship.html.

	Description of water-related standards for procurement Company water targets and goals Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action	Our Supplier Code of Conduct includes expectations of suppliers around key issues such as water conservation and stewardship: https://wpl.ext.ti.com/Content/File/17. These documents are found in our Corporate Citizenship page, found at this link: https://www.ti.com/about-ti/citizenship-community/overview.html.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	Management, under the direction of the Board, sets policies and practices regarding the risks, challenges and opportunities facing the company, including environmental and water issues. The Board's Audit Committee oversees the company's risk assessment processes and ESH compliance efforts, including climate and sustainability-related matters. The CEO, CFO and General Counsel/Chief Compliance Officer review the company's risk management process and assess the risks most relevant to the company. The CFO reviews the company's risk management process and relevant risks with the Audit Committee. In addition, the Board's Governance and Stockholder Relations Committee also oversees ESG matters in connection with its responsibility to review public issues of interest to company stakeholders.
Chief Financial Officer (CFO)	Management, under the direction of the Board, sets policies and practices regarding the risks, challenges and opportunities facing the company, including environmental and water issues. The Board's Audit Committee oversees the company's risk assessment processes

	and ESH compliance efforts, including climate and sustainability-related matters. The CEO, CFO and General Counsel/Chief Compliance Officer review the company's risk management process and assess the risks most relevant to the company. The CFO reviews the company's risk management process and relevant risks with the Audit Committee. In addition, the Board's Governance and Stockholder Relations Committee also oversees ESG matters in connection with its responsibility to review public issues of interest to company stakeholders.
Other C-Suite Officer	Management, under the direction of the Board, sets policies and practices regarding the risks, challenges and opportunities facing the company, including environmental and water issues. The Board's Audit Committee oversees the company's risk assessment processes and ESH compliance efforts, including climate and sustainability-related matters. The CEO, CFO and General Counsel/Chief Compliance Officer review the company's risk management process and assess the risks most relevant to the company. The CFO reviews the company's risk management process and relevant risks with the Audit Committee. In addition, the Board's Governance and Stockholder Relations Committee also oversees ESG matters in connection with its responsibility to review public issues of interest to company stakeholders.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding strategy	Board oversight of ESH matters, including climate and sustainability issues, includes (1) establishing broad policies for guidance of the organization, (2) implementing those policies by delegation of authority and assigning responsibilities to Board committees, the CEO and other officers or employees as appropriate, and (3) monitoring and evaluating performance to assure that the stated policies are being followed. The Board's Audit Committee oversees environmental compliance efforts and risk assessment process, which includes CFO review of the company's enterprise risk management process and relevant risks at least annually. In addition, the Worldwide ESH Director and Vice President responsible for Worldwide Facilities have specific responsibility for environmental issues and provide

			risk assessments (inclusive of climate change, when relevant) to the Audit Committee. Where environmental issues may have significance for TI, these matters are included in ESH reviews to the Audit Committee that occur at least annually.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Annually

Please explain
At TI, enterprise and operational issues, including environmental issues, are monitored by the CEO and the CFO and General Counsel/Chief Compliance Officer, both of which report to the CEO.

The CEO and CFO oversee the planning, development, and financial decision-making for the company, including capital and other expenditures that may be used to address TI's environmental goals and strategy. The CFO also reviews the company's risk management process and relevant risks with the Audit Committee at least annually.

In addition, the Worldwide ESH Director, who reports to the Vice President of Worldwide Facilities, who reports to the CFO, works together with the CFO and the Senior Vice President of Manufacturing to develop the company's strategic plan and goals related to environmental issues. This strategic plan is then reviewed at least annually with the CEO and General Counsel/Chief Compliance Officer and is monitored by the Audit Committee of the Board.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Water is an essential part of manufacturing semiconductors. We use it to create deionized water – a critical component in our production process. Because water is so important to our operations – and to the communities where we operate, we take great care to use it responsibly and efficiently. Conserving water also enables us to reduce costs, ensure long-term availability and preserve this natural resource. In 2020 our biggest projects involved continued optimization of the deionized reclaim system at our Richardson wafer fabrication plant, saving ~31 million gallons annually, and a micro-filtration replacement and optimization project at our assembly/test facility at Clark, Philippines, resulting in 24.7 million gallons saved annually.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	We focus on reducing overall consumption and then on reusing and recycling water. Our manufacturing and assembly sites around the world set specific goals each year to lower costs and reduce water consumption. We share these combined results in our Corporate Citizenship Report.

Financial planning	Yes, water-related issues are integrated	5-10	Water-related issues are integrated into financial planning because water is important to our operations and our communities. We continuously invest in projects to reduce, recycle and reuse water.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)
24

Anticipated forward trend for CAPEX (+/- % change)
-79

Water-related OPEX (+/- % change)

7

Anticipated forward trend for OPEX (+/- % change)
5

Please explain
Capital project spending was up 24% from 2019. Operating costs were up 7% year on year. Capital project costs vary year on year depending on the type of projects funded and the overall amount of utility capital available. Operating expenses will be primarily driven by cost of water and usage. Water costs have increased in several markets where we have production facilities.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No plans for the next two years	TI has a long-term robust water strategy program and understands the importance to business.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

TI has a long-term robust water program and understands the importance to business.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Site/facility specific targets and/or goals	Goals are monitored at the corporate level	We set a goal to reduce water use by 2.6% in 2020, which we exceeded by reducing water use by 4.4%. All of our sites participate in an annual process of setting reduction goals. These goals are further broken down into utility and non-utility savings and categorized as a water reduction goal. Sites conduct at least one review project each year with key stakeholders and technical experts to generate and review project ideas that are then used to develop each site's annual reduction goals. Sites also review top project ideas from other sites for applicability to their site and most sites have representatives on a team that discusses utility reduction efforts. Once sites establish their goals, they are reviewed by facilities management and approved or revised. The total site goals are then tracked and monitored.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Other, please specify

Water reductions

Level

Company-wide

Motivation

Other, please specify

Cost and environmental impact

Description of goal

We monitor water reduction goals at a corporate level. They are tracked and presented at our quarterly ESH communication meetings.

Baseline year

2019

Start year

2020

End year

2020

Progress

Our goals are set annually and based on year-over-year reductions. We set an annual goal to reduce water use by 2.6% in 2020, from a 2019 baseline, which we exceeded by conserving 4.4%.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we do not currently verify any other water information reported in our CDP disclosure

W10. Sign off

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Vice President, Worldwide Facilities	Other, please specify Vice President, Worldwide Facilities