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.

<table>
<thead>
<tr>
<th></th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting year</td>
<td>January 1, 2020</td>
<td>December 31, 2020</td>
</tr>
</tbody>
</table>
**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.

<table>
<thead>
<tr>
<th>Exclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leased and owned facilities that are less than 50,000 square feet in size.</td>
<td>Facilities smaller than 50,000 square feet are typically design or sales facilities where usage is limited to common sanitary and potable uses.</td>
</tr>
</tbody>
</table>

**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.
Table 1. Water Importance and Rating

<table>
<thead>
<tr>
<th>Water Aspect</th>
<th>Direct Use Importance Rating</th>
<th>Indirect Use Importance Rating</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient amounts of good quality freshwater available for use</td>
<td>Vital</td>
<td>Important</td>
<td>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.</td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Important</td>
<td>Neutral</td>
<td>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.</td>
</tr>
</tbody>
</table>

W1.2

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

<table>
<thead>
<tr>
<th>Water Aspect</th>
<th>% of sites/facilities/operations</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>76-99</td>
<td>Water withdrawals (total volume) are tracked across all major TI facilities.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>76-99</td>
<td>Water withdrawals by source are tracked across all major TI facilities.</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>76-99</td>
<td>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.</td>
</tr>
<tr>
<td>Water discharges – total volumes</td>
<td>76-99</td>
<td>Water discharges (total volume) are tracked across our manufacturing facilities.</td>
</tr>
<tr>
<td>Water discharges – volumes by destination</td>
<td>76-99</td>
<td>Volume of water discharged by destination is tracked across our manufacturing facilities.</td>
</tr>
</tbody>
</table>
Volume of water discharges 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?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>Higher</td>
<td>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.</td>
</tr>
</tbody>
</table>
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.

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.

<table>
<thead>
<tr>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>11-25</td>
<td>Lower</td>
<td>WRI Aqueduct</td>
</tr>
</tbody>
</table>

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

**W1.2i**

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

<table>
<thead>
<tr>
<th>Water Source</th>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Relevant</td>
<td>1,124</td>
<td>Higher</td>
<td>The increase is primarily driven by an increase in production in 2020.</td>
</tr>
<tr>
<td>Brackish surface water/seawater</td>
<td>Not relevant</td>
<td></td>
<td></td>
<td>We do not release to brackish surface water or seawater.</td>
</tr>
<tr>
<td>Groundwater</td>
<td>Not relevant</td>
<td></td>
<td>We not discharge directly to groundwater.</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>--------------</td>
<td>-----------------</td>
<td>-----------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Third-party destinations</td>
<td>Relevant</td>
<td>14,611</td>
<td>Higher</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Discharge is primarily into municipal wastewater plants. The increase is primarily driven by an increase in production in 2020.</td>
<td></td>
</tr>
</tbody>
</table>

**W1.2j**

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

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Volume (megaliters/year)</th>
<th>Comparison of treated volume with previous reporting year</th>
<th>% of your sites/facilities/operation this volume applies to</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>Relevant</td>
<td>781</td>
<td>About the same</td>
<td>1-10</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>Relevant</td>
<td>174</td>
<td>About the same</td>
<td>1-10</td>
</tr>
<tr>
<td>Process Description</td>
<td>Relevant</td>
<td>Quantity</td>
<td>Similarity</td>
<td>Notes</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>----------</td>
<td>----------</td>
<td>------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Streams with a biological process, such as activated sludge.</td>
<td></td>
<td></td>
<td></td>
<td>No water discharge with only primary treatment</td>
</tr>
<tr>
<td>Primary treatment only</td>
<td>Not relevant</td>
<td></td>
<td></td>
<td>No water discharge with only primary treatment</td>
</tr>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Not relevant</td>
<td></td>
<td></td>
<td>Discharge to the natural environment without treatment</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Not relevant</td>
<td></td>
<td></td>
<td>Discharge to a third party without treatment</td>
</tr>
<tr>
<td>Other</td>
<td>Relevant</td>
<td>14,780</td>
<td>About the same</td>
<td>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</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Other, please specify</td>
<td>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:</td>
</tr>
</tbody>
</table>
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**
W3.3b

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

<table>
<thead>
<tr>
<th>Issue</th>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water availability at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Water quality at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Stakeholder conflicts concerning water resources at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>Our risk assessment identifies key local stakeholders and ensures there are not conflicts.</td>
</tr>
<tr>
<td>Implications of water on your key commodities/raw materials</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Water-related regulatory frameworks</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Status of ecosystems and habitats</td>
<td>Relevant, always included</td>
<td>We do not currently have any operations in sensitive areas.</td>
</tr>
</tbody>
</table>

None

Comment
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?

<table>
<thead>
<tr>
<th></th>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Relevant, always included</td>
<td>Our customers demand assurance of supply. It is a top priority to maintain customer relationships, generate revenue and protect future business.</td>
</tr>
<tr>
<td>Employees</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Investors</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Local communities</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>NGOs</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Other water users at a basin/catchment level</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Regulators</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>River basin management authorities</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Statutory special interest groups at a local level</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Water utilities at a local level</td>
<td>Relevant, always included</td>
<td>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.</td>
</tr>
<tr>
<td>Other stakeholder, please specify</td>
<td>Not relevant, explanation provided</td>
<td>No additional contextual issues have been identified as applicable to our industry or our manufacturing process.</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Risks exist, but no substantive impact anticipated</td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Primary reason</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Risks exist, but no substantive impact anticipated</td>
</tr>
</tbody>
</table>

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.
Texas Instruments Incorporated

CDP Water Security Questionnaire 2021

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.

<table>
<thead>
<tr>
<th>Row</th>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company-wide</td>
<td>Description of business dependency on water</td>
<td>Our ESH policy and principles guide our efforts to operate sustainably: <a href="https://www.ti.com/lit/ml/sszo051/sszo051.pdf">https://www.ti.com/lit/ml/sszo051/sszo051.pdf</a>.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Description of business impact on water</td>
<td>TI's water-related targets and goals are found in our annual Corporate Citizenship Report, found at this link: <a href="https://www.ti.com/about-ti/citizenship-community/texas-instruments-citizenship.html">https://www.ti.com/about-ti/citizenship-community/texas-instruments-citizenship.html</a>.</td>
</tr>
</tbody>
</table>
## 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](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](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.**

<table>
<thead>
<tr>
<th>Position of individual</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>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.</td>
</tr>
<tr>
<td>Chief Financial Officer (CFO)</td>
<td>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</td>
</tr>
</tbody>
</table>
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.*

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled - some meetings</td>
<td>Reviewing and guiding strategy</td>
<td>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...</td>
</tr>
</tbody>
</table>
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).

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on water-related issues</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Managing water-related risks and opportunities</td>
<td>Annually</td>
<td>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.</td>
</tr>
</tbody>
</table>

W6.4

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

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 No, and we do not plan to introduce them in the next two years</td>
<td></td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term time horizon (years)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term business objectives</td>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
</tr>
<tr>
<td>Strategy for achieving long-term objectives</td>
<td>Yes, water-related issues are integrated</td>
<td>5-10</td>
</tr>
</tbody>
</table>
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?

<table>
<thead>
<tr>
<th>Use of climate-related scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>No plans for the next two years</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Row</th>
<th>Levels for targets and/or goals</th>
<th>Monitoring at corporate level</th>
<th>Approach to setting and monitoring targets and/or goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Site/facility specific targets and/or goals</td>
<td>Goals are monitored at the corporate level</td>
<td>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.</td>
</tr>
</tbody>
</table>

W8.1b

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

<table>
<thead>
<tr>
<th>Goal</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, please specify</td>
<td>Water reductions</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Vice President, Worldwide Facilities</td>
<td>Other, please specify Vice President, Worldwide Facilities</td>
</tr>
</tbody>
</table>
IMPORTANT NOTICE AND DISCLAIMER

TI PROVIDES TECHNICAL AND RELIABILITY DATA (INCLUDING DATASHEETS), DESIGN RESOURCES (INCLUDING REFERENCE DESIGNS), APPLICATION OR OTHER DESIGN ADVICE, WEB TOOLS, SAFETY INFORMATION, AND OTHER RESOURCES “AS IS” AND WITH ALL FAULTS, AND DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

These resources are intended for skilled developers designing with TI products. You are solely responsible for (1) selecting the appropriate TI products for your application, (2) designing, validating and testing your application, and (3) ensuring your application meets applicable standards, and any other safety, security, or other requirements. These resources are subject to change without notice. TI grants you permission to use these resources only for development of an application that uses the TI products described in the resource. Other reproduction and display of these resources is prohibited. No license is granted to any other TI intellectual property right or to any third party intellectual property right. TI disclaims responsibility for, and you will fully indemnify TI and its representatives against, any claims, damages, costs, losses, and liabilities arising out of your use of these resources.

TI’s products are provided subject to TI’s Terms of Sale (https://www.ti.com/legal/termsofsale.html) or other applicable terms available either on ti.com or provided in conjunction with such TI products. TI’s provision of these resources does not expand or otherwise alter TI’s applicable warranties or warranty disclaimers for TI products.

Mailing Address: Texas Instruments, Post Office Box 655303, Dallas, Texas 75265
Copyright © 2021, Texas Instruments Incorporated