

Texas Instruments

Basis of Reporting: Greenhouse Gas Emissions Data

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1. Overview

Texas Instruments Incorporated (TI) is a global semiconductor company that designs, manufactures, tests and sells analog and embedded processing chips. Our approximately 80,000 products help over 100,000 customers efficiently manage power, accurately sense and transmit data, and provide the core control or processing in their designs. Our products are used in such markets as industrial, automotive, personal electronics, communications equipment and enterprise systems. Our headquarters is in Dallas, Texas, and TI has sites in more than 30 countries and employs about 33,000 people.

TI reports greenhouse gas emissions (GHGs) according to the Scope and criteria outlined in this document, which forms the basis for such reporting.

TI follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (the GHG Protocol) from the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) for general guidance on GHG emissions accounting. The seven GHGs covered by the Kyoto Protocol are included in TI's GHG inventory. These include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

TI's Scope 1 GHG emissions include:

Data sources in the Scope 1 inventory include the following:

- TI consumes Perfluorocarbons (PFCs), Hydrofluorocarbons (HFCs), Nitrous Oxide (N₂O), Sulfur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃) in the manufacture of semiconductor products.
- It also produces some similar compounds as byproducts of chemical reactions. The amount emitted is the net of consumption, byproduct formation, and abatement. The net emitted amount of these compounds is reported.
- Stationary emissions include the combustion of fuels used in stationary equipment such as boilers, exhaust/emissions abatement, and emergency generators at TI sites. Emissions from these sources include CO₂, CH₄, and N₂O.
- Mobile emissions include fuels used in mobile equipment supporting semiconductor manufacturing processes worldwide, including diesel, gasoline, jet fuel and liquefied petroleum gas (LPG). Emissions from these sources include CO₂, CH₄, and N₂O.

Exclusions from the Scope 1 inventory:

- TI has not historically included emissions from fluorinated heat transfer fluids (FHTFs) in its GHG inventory. In 2025, TI reviewed available methodologies and guidance for calculating FHTF emissions to align with the 2019 IPCC refinement, while continuing to meet regulatory

requirements. TI estimates that in 2025, emissions from FHTFs were approximately 7% of the total 2025 Scope 1 and Scope 2 GHG emissions.

- Emissions from refrigerants are not included in the GHG inventory. These are estimated to be less than 0.5% of our total Scope 1 and Scope 2 GHG emissions.

TI’s Scope 2 GHG emissions include:

Data sources in the Scope 2 inventory include:

- GHG emissions associated with the generation of purchased electricity for our semiconductor manufacturing operations worldwide. Emissions from these sources include CO₂, CH₄, and N₂O.
- District heating is distributed to the Freising, Germany facility by a cogeneration (combined heat and power) plant. Emissions from this source include CO₂, CH₄, and N₂O.

In 2025, TI procured renewable electricity through power purchase agreements, retail agreements and the Malaysia Green Electricity Tariff (GET) and Corporate Green Power program. TI received renewable energy certificates (RECs) as part of these purchase commitments, which are retired annually. There are also a small amount of RECs from Taiwan and Freising, which are retired annually.

Exclusions from the Scope 2 inventory:

There are no exclusions from the Scope 2 inventory.

Emission factors used:

TI calculates and reports both location-based and market-based Scope 2 emissions. The following table lists the Scope 2 location-based electricity emission factors used.

Location	Scope 2 emissions factors	Location-based	Market-based	IPCC Assessment Report
U.S.	Electricity	U.S. Environmental Protection Agency (EPA) eGrid	Green E Residual Mix	Fifth Assessment Report (AR5)
International (excluding Germany and Taiwan)	Electricity	International Energy Agency (IEA)	Association of Issuing Bodies (AIB) Residual mix (for some locations)	Fourth Assessment Report (AR4)
Germany (Freising)	Electricity	IEA	AIB Residual mix	AR4
Taiwan	Electricity	Local energy administration	N/A	AR4

TI’s Scope 3 GHG emissions include:

TI calculates all relevant Scope 3 Categories, as reported in its Corporate Citizenship Report (CCR). TI follows the Greenhouse Gas Emissions Protocol on Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard) as the guiding methodology, and uses a third-party consulting firm to assist with Scope 3 calculations and confirm that the methodology used covers best practices. Some assumptions were made in the collection of the data, which may lead to some uncertainty. We expect to refine these calculations year on year as we find better ways to collect relevant and more accurate data.

The following outline provides the data sources for each Scope 3 category:

Category 1: Purchased goods and services

This category includes all upstream emissions from the production of products and services purchased by TI in the reporting year. We used a spend-based approach to calculate Category 1 and Category 2 emissions, which form over 70% of the total Scope 3 emissions. The calculation is based on annual global purchasing records. Approximately 98% of total spend has been mapped to specific emission factors, with the remaining 2% estimated using representative emission factors from the 2025 Cornerstone Sustainability Initiative v1.4.0 dataset proportionally allocated based on the overall spend distribution. This approach ensures complete spend coverage across both categories, with no spend excluded from the emissions inventory. These contain spend-based information converted in USD, grouped by product and service categories, using the emission factor source from *Cornerstone Supply Chain Greenhouse Gas Emission Factors v1.4.0 October 2025*.

Category 2: Capital goods

This category includes all emissions from the production of capital goods purchased or acquired by TI in the reporting year. Category 1 and Category 2 emissions are calculated using a spend-based approach. Approximately 98% of total spend has been mapped to specific emission factors, with the remaining 2% estimated using representative emission factors from the 2025 Cornerstone Sustainability Initiative v1.4.0 dataset proportionally allocated based on the overall spend distribution. This approach ensures complete spend coverage across both categories, with no spend excluded from the emissions inventory. These contain spend-based information converted in USD, grouped by product and service categories, using the emission factor source from the *Cornerstone Supply Chain Greenhouse Gas Emission Factors v1.4.0 October 2025*.

Category 3: Fuel- and energy-related emissions not included in Scope 1 or Scope 2

This category includes emissions related to the production of fuels and energy purchased and consumed by TI in the reporting year that are not included in Scope 1 or Scope 2. Activity data includes the fuel and electricity consumption included under Scope 1 and 2 financial control. Emission sources include upstream emissions of purchased fuels, upstream emissions of purchased electricity, and transmission and distribution losses. The emission factor sources used include the Department for Business, Energy & Industrial Strategy (BEIS) 2025 and the IEA 2025.

Category 4: Upstream transportation and distribution

This category includes emissions related to the shipping of goods from suppliers to TI's premises and all shipping that is paid for by TI, including associated warehouse-related emissions. Inbound transportation costs paid by suppliers are excluded, as this falls outside of TI's measurable boundary. Calculation methods use tonne-kilometre (tkm) and spend data associated with products shipped by third-party carriers. Activity data is obtained from internal transport or procurement records and is further split by the transportation mode. The emission factor source used is the BEIS 2025. Category 4 emissions were calculated using a distance-based methodology in 2025 (vs. a spend-based calculation for 2023). The distance-based methodology is generally accepted as a more precise calculation for transportation and distribution-based emissions; however, TI's current system limits available data to the city of origin and country of destination. Therefore, capital cities were used as the point of destination. In general, transportation paid for by TI is included in Category 4; however, for a small portion of the data that cannot be clearly attributed to a direct TI purchase, amounts may have been included in Category 9 – Downstream transportation and distribution.

Category 5: Waste generated in operations

This category includes emissions from waste generated in operations controlled by TI. Activity data includes the amount and type of waste and the waste treatment type. The emission factor sources used are BEIS 2025 and the U.S. EPA's Climate Leaders 2025. TI operates manufacturing sites worldwide and it is not possible to have all specific waste streams identified, due to differences in how these streams are classified country to country. For 2025, waste streams such as hazardous waste – landfill, incinerated (mass burn), hazardous waste - incinerated (mass burn), and nonhazardous waste - incinerated (mass burn) were all assigned a more generic emission factor of municipal solid waste (MSW) to provide the worst-case scenario for waste calculations.

Category 6: Business travel

This category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. Activity data is obtained from travel agencies and internal records. The emission factor source used is BEIS aviation emission factors 2025 for air travel, and for other business travel modes where distance data is not available (e.g., taxis, limousines, rideshare, rail), emissions are calculated using a spend-based approach by multiplying spend (USD) by inflation-adjusted emission factors from the 2025 Cornerstone Sustainability Initiative v1.4 dataset.

Category 7: Employee commuting

This category refers to emissions related to employee transportation between home and TI locations and worksites. This is calculated based on the number of employees per country and by applying published commuting statistics per country. Emissions from employees working from home are not incorporated in this calculation. The emission factor source is BEIS 2025.

Category 8: Upstream leased assets

This category refers to emissions related to the operation of assets leased by TI in the reporting year and not already included in Scope 1 or Scope 2 calculations. These assets are less than 50,000 square feet and primarily function as office spaces and are not considered material to the overall reported emissions. Emissions are calculated based on the surface area of leased buildings per country and reported by TI's real estate management team. The emission factor sources include the BEIS 2025 and IEA 2025.

Category 9: Downstream transportation and distribution

This category includes emissions that occur in the reporting year from the transportation and distribution of sold products in vehicles and facilities not owned or controlled by TI. The logistics data used is collected by TI's Logistics organization. The emission factor source used is the BEIS 2025. Category 9 emissions were calculated using a distance-based methodology in 2025.

Category 10: Processing of sold products

This category includes emissions from the processing of intermediate products sold by third parties subsequent to sale by TI. The emission factor source is taken from the document *Solders in Electronics: A Life-Cycle Assessment* by the University of Tennessee's Center for Clean Products and Clean Technologies, published August 2005. The boundary for Category 10 includes semiconductor devices sold. It does not include the processing of wafers sold.

Category 13: Downstream leased assets

This category includes emissions from the operation of assets that are owned by TI and leased to other entities in the reporting year that are not already included in Scope 1 or Scope 2. Emission factor sources used are from the EPA's eGrid 2023.

Category 14: Franchises

This category is not relevant to TI as the company does not operate or authorize any franchises.

Category 15: Investments

This category is not relevant to TI as the company does not have investments that could be included in calculations of Scope 3 emissions.

Exclusions from the Scope 3 inventory:

TI assessed and quantified Categories 11 and 12 emissions in 2023, 2024 and 2025. Based on this analysis, these emissions fall under our 5% exclusion of total Scope 3 emissions and are considered de minimis. As a result, they are excluded from reported totals.

2. Scope of Reporting

Organizational boundary

TI uses the financial control approach to determine its organizational boundary. Using this approach, TI accounts for the GHG emissions from operations over which it can direct financial and operating policies with a view toward gaining economic benefit from such operations.

TI owns and operates 15 manufacturing sites worldwide, with production sites primarily in the U.S., China, Germany, Japan, Malaysia, Mexico, the Philippines, and Taiwan.

Leased office buildings and gas plants subject to contracts that are considered 'embedded leases' by TI for financial accounting purposes have been included in TI's organizational boundary.

Operational boundary

Operational boundaries define which types of GHG emission sources are included in the GHG inventory. The types of emissions are categorized by Scope. Scope 1 emissions are direct emissions from sources owned or controlled by TI, Scope 2 emissions are purchased electricity and district heating, and Scope 3 emissions are value chain emissions that are a consequence of TI's operations but occur at or from sources owned or controlled by another company. TI began measuring Scope 3 emissions in 2023.

3. Reporting criteria

TI follows the GHG Protocol from WBCSD/WRI for general guidance on GHG emissions accounting and reporting. TI adheres to the U.S. EPA's Mandatory Reporting Rule (40 CFR 98 Subparts A, C and I) for monitoring and reporting GHG emissions within the U.S. and regional Semiconductor Industry Association methods (such as the IPCC 2006 methodology) for reporting GHG emissions internationally. In addition, for our operations within Taiwan, we use the emission factors published annually by the local energy administration.

Base year

TI's 2025 GHG emissions reduction goal covered Scope 1 and Scope 2 GHG emissions. TI has selected to use the fixed base year approach as defined by the GHG Protocol, with 2015 as its base year for comparative tracking of its GHG emissions over time. TI chose 2015 as a base year because it was:

- One of the first years for which TI had comprehensive and reliable GHG emissions data from within its organizational and operational GHG emissions boundaries.
- The beginning of the first period for which TI set an absolute GHG emissions reduction goal.

TI will make base year adjustments when it experiences structural changes, changes in activity data, or discovers significant errors in past GHG emissions calculations. Recalculations to the base year will be triggered if there is a significant threshold reached in any of the changes listed above. TI defines a significant threshold reached if the change threshold is equal to or greater than 5% of the base-year emissions. The 5% threshold includes cumulative changes, so that if multiple circumstances have changed by more than 5%, the base year will be recalculated.

In the case of a structural change, such as an acquisition, emission sources from an acquired company would be included both with their emissions in the base year (when TI did not control these sources) and in the current year of the structural change. Similarly, emission sources from divested facilities would be excluded, both with their emissions in the base year (when they were still controlled by TI) and in the current year.

TI will review boundary changes, threshold adjustments and methodology changes to the base year when new goals are being established.

Auditing and verification

TI engages with a third-party verification body annually to assure the Scope 1, Scope 2 and Scope 3 GHG emissions inventory and energy data. The assurance statement is available online with TI's annual CCR and the CDP response. Results are discussed with the verifier, and significant findings will result in changes to the management and reporting of the GHG inventory.

Notice regarding forward-looking statements

This communication includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe TI's business strategy, outlook, objectives, plans, intentions or goals are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements. For a more detailed discussion of these factors, see the risk factors discussion in the first quarter of 2026 Form 10-Q, filed with the SEC. The forward-looking statements included in this communication are made only as of the date of this communication. We undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.