

## 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 are in Dallas, Texas, and TI has sites in more than 30 countries and employs about 34,000 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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

#### **TI's Scope 1 GHG emissions include:**

Data sources in the Scope 1 inventory include:

- Process emissions include PFCs, HFCs, SF<sub>6</sub>, NF<sub>3</sub>, and N<sub>2</sub>O resulting from the manufacturing of semiconductor products worldwide.
- 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 CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- 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 CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

#### **Exclusions from the Scope 1 inventory:**

- TI has not included emissions from fluorinated heat transfer fluids (FHTF) due to varying calculation methodologies and guidance. The World Semiconductor Council (WSC) aligned on all regions moving to the 2019 Intergovernmental Panel on Climate Change (IPCC) guidance, which includes FHTF. TI currently plans to apply the 2019 IPCC guidance to our 2026 GHG emissions inventory, most likely including FHTF emissions. TI estimates its 2024 FHTF emissions were less than 10% of its total Scope 1 and Scope 2 GHG emissions.
- Emissions from refrigerants are not included in the GHG inventory, as these have not yet been assessed.

**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 CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- District heating is distributed to the Freising, Germany facility by a cogeneration (combined heat and power) plant. Emissions from this source include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

In 2024, TI procured renewable electricity through power purchase agreements, retail agreements and the Malaysia Green Electricity Tariff (GET) program. TI received renewable energy certificates (RECs) as part of these purchase commitments.

**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 followed the Greenhouse Gas Emissions Protocol on Corporate Value Chain (Scope 3) Accounting and Reporting Standard (Scope 3 Standard) as the guiding methodology, and used 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. These contain spend-based information converted in USD, grouped by product and service categories, using the emission factor source from the U.S. EPA's GHG Emission Factors Hub, 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. These contain spend-based information converted in USD, grouped by product and service categories, using the emission factor source from the U.S. EPA's GHG Emission Factors Hub, 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 operational 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) 2024 and the IEA 2024.

## 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. 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 2024. Category 4 emissions were calculated using a distance-based methodology in 2024 (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 2024 and the U.S. EPA's GHG Emission Factors Hub, 2025.

## 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 2024. In 2024, TI changed business travel partners. The prior business travel partner did not provide sufficient data to more accurately differentiate between short-haul and medium-haul flights. Therefore, based on the data available, the assumption was made to map domestic flights to short-haul emission factors, intracontinental flights to medium-haul emission factors, and intercontinental flights to long-haul emission factors.

## 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 2024.

## 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. 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 2024 and IEA 2024.

## 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 2024. Category 9 emissions were calculated using a distance-based methodology in 2024 (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.

#### **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 processing of wafers sold, which forms less than 3% of TI's total products 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 U.S. EPA's GHG Emission Factors Hub, 2025. Exclusions from the Scope 3 inventory are Category 11: Use of Sold Products and Category 12: End-of-Life Treatment of Sold Products. These categories are excluded because TI does not currently have the level of detail needed to calculate or estimate the use of sold products' emissions, and most of the product categories are intermediate products, adding complexity to the calculation. According to the Corporate Value Chain Accounting and Reporting Standard by the GHG Protocol, section 6.4, companies in these situations can exclude these downstream categories.

#### **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.

## **2. Scope of Reporting**

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### **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 starting in 2023.

### **3. Reporting criteria**

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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 current GHG emissions reduction goal covers 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 10% of the base year emissions. The 10% threshold includes cumulative changes, so that if multiple circumstances have changed by more than 10%, 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 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 2025 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.