



2013

**Corporate Citizenship
Report Summary**

Overview

Corporate citizenship is TI's commitment to be accountable for the company's social, environmental and economic global impact. We set high standards for our global operations and are focused on ethical business practices and compliance, both inside the company and throughout our supply chain.

Citizenship

Our commitment to corporate citizenship encompasses:

- Company operations.
- Product stewardship.
- Environmental responsibility.
- Employee well-being.
- Community commitment.
- Responsible advocacy.
- Corporate governance.

Our citizenship strategy team, a cross-functional group of company leaders, directs our performance in these areas.

Sustainability

We use the term "sustainability" primarily in relation to the operation of our business. We believe responsible, sustainable operations can meet current resource needs without compromising the needs of future generations. TI works toward sustainability by reducing waste and inefficiency in its operations, including manufacturing facilities, office buildings and distribution activities. To make sustainable progress, we set both annual and multiyear goals. Our annual targets focus on continued improvements and cost savings, including reductions in energy use, chemical use and utilities costs, among other results.



Report scope

This document summarizes TI's 2013 social and environmental performance. The information presented covers all wholly owned TI operations worldwide (unless otherwise stated). Terms such as "TI," "the company," "we," "our" and "us" refer to TI operations interchangeably. All currency is presented in U.S. dollars.

Global Reporting Initiative

The complete 2013 Corporate Citizenship Report is Web-based, available at ti.com/ccr. It was prepared using the Global Reporting Initiative's (GRI) Sustainability Reporting G3.1 Guidelines. The report, now in its eighth edition, meets the standards for GRI's self-assessed Application Level A. See ti.com/ccr-griindex for more.

Awards and honors

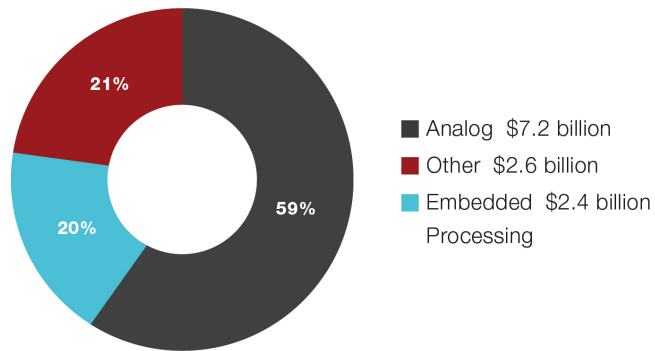
A variety of third parties honored TI for its social and environmental achievements in 2013.

- CR Magazine named TI among its "100 Best Corporate Citizens" as well as one of its "10 Best Corporate Citizens" in the information technology sector.
- Ethisphere Institute included TI on its list of the "World's Most Ethical Companies."
- Fortune Magazine included TI on its "World's Most Admired Companies" list.
- Thomson Reuters named TI to its "Top 100 Global Innovators" list.
- Working Mother Magazine included TI on its list of the "100 Best Companies for Working Mothers."

For a comprehensive list of awards, see ti.com/ccr-awards.

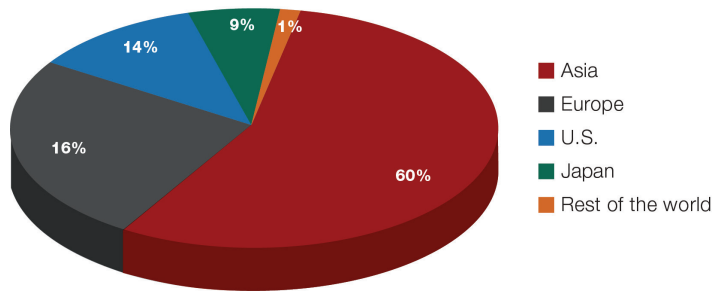
2013 at a glance

Revenue by segment

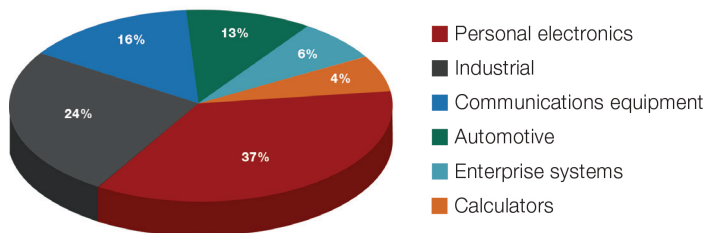


2013 total revenue: \$12.2 billion

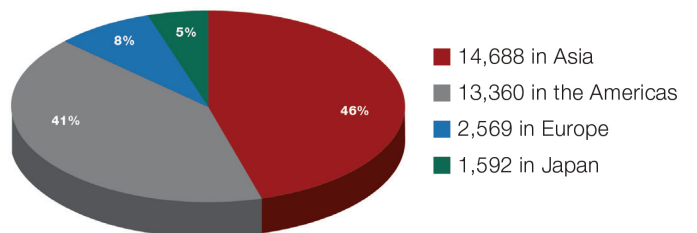
Revenue by region



Product revenue by market



Employment by region





Letter from our CEO

We're in the business of engineering a better tomorrow. It starts with understanding the world's greatest challenges. Then we go to work; designing and manufacturing the right game-changing solutions – in a responsible way.

We are focusing on products and technologies with long life spans that could generate sustainable revenue and returns. These products almost universally tackle the challenge of reducing energy use by enabling greater degrees of efficiency and conservation. Our innovations are also allowing customers to introduce their products to new and emerging markets, and to improve product safety and reliability.

To support our business direction, we've purchased and acquired new facilities and manufacturing tools over the past few years. These additions will help ensure continuity of supply and deliver differentiated semiconductor solutions with the most advanced process technologies available. We're working hard to bring these factories and equipment up to TI's high standards as we continue our efforts to operate responsibly, with a lighter footprint on the environment globally.

We've also spent time working collaboratively across the industry on supply chain and manufacturing audit standards through the Electronic Industry Citizenship Coalition. This solutions-oriented approach is helping build a responsible supply chain and achieve compliance with new regulations while reducing risks and associated costs.

An easy decision we've made over the past year is to continue our investment in science, technology, engineering and math education. Access to qualified individuals and top research is vital to our business today and long into the future. That's why TI and its philanthropic arms granted \$7 million to support K-12 education programs and more than \$26 million to support university programs in 2013.

We know that access to the world's top talent helps us achieve amazing things. We are proud our employees helped TI earn recognition again as a Top 100 Global Innovator. We were also recognized among the 100 Best Companies for Working Mothers, the 100 Best Corporate Citizens and the World's Most Ethical Companies. It is an honor to work with some of the industry's best and receive recognition as a great company.

As we look to 2014 and beyond, we have an exciting journey ahead. We are engaging our stakeholders more formally on social and environmental performance, which will help focus our efforts on the issues of greatest value to our company and broader community for years to come.

A handwritten signature in black ink, appearing to read 'Rich Templeton'. The signature is stylized and fluid.

Rich Templeton
Chairman, president and chief executive officer

Major worldwide locations*

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



*TI has manufacturing, design and sales operations in 35 countries worldwide. For purposes of this report, we define major operations (significant locations) as 1) all manufacturing facilities and 2) design and sales offices with employee populations greater than 100 as of December 31, 2013.



Company operations

TI designs and manufactures analog integrated circuits and embedded processors, helping more than 100,000 customers transform the future today.

2013 performance

Citizenship

We hold ourselves accountable for our social, environmental and economic impact around the world.

- Launched a Progressing Our Performance Committee, which began developing recommendations for progressing the company's citizenship performance.
- Began reviewing the Global Reporting Initiative's latest reporting framework, G4, for full adoption in 2015.
- Set annual goals to make continual improvements and cost savings, including reducing energy and water use, waste and chemical use, and improving employee safety. We also set and exceeded a goal to increase employee volunteer hours by 25 percent.
- Made progress against our five-year energy and greenhouse gas (GHG) emissions reduction goals.

Stakeholder engagement

We use a variety of forums to engage a wide spectrum of stakeholders.

- Engaged key stakeholder groups including employees, senior managers, customers, industry associations, community partners and investors through a third-party assessment to determine the most important environmental, social and governance issues.
- Launched a new online employee portal to provide one location for employees to access internal tools and resources.
- Continued educating employees about community needs globally so they could give their time, expertise or money to make their communities stronger.
- Introduced investors to TI's capital-management strategy, which codified some past practices and reaffirmed the company's belief that these practices are sustainable well into the future.
- Increased social engagement with customers through our Engineer-to-Engineer (E2E) Community by more than 40 percent.
- Expanded TI's innovative Customer Expert Advisory Panel to more than more than 5,000 active members in 92 countries.
- Collaborated with education experts, four-year institutions and consortiums to increase the graduation rate of engineers and share ideas on creating a competitive workforce.



Company operations

- Launched TIcommoncore.com to provide educators with free resources, classroom-ready activities for TI-Nspire CX and TI-84 Plus calculators, and professional development programs to ensure the successful implementation of Common Core state standards for math.
- Continued working with the Semiconductor Industry Association, the Informational Technology Industry Council and others to advance a number of policy priorities.
- Surveyed about 1,200 community partners and employees to assess their awareness and perceptions of our corporate citizenship programs. The results helped shape our subsequent communications.

Business continuity

We maintain operations by preparing for business interruptions.

- Updated our business continuity planning policy to further strengthen continuity planning, response and recovery efforts globally.
- Mapped our supply chain to identify and procure alternative sources for critical materials.
- Assessed the business continuity programs of critical suppliers.
- Took action to thwart an increase in cyberattacks seeking to disrupt our information technology systems and steal intellectual property.
- Earned certification as a member of the Customs-Trade Partnership Against Terrorism program. We also met the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards.
- Conducted emergency response team surveys at all major manufacturing sites to determine emergency response readiness.
- Enhanced emergency communications systems, allowing for quicker, more effective and more reliable delivery of emergency information to stakeholders.

Supplier accountability

We work closely with thousands of suppliers to responsibly manufacture and deliver innovative products.

- Developed a Supplier Code of Conduct to instill the same standards within our supply chain that we agreed to when we began using the Electronics Industry Citizenship Coalition (EICC) Code of Conduct. We also began requiring that suppliers complete EICC assessment questionnaires.
- Conducted a routine risk assessment of our critical suppliers to ensure that their qualifications, financial performance and business continuity plans met our standards.
- Commissioned a third-party assessment of our compliance-planning efforts to date, which found that our program and progress are consistent with most of our electronics industry peers.
- Exceeded our goal of spending at least 5.5 percent of U.S. procurement dollars with minority- and women-owned suppliers.
- Received the Dallas/Fort Worth Minority Supplier Development Council's Buy Those Who Buy Us Best Practice Award for our minority business inclusion efforts.
- Recognized by two automotive manufacturers as an exceptional supplier.



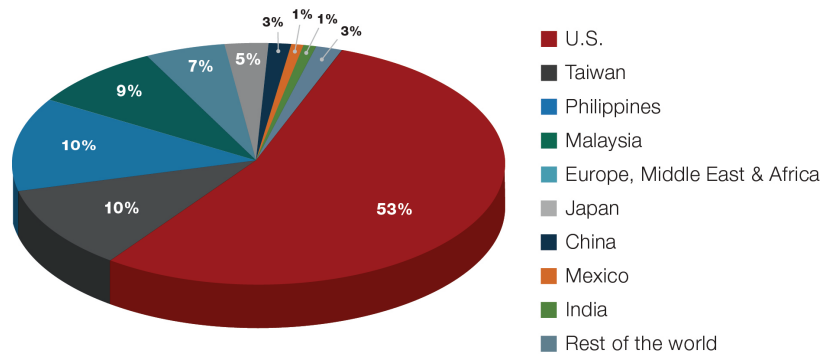
Company operations



Looking ahead: 2014 and beyond

- File our first conflict minerals disclosure with the U.S. Securities and Exchange Commission.
- Pursue full membership in the EICC, which calls for us to formally report our supplier assessment results and administrative requirements by 2015.
- Initiate EICC-facilitated audits of 25 percent of identified high-risk suppliers to evaluate their labor, ethics, occupational health and safety, and environmental practices.
- Spend at least 6 percent of U.S. procurement dollars with minority- and women-owned suppliers.
- Visit suppliers to evaluate and verify their business continuity programs and emergency response readiness.
- Begin working toward the implementation of the ISO 22301 international business continuity management standard by 2016.
- Proactively monitor and test computer network and systems, identifying vulnerabilities and suspicious activity to prevent cyberattacks.
- Launch a new TI Corporate Citizenship website and blog at www.ti.com/citizenship to provide timely information and make it easier to engage with stakeholders about TI's social and environmental policies, practices and programs.
- Launch a new official corporate blog, Think.Innovate, which will contain strategic and timely content about business issues relevant to TI and the semiconductor industry.

Global spend with suppliers*



*Approximately 6 percent of U.S. spend was with diverse suppliers.



Product stewardship

Our innovations help dozens of industries make their products more efficient, more reliable and safer.

2013 performance

Innovation

For more than 80 years, technological innovation has been at the core of our success.

- Invested \$1.5 billion in R&D that will result in breakthrough or incremental innovation to help manage energy, ensure safety and security, drive medical advances, enable cloud computing, and improve technology-based entertainment experiences.
- Gave \$12.2 million through the Semiconductor Research Corporation (SRC) to fund university research.
- Sponsored about \$9.8 million worth of basic and applied research conducted by select universities.
- Participated in the SRC's Nanoelectronics Research Initiative to initiate a five-year phase of university research and to accelerate the use of graphene-based technologies.
- Inaugurated a TI India Engineering Lab in Bangalore and opened the Center of Excellence for Embedded Product Development at the Netaji Subhas Institute of Technology, also in India.

Sustainable product design

We strive to solve customers' problems, anticipate their technological aspirations, and work conscientiously to meet their needs. TI launched:

- A highly accurate polyphase metrology system-on-chip that makes it easier for utilities to receive accurate, secure and reliable measurements of energy consumption.
- System and reference designs, along with development kits and software, to ease solar installations and rapidly deploy more clean power from solar.
- InstaSPIN™ motor-control technology and software solutions that reduce product development time and improve energy efficiency.
- Two power-management chipsets with our patented MaxLife™ fast-charge technology that reduce battery charge time for tablets, smartphones and other consumer electronics by 20 to 30 percent.
- The industry's smallest and most accurate Li-ion battery gas-gauge integrated circuit, which provides up to 50 percent more runtime under variable loads and for aged cells.
- A new topology for LED light bulbs that lowers energy use and costs while maintaining dimming and lighting performance.
- The industry's lowest-power DC/DC step-down converter, an ultra-low-power circuit that increases the amount of harvested energy an end application can use by as much as 70 percent over alternative devices.
- More than 100 analog and embedded products that help enable automotive safety, fuel efficiency and functionality.



Product stewardship

- SafeTI™ design packages that help auto designers more easily meet international safety standards.
- The industry's smallest and most accurate Li-ion battery fuel gauge integrated circuit, which boosts battery runtimes in portable medical devices, such as wearable health monitors, by more than 50 percent.
- A DLP® medical imaging solution that helps medical personnel reduce the number of needle pricks to find a vein for IVs, blood work and other procedures.
- An updated LightCrafter kit to develop security applications, like fingerprinting and facial scanning, to help prevent forgery and fraud.
- A new DLP 3-D printer solution that helps quickly create detailed models for use in architecture, construction, industrial design, automotive, aerospace, military and civil engineering applications.

Looking ahead: 2014 and beyond

- Open Kilby Labs Innovation Studio in Dallas to give customers, students and university researchers hands-on experience with technologies that are shaping the future of electronics.
- Invest at least 12 percent of revenues in R&D that will result in breakthrough and incremental innovation.
- Accelerate deployment of smart meters to help utilities and consumers measure and manage electric, water and gas use.
- Continue designing small, portable, efficient and powerful sensors that can enable newer applications.
- Increase energy-harvesting capability in large-scale solar installations in a safe and reliable manner.
- Release innovative battery-management technology that will accurately measure and manage battery backup systems used as energy storage for smart grid, wind farm and data network systems.
- Design and release advanced technologies that use environmentally available energy to power small electronics, which will lower their cost of ownership and eliminate maintenance and battery waste.
- Develop automotive electronic systems that provide improved performance and safety, such as solid-state lighting and electronic stability.



Environmental responsibility

We work to continuously improve environmental performance, including resource conservation and operational efficiency at our sites worldwide.

2013 performance

Air quality

We voluntarily reduce air emissions beyond what is required by law, where feasible.

- Received the North Texas Commission's 2013 Working for Clean Air Award in the "Most Innovative" category for our design work in power-management and renewable energy technologies.
- Complied with the U.S. Environmental Protection Agency's (EPA) new National Ambient Air Quality Standards for particle pollution.
- Decreased nitrogen oxides emissions from U.S. sites by 24 percent.

Climate change

We are working proactively within the semiconductor industry to reduce GHG emissions.

- Reduced TI's carbon footprint 4 percent from 2.42 million metric tons carbon dioxide equivalent in 2012 to 2.33 in 2013.
- Implemented 112 energy-efficiency projects worldwide that prevented 34,000 metric tons of carbon dioxide from entering the atmosphere.
- Worked with the EPA to improve its calculation and monitoring methodologies for semiconductor manufacturers when complying with its mandatory GHG reporting rule.
- Opened an Aircraft Operators Holding Account for the purpose of trading allowances (carbon credits) to offset emissions generated by corporate aircraft in Europe.

Energy use

We take a holistic approach to reducing energy use, from energy-efficiency measures to conservation practices.

- Exceeded our 2013 goal to reduce utility costs by \$8 million by saving \$10.2 million.
- Used 10.4 million British thermal units or 3,035 million kilowatt hours, which made up about 59 percent of our carbon footprint. Our normalized energy use has decreased by 15 percent since 2010.
- Met the U.S. Department of Energy's Better Buildings, Better Plants program goal of reducing our energy intensity by 25 percent seven years early. We now use 32 percent less energy to complete the same manufacturing tasks.



Environmental responsibility

Transportation

Our efficient product distribution, fleet and employee commuting programs reduce costs, improve air quality, and benefit employees.

- Enabled 58 percent of our workforce (approximately 18,250 employees globally) remote connectivity tools for telecommuting.
- Installed 43 electric vehicle (EV) charging stations at 12 North Texas sites and three stations at our Stafford site in Texas through a federally funded program. This boosted the total number of EV charging stations available to U.S. employees to 74.
- Installed an inventory management system in our Singapore product distribution center, which allows us to store four times the volume of products, increases productivity by 40 percent, and vastly improves inventory accuracy and visibility.
- Reduced expenses by consolidating product volume, optimizing our shipping network, and negotiating better prices despite fuel and industry cost increases.
- Received the bronze Bicycle Friendly Business designation from the League of American Bicyclists for taking important steps in promoting a bicycle-friendly work culture.
- Enabled 375 cyclists at 32 sites in 13 countries to participate in Bike to Work Week/Day, saving 212 gallons of gasoline and avoiding 1.8 metric tons of carbon dioxide emissions.

Water use

We conserve and reuse water, and work to preserve water quality.

- Reduced total water use globally by 1 percent.
- Reused and recycled water, which accounted for about 29 percent of our total water consumption. As a result, we avoided using 2 billion gallons (saving enough water to fill 3,030 Olympic-sized swimming pools).
- Completed 19 water-saving projects that conserved 248 million gallons and reduced our costs by \$994,000.

Materials management

We work to maximize the efficiency of the materials we purchase, source our materials responsibly, and recycle materials inside and outside of our operations where possible. TI also strives to use each product efficiently and recycle where feasible.

- Ended the year with a worldwide efficiency (recycling) rate of 92.3 percent.
- Kept 32 metric tons of scrap silicon wafers out of the waste stream by selling them to solar-panel fabricators.
- Continued our chemical reduction program for manufacturing and assembly/test sites, which calls for each site to select one or more chemicals (based on risks and hazards) and reduce its use by 3 percent or more.
- Implemented a repair and refurbishing program in 2013 to make it easier to repair tool parts to extend their operating life, reduce replacement costs, and keep used parts out of landfills.



Environmental responsibility

- Recycled paper, aluminum, mobile devices and electronics at office sites, and also recycled more than 900 metric tons of compostable organic waste.
- Sent used manufacturing materials, including sputtering targets and photomasks, back to suppliers to reclaim metals and reduce the cost of future targets.

Sustainable sites

We aim to source materials responsibly, reduce inefficiency in operations, preserve the rights of our employees, and maintain compliance with all applicable laws and regulations.

- Worked with SEMATECH and the Engineering Research Center for Environmentally Benign Semiconductor Manufacturing to help identify potential environmental, safety and health risks associated with the use of nanomaterials.
- Shut down operations at two older, less-efficient manufacturing sites as demand increased for larger wafers, which can be produced more cost-effectively and efficiently at other TI facilities.
- Began construction of a new office building in Sugar Land, Texas, which is registered with U.S. Green Building Council's LEED-NC (new construction) program.

Looking ahead: 2014 and beyond

- Implement energy- and water-saving projects (at least one per site) that will reduce utility costs by \$9 million.
- Identify additional suppliers that can provide abatement technology at U.S. sites to further reduce GHGs.
- Subsidize mass transit, vanpools, shuttles and on-site cafeterias at select sites to encourage commuting and reduce employee trips to and from campus.
- Form a North Texas water team to strategically focus and further increase our water-efficiency efforts in the region.
- Review and refine current baseline water usage and water balances at all sites to ensure consistency in measuring and reporting.
- Reduce the use of at least one chemical by 5 percent at each manufacturing and assembly/test site.



Environmental responsibility

Carbon footprint

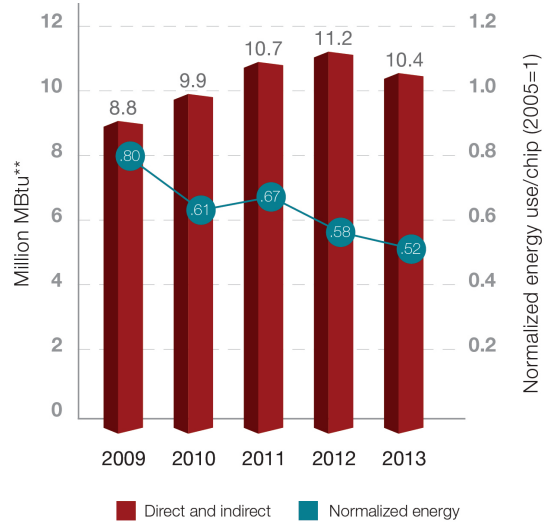


*Million metric tons equivalent carbon dioxide (MMTCO2e) is a unit of measure for greenhouse gas emissions. Emission totals are from global TI manufacturing sites only.

**Direct (scope 1) emissions include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride.

***Indirect (scope 2) emissions include CO2, CH4 and N2O.

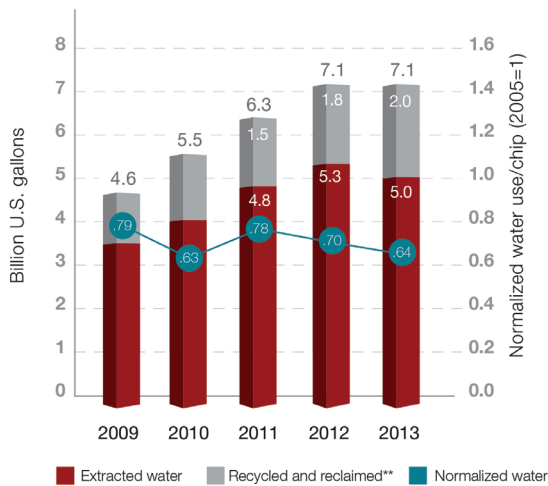
Total energy use*



*The total of all energy resources consumed by TI (direct and indirect). Approximately 21 percent of total energy purchased in 2013 was from renewable sources.

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

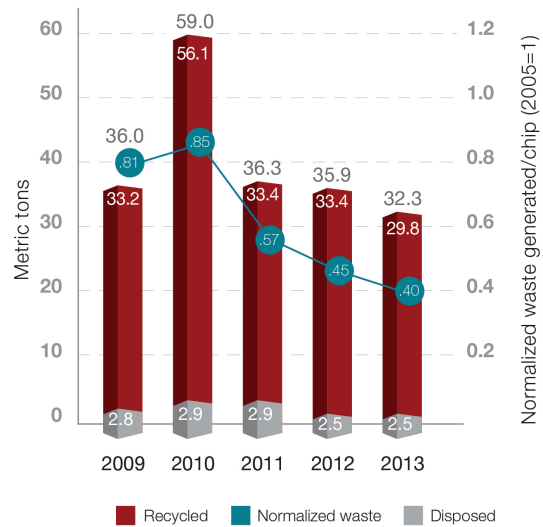
Total water use*



*Water obtained from local utilities and on-site wells. This does not include collected rain water or used once-through cooling water; water pumped from on-site wells at our Freising, Germany site for heat rejection, which is returned to the same aquifer.

**TI recycled and reclaimed 29% of total water use in 2013.

Total waste*



*Totals include all manufacturing sites, which account for the majority of waste, as well as some of our largest non-manufacturing sites.



Employee well-being

We believe that a collaborative and inclusive work environment, complemented by targeted training and development, inspires innovation.

2013 performance

Safety

We invest significantly in programs, policies and tools that keep our employees and workplace safe.

- Ended the year with a days away, restricted or job transfer (DART) case rate of 0.08 and a recordable rate of 0.22. Compared to other members of the Semiconductor Industry Association, TI continues to be one of the safest companies in the industry.
- Reduced recordable ergonomics-related injuries by 19 percent and DART ergonomics-related injuries by 52 percent.
- Reviewed all safety incidents weekly; conducted appropriate and prompt root-cause analysis, standardized how cases are recorded and closed, and notified sites to take appropriate corrective actions.
- Trained 100 percent of supervisors on environment, safety and health leadership.

Health

Our comprehensive health and wellness programs are designed to protect employees at work and help address their specific health needs.

- Recognized as the platinum winner of the Best Employers for Healthy Lifestyles Award by the National Business Group on Health for our U.S. health and well-being investments.
- Continued to provide health screenings and access to health and wellness resources to U.S. employees. Two-thirds of those employees who participated in our 2012 health screenings and had three or more personal health risks reduced those risks to two or less in 2013.
- Partnered with Weight Watchers to bring employees weight-management support at a significant discount. About 200 participants lost 2,650 pounds.
- Offered free on-site biometric screenings to employees, including blood pressure, body mass index, waist measurement, triglycerides, cholesterol and glucose levels measurements to help them identify emerging health concerns.
- Provided health briefings to employees in China on precautions they could take to avoid a new avian influenza A (H7N9) virus. We also administered free flu vaccinations to more than 5,700 employees.

Work-life balance

We offer work-life support, in addition to competitive pay and benefits and opportunities for advancement, to help attract, engage and retain the best talent.

- Provided resources and tools for more than 18,000 employees globally (58 percent of our workforce), enabling them to connect remotely and telecommute.
- Addressed more than 8,600 employee requests through a concierge service, saving an estimated 25,000 hours during the year.



Employee well-being

- Continued an opt-in email system targeted to new mothers, parents of various-age children and employees taking care of elderly parents, among others, to unite those who face similar personal challenges and enable them to share, ask for help or inquire about resources.
- Awarded the Work-Life Seal of Distinction from WorldatWork's Alliance for Work-Life Progress.

Pay and benefits

We provide competitive pay and benefits.

- Increased salaries in 2013 and paid approximately 5 percent of base earnings in profit sharing (based on 2012 performance) to all employees globally, with some variation in France and Mexico, which have locally regulated profit-sharing plans.
- Contributed \$62.4 million to U.S. employees' 401(k) savings plans.

Diversity and inclusion

A diverse workforce helps us achieve a sustained competitive advantage through variations in experiences, work styles, thoughts and ideas.

- Welcomed Ronald Kirk, U.S. trade representative under President Barack Obama, to TI's board of directors. He is the second African-American to join the board.
- Recognized by the Women's Forum of New York as a "Corporate Champion" for having women represent 40 percent or more of our board membership.
- Began expanding our Women's Initiative to assembly/test sites across the globe and to our fabrication sites in Japan and China.
- Recognized as a top diversity employer for Hispanics by Hispanic Network Magazine.
- Named among the "Top 50 Companies for Executive Women" by the National Association for Female Executives.

Recruitment

We continually seek diverse and innovative thinkers to join our team – people who are inspired to create game-changing technologies that better our world.

- Hired 3,325 new employees globally, including 970 new college graduates and 930 interns.
- Reached talented people with disabilities in the U.S. by partnering with GettingHired and the Equal Opportunity Publications' annual career expos. We also increased outreach for military veterans to consider technical and engineering positions at TI, in partnership with our Veterans Diversity Initiative and RecruitMilitary.
- Engaged students at 45 U.S. universities and in other countries worldwide to consider a career at TI.
- Named to Universum's Top 100 "Most Attractive Employers in the U.S." list and "Top 50 Ideal Employer" in the Asia-Pacific region. We were also included on Business Insider's "50 Best Employers in America" list.



Employee well-being

Retention

We offer a variety of programs and incentives to engage and retain employees.

- Completed workforce reductions in our Wireless business unit that began in 2012, and shut down operations at two older manufacturing facilities in Texas and Japan. Affected employees received a range of assistance including compensation, benefits and job search support.
- Put processes in place to attract and retain qualified employees to work at our fabrication site and recently acquired assembly/test site in China.
- Appointed an internal task force to assess our onboarding and hiring processes and improve retention rates in Malaysia.
- Continued retaining long-term employees. The average tenure of our global workforce was almost 12 years; 25 percent had been with TI for 10 to 20 years and 22 percent had worked for the company more than 20 years.

Human rights

We work diligently to treat our employees fairly and ethically, and encourage suppliers to treat their own workers with respect and dignity as well.

- Scored 90 percent on the Human Rights Campaign Foundation's U.S. Corporate Equality Index for gay, lesbian, bisexual and transgender equality.
- Visited more than 25 TI locations to review human rights policies, reporting processes and training needs.
- Continued to comply with the California Transparency in Supply Chains Act, which requires companies to report efforts to eradicate slavery and human trafficking in their supply chains.
- Completed more than 120,000 employee training modules related to human rights, ethics and compliance, as well as human rights training for security personnel and contractors.

Development

We provide access to a wide range of tools and resources to help our global workforce learn, perform and grow.

- Launched Make an Impact, a one-year initiative designed to enhance new college graduates' performance and accelerate their growth and success as TI employees.
- Implemented a standardized quality assessment process to evaluate classroom training curriculums and their effectiveness, while accelerating our continuous improvement process.
- Delivered more than 32 hours of training (on average) to each employee.
- Welcomed and provided introductory orientations to 3,325 new employees.
- Held four-day boot camps for more than 400 experienced engineers to teach them cutting-edge engineering techniques that will enhance the quality of their design work for our customers.
- Extended invitations to 335 first-time managers to participate in our comprehensive Choose to Lead program, which includes formal workshops, online resources and a 360-degree assessment.



Employee well-being

- Promoted or elected 349 employees to TI's Technical Ladder, a prestigious program that recognizes employees who are making key technical or production contributions.
- Helped 464 employees further their education by reimbursing \$2.2 million in tuition through our educational assistance program.

Recognition

We discovered years ago that when we acknowledge the value and commitment of our workforce, employees become better connected, engaged and aligned.

- Resurrected our Innovators in Action awards program to recognize employees who have developed innovative products or processes that differentiate TI and add value for our customers.
- Launched a new initiative, DIY (Do It Yourself) with TI, which promotes innovations created by employee hobbyists on their own time using TI devices.
- Enabled U.S. managers to recognize about 5,200 employees for their contributions with non-cash items.
- Presented employees in Germany, the Philippines, Japan and Mexico with 2013 Environmental, Safety and Health Excellence Awards for embodying TI's values and meeting aggressive safety and environmental goals.
- Acknowledged 462 employees' five-year service anniversaries and 231 employees who celebrated 25 years with TI.

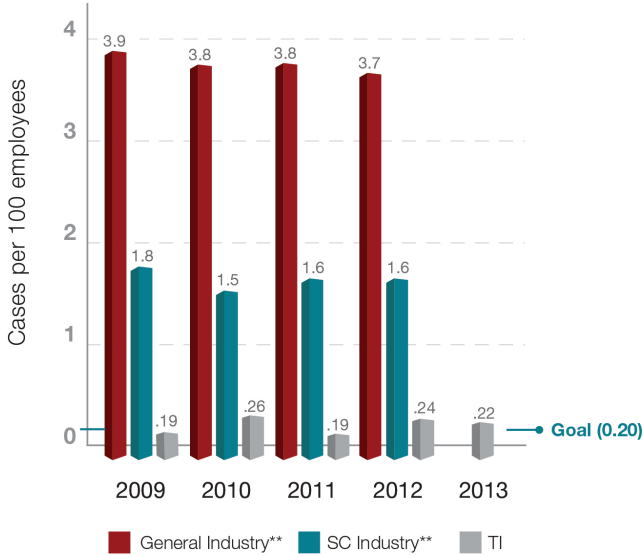
Looking ahead: 2014 and beyond

- Achieve a DART rate of 0.08 or less and an on-the-job recordable injury rate of 0.20 or less.
- Certify our Chengdu, China, site according to International Organization for Standardization 14000 and Occupational Health and Safety Assessment Series 18000 standards.
- Host wellness fairs, health screenings, Weight Watchers meetings and health education activities.
- More clearly define the diversity and inclusion expectations and roles of managers, and build their leadership skills.
- Increase recruitment outreach to military veterans, minorities and individuals with disabilities in the U.S.
- Increase employees' awareness of work-life initiatives and flexible work options, and encourage their use of these benefits and tools.
- Increase contributions to employees' health savings accounts, providing dollars each year for employees in our high-deductible health plan to spend on medical expenses tax-free.
- Engage our factories and suppliers to discuss and review their social responsibility and human rights standards and performance.
- Roll out a performance management campaign, Performance Matters, to drive consistent and meaningful performance discussions between employees and their managers.



Employee well-being

Recordable injury cases*



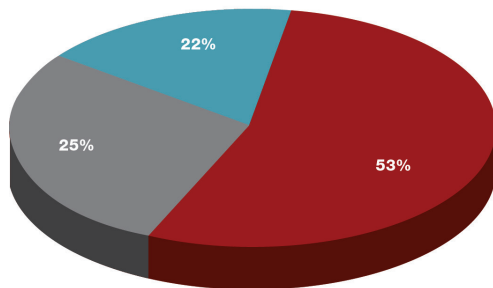
*Work-related injury (rate per 100 employee-years) that requires treatment beyond first aid or results in lost time or restricted job duties for one or more workers as defined by the U.S. Occupational Safety and Health Administration.

**Industry data was provided by the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. Statistics represent U.S. performance only. Semiconductor (SC) and general industry data for 2013 were not available at the time of report development.

Composition of governance bodies

Employee type	Board (%)	Executive officers (%)
Male	64	80
Female	36	20
Age: <30 years	0	0
Age: 30-50 years	9	33
Age: >50+ years	91	67
Ethnic minority	27	7

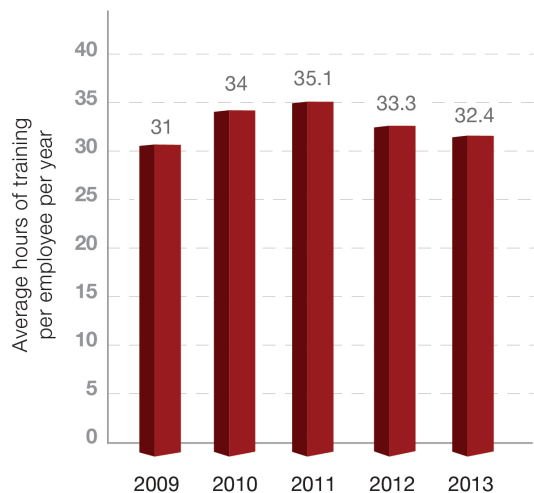
Employee tenure*



*The average tenure per employee globally was 12 years.

- Global employees: <10 years of service
- Global employees: 10+ years of service
- Global employees: 20+ years of service

Average hours of training





Community commitment

We believe strong companies build strong communities and strong communities build strong companies.

2013 performance

Giving

We support initiatives that enhance our ability to innovate and improve the quality of life in the areas where we operate.

- Granted \$27.9 million from corporate funds to support numerous agencies, universities, programs and charities. Of this amount:
 - TI gave \$15 million to the TI Foundation, which granted \$14 million in 2013, including \$3.2 million to the United Way and \$690,000 to support other community investment programs.
 - The TI Foundation and TI employees gave \$270,000 to the American Red Cross for Typhoon Haiyan relief efforts in the Philippines, and TI donated ¥\$1 million (renminbi), or about \$161,000, to the China Youth Development Foundation to help rebuild schools impacted by the 7.0-magnitude Ya'an earthquake.
- Employees gave more than \$5.7 million to many worthy causes through individual donations and TI-sponsored campaigns and activities.
- Recognized TI Silicon Valley as Top Corporate Philanthropist by the Silicon Valley Business Journal for its contributions to the community.

Education

We invest significantly in science, technology, engineering and math (STEM) education efforts, particularly in the U.S., to prepare our future workforce and continue technological advancements.

- Partnered with universities in 35 countries to integrate the latest analog and embedded technology into engineering curriculums.
- Sponsored 12 TI Innovation Challenge Design Contests for 33,483 students at top universities worldwide to encourage up-and-coming visionaries to share their ideas and put their passion into practice with a career at TI.
- Granted more than \$6.5 million to support K-12 education programs.
- Provided curriculums and tools that support teachers, help students grasp the fundamentals of STEM, and make classroom learning more stimulating.
- Supported education reform in China by working with top universities to enhance their curriculums, and to provide students with more hands-on experience and training in an effort to improve the quality of basic education.
- Donated 100 multimedia classrooms to schools in poverty-stricken areas of central and west China and trained teachers on how to use the technology to enhance student learning.



Community commitment

Volunteerism

- Enabled employees to contribute 61,000 hours of their time, valued at almost \$1.4 million, to community organizations.
- Increased tracked volunteer hours by 33.3 percent, exceeding our 25 percent goal.
- Expanded community involvement programs to encourage more employees to make an impact in their local communities.
- Trained 125 community ambassadors in the U.S. to help employees be more effective board members.
- Offered employees more strategic volunteer opportunities with TI and TI Foundation grant recipients that support education and community investment programs.

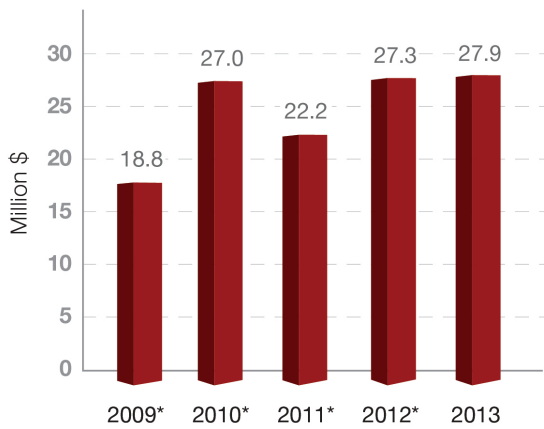
Looking ahead: 2014 and beyond

- Evaluate global philanthropy processes to broaden our impact and offer more opportunities for employees to support their local TI site communities.
- Comply with the new Companies Act legislation in India, requiring specific processes and minimum giving to support specified corporate social-responsibility programs there.
- Open our first China Youth Development Foundation Project Hope School to give more students access to an education.
- Provide STEM curriculums, labs and learning technology, and form strategic partnerships with select U.S. high schools and universities to ignite students' interest in pursuing related university degrees and careers.
- Expand professional development programs and content offerings to help educators integrate Common Core State Standards and Next Generation Science Standards into U.S. classrooms.
- Make significant investments in universities with research programs that align with our technology roadmap.
- Expand our analog power curriculum support in universities worldwide and further encourage the integration of embedded technology in curriculums.
- Launch Get Involved, a one-stop portal for employee giving and volunteering.
- Increase employee volunteer hours globally by 25 percent.



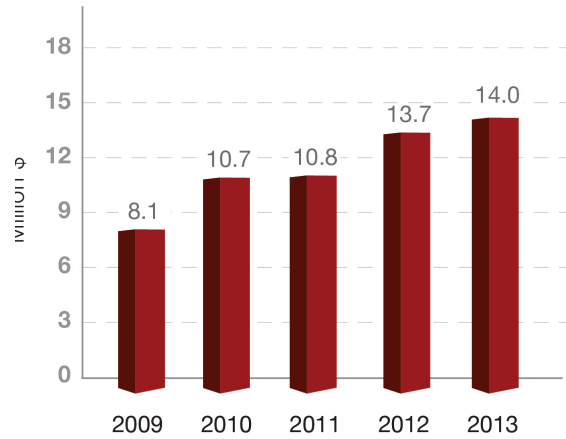
Community commitment

Corporate giving



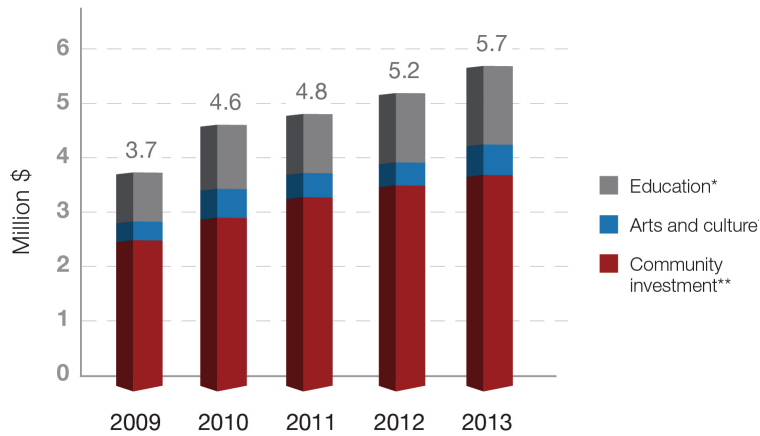
*Does not include gifts-in-kind.

TI Foundation giving*



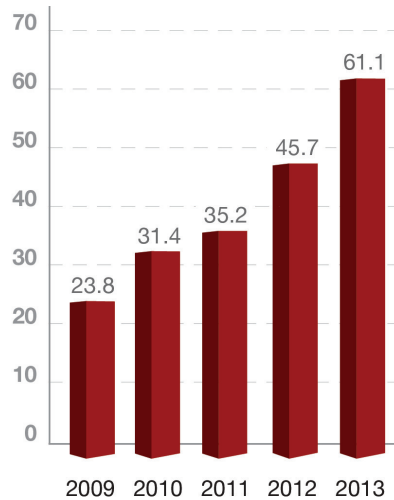
*Includes grants to eligible organizations, in addition to employee matched contributions and Volunteer Incentive Program grants.

Employee giving



*Giving tracked through the U.S.-based TI Foundation matching gifts program.
 **Includes health and human services, United Way, disaster relief and other. Disaster relief includes employee gifts in support of domestic and international disaster relief efforts but does not include value of employee volunteer hours.

Total volunteer time



*These are estimates based on tracked volunteer activities only.



Responsible advocacy

We have an obligation to our shareholders, employees and customers to advocate for responsible government policies that help us achieve our business goals, promote and protect our interests, and fulfill our societal obligations.

2013 performance

- Advocated for policies that support growth, innovation and competitiveness.
- Worked closely with the U.S. government on export control reforms affecting semiconductors.
- Supported efforts to expand the Information Technology Agreement and to conclude key trade agreements with the European Union and Trans-Pacific Partnership economies.
- Worked with policymakers to accelerate the deployment of energy-efficient and clean energy technologies, and generated awareness of the importance of electronics in automotive safety and innovation.
- Paid \$1.6 million to advocacy organizations for dues, involvement in lobbying activities or both.

Looking ahead: 2014 and beyond

- Remain engaged in expanding market access through trade and opportunities for growth.
- Continue to play a leadership role in associations to advance innovation through robust research funding and immigration reform for high-skilled workers.
- Pursue efforts to shape a favorable business environment through sound, globally competitive tax policies.



Corporate governance

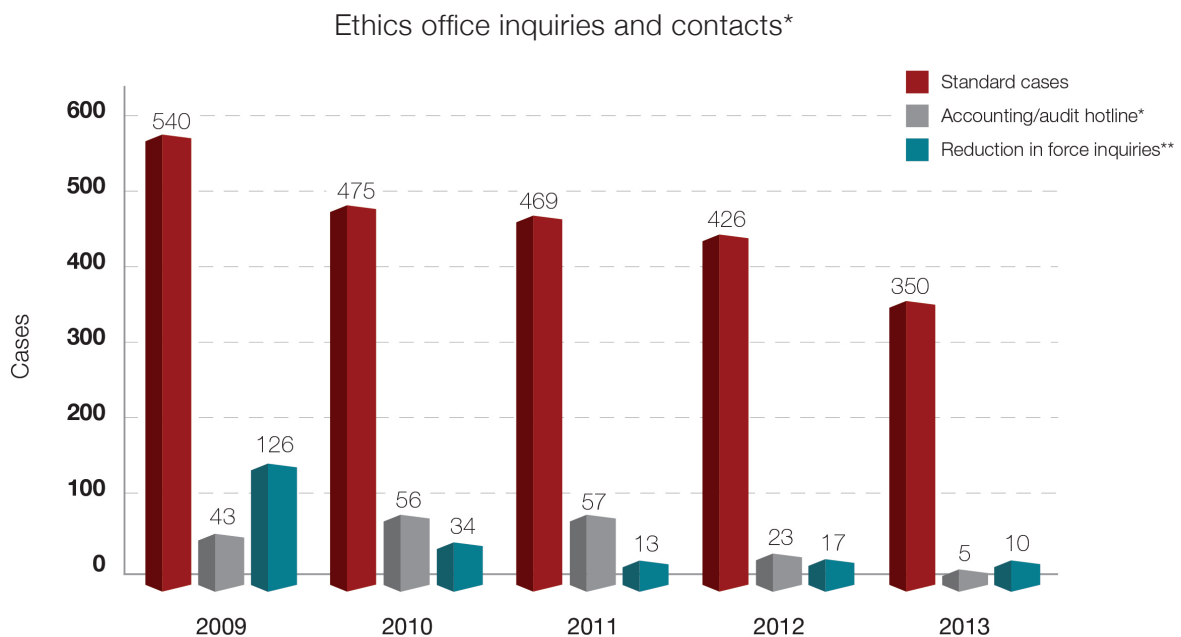
We believe good corporate governance is integral to our long-term success.

2013 performance

- Welcomed two new board members: Mark A. Blinn, president and chief executive officer of Flowserve Corp.; and Ronald Kirk, U.S. trade representative under President Barack Obama.
- Experienced no material incidents and received no material fines on any legal matter, including matters relating to environmental, labor, human rights, bribery and corruption laws.
- Trained more than 32,000 employees on TI's Ethics and Compliance Awareness Program and Code of Business Conduct. We also trained more than 31,500 employees on preventing workplace harassment and confidential information protection.

Looking ahead: 2014 and beyond

- Change how we identify and audit high-risk suppliers to align with EICC protocols.
- Continue training select employees on the EICC Code of Conduct; ethical decision-making; export compliance; environmental, safety and health protocols; preventing sexual harassment; the Foreign Corrupt Practices Act; and how to protect personal information.
- Update TI's Code of Business Conduct, which will be rolled out in early 2015 in e-book format, to help educate internal and external stakeholders.



*None of the inquiries or contacts presented an actual accounting or audit issue.

**Employee calls; primarily from those affected by downsizing.

Corporate citizenship at Texas Instruments starts with employees and is strengthened by people like you. We welcome your comments and questions through citizenshipreportfeedback@list.ti.com or through the company's social media outlets (@AroundTI on Twitter and Texas Instruments on Facebook). Stay up to date year-round through www.ti.com/citizenship.



Company headquarters

12500 TI Boulevard

Dallas, TX 75243

www.ti.com

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

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