

Building a better future

2010 Corporate Citizenship Report Summary

Overview

Sustainability, social responsibility, philanthropy, stewardship – there are a lot of words that can describe how Texas Instruments is working to build a better future. **We simply call it corporate citizenship.** Corporate citizenship is our commitment to be accountable for the company’s social, environmental and economic global impact.

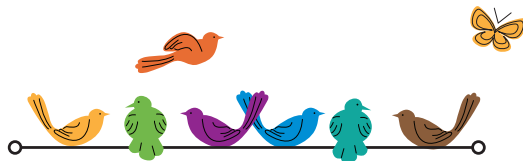
This document provides a summary of TI’s 2010 social and environmental performance. The complete 2010 Corporate Citizenship Report is at ti.com/ccr.

Corporate citizenship at TI

Our citizenship strategy team of cross-functional company leaders refines TI’s citizenship principles to meet changing business and community needs, educates employees and drives improved performance. The team also provides strategic direction and operational transparency, and oversees our social and environmental performance reporting efforts.

Our commitment to corporate citizenship encompasses:

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



*“Our journey toward sustainability is well under way,
and our commitment to build a better future will continue.”*

— Rich Templeton
Chairman, president and chief executive officer

Awards and honors

A variety of third parties recognize TI for our social and environmental achievements, and many of these awards are featured in the online report. In 2010, TI was named to numerous awards and lists including:

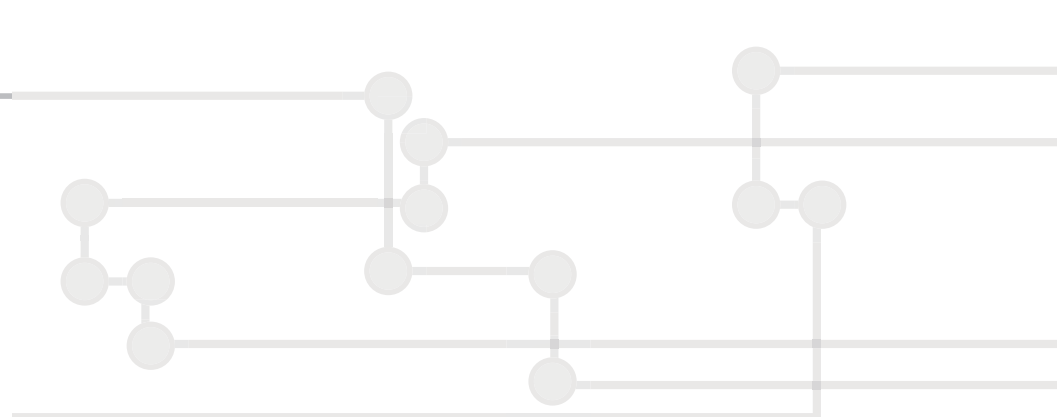
- Dow Jones Sustainability Index – North America
- Best Corporate Citizens list – CR Magazine
- Most Ethical Companies list– Ethisphere Institute
- Green Rankings list – Newsweek
- Most Admired Companies list - Fortune
- Global Sustainability 50 Index – NASDAQ OMX CRD

A comprehensive list is available at ti.com/ccr-awards.

Global Reporting Initiative

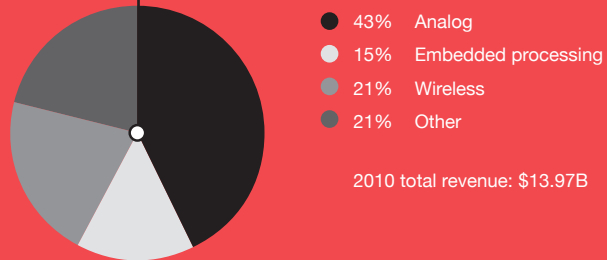
TI’s complete online Citizenship Report, available at ti.com/ccr, was prepared using the Global Reporting Initiative’s (GRI) Sustainability Reporting G3 Guidelines. The report serves as a companion to TI’s Annual Report of financial performance.

The Citizenship Report, now in its fifth edition, meets the standards for GRI’s self-assessed Application Level A for the first time. See ti.com/ccr-griindex for more.

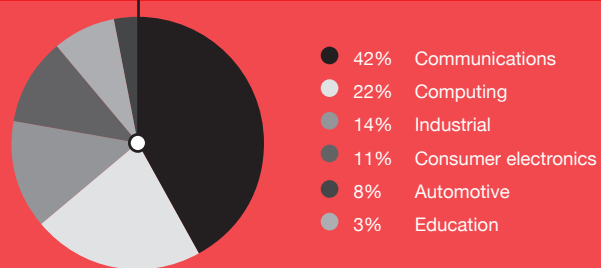


2010 at a glance

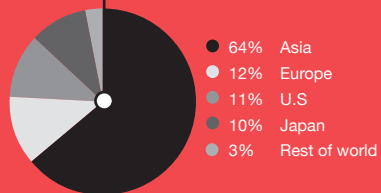
● Revenue by segment*



● Product revenue by market



● Revenue by region



● Employment by region



Letter from our CEO

As we introduce our fifth annual corporate citizenship report, I am proud of our company's performance and progress. This is a milestone during an exciting period of expansion and focus on sustainability.

In 2010, Texas Instruments delivered record profit and opened three new manufacturing sites around the globe while substantially growing our business. We are expanding responsibly by considering the needs of our employees and communities, conserving resources, and limiting our impact on the environment. Among our many successes, we:

- Opened Kilby Labs India to foster innovations in energy efficiency, bio-electronics and life sciences;
- Decreased the amount of energy required to design, market and manufacture a semiconductor chip by 24 percent and the amount of water required by 20 percent;
- Recycled 95 percent of our waste;
- Were named to Working Mother Magazine's Hall of Fame for inclusion on the "100 Best Companies for Working Mothers" list for the 15th consecutive year; and
- Granted \$28.2 million in cash and in-kind donations to support education, cultural and community initiatives.

Our continued improvements in operations will be guided by multi-year sustainability goals that we have set and reported for the first time. Over the next five years, we aim to design, market and manufacture our products to:

- Reduce energy required per chip by 45 percent;
- Reduce water required per chip by 45 percent; and
- Reduce greenhouse gas emissions per chip by 30 percent.

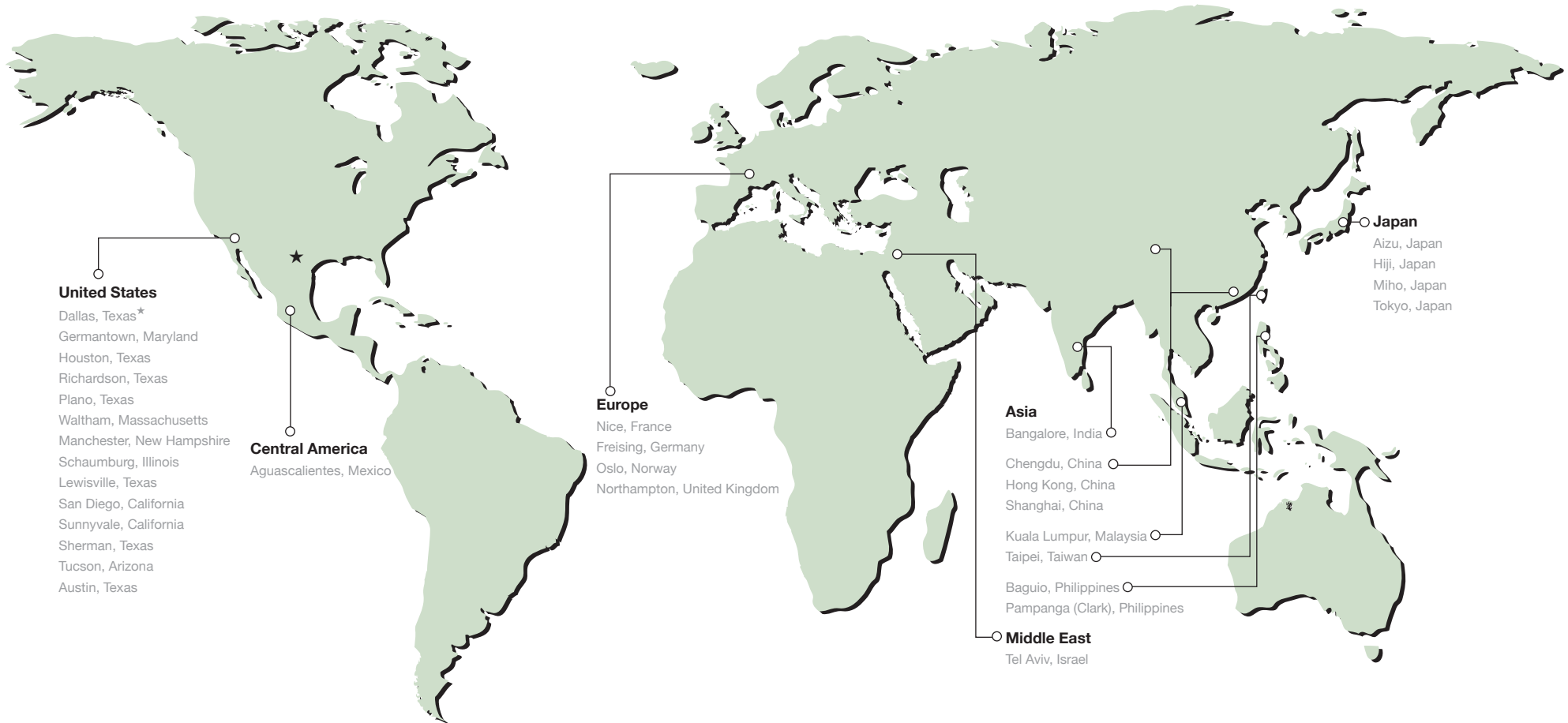
Our journey toward sustainability is well under way, and our commitment to build a better future will continue.

We invite you to read more about our progress and share your thoughts.

Rich Templeton
Chairman, president and chief executive officer

Major worldwide locations

TI has manufacturing, design and sales operations in more than 30 countries worldwide.





Company operations

2010 performance

Business continuity

- Strengthened our ability to meet customer needs through the startup of our Richardson, Texas fabrication center and the acquisition of two manufacturing sites in Asia.
- Continued business during the volcano eruption in Iceland, which disrupted European air traffic and trade for about a week.

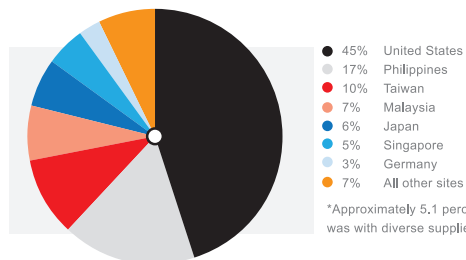
Supplier stewardship

- Named by Siemens AG as its No. 1 supplier among 91,000, due to our responsiveness, citizenship, productivity, reliability, technology, innovation and quality.
- Put processes in place to comply with new conflict minerals legislation and identify alternative sources of two rare earth minerals that we use in manufacturing.
- Spent 5.1 percent of our total U.S. procurement dollars with certified minority- and women-owned prime and sub-tier suppliers, exceeding our goal for the year.
- Sponsored the largest and most successful Super Bowl Emerging Business Program in National Football League history. More than 3,000 North Texas minority and women-owned businesses were trained and 900 became certified for procurement opportunities.

Looking ahead

- Begin inquiring about our suppliers' ethics, human rights and compliance protocols and performance. As part of this effort, we will identify suppliers that are ISO 14001-certified.
- Work to ensure legal and regulatory compliance across our supply chain.

Global spend with suppliers*



*Approximately 5.1 percent of U.S. spend was with diverse suppliers.



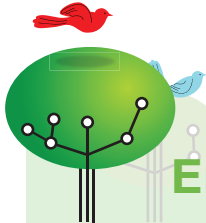
Product stewardship

2010 performance

- Ensured more than 90 percent of our semiconductor products are “TI-green,” meeting environmental standards beyond government requirements worldwide.
- Received the National Association of Software and Service Companies’ Social Innovation Award for TI India’s deployment of a solar LED lantern that is bringing light in nighttime hours for the first time to rural villages without the use of fossil fuels.
- Doubled the size of Kilby Labs to increase the number of research projects conducted there and opened Kilby Labs India, which will develop technologies primarily to meet the energy needs of that region.
- Increased our R&D investments by about \$100 million as part of our focus on growth.
- Contributed \$12 million to the Semiconductor Research Corporation for university research in semiconductor technology and design.
- Funded the endowment of two new chairs at the University of Texas at Dallas to conduct nanotechnology research and expand the university’s position as a leading center for this field.
- Included in Time magazine’s list of “All-TIME 100 Gadgets” for three TI products: the SR-10 calculator, the Speak & Spell and the Regency TR-1 radio.

Looking ahead

- Bring new innovations to market and research ways to enhance our existing product line.



Environmental responsibility

2010 performance

Air quality

- Reduced nitrogen oxide emissions by shutting down old equipment and using technologically advanced abatement systems.
- Received the Working for Clean Air Award from the North Texas Clean Air Coalition for improving air quality.

Climate change

- Began measuring employee commute emissions as well as business air travel emissions.
- Established the company's first greenhouse gas (GHG) emissions reduction goal.

Energy use

- Formalized our global energy strategy, which includes operating efficiency improvement, renewable energy procurement and employee involvement.
- Invested \$6 million in efficiency projects, which saved TI \$3.7 million in annual energy costs.
- Finalized an agreement to source about 10 percent of the electricity used by our Texas sites through 2012 from renewable resources.
- Reduced the amount of energy required to design, market and manufacture a semiconductor chip by 24 percent.

Transportation

- Successfully managed product distribution during a period of exceptional business growth.
- Continued removing less efficient vehicles from the company fleet.
- Was designated by the League of American Bicyclists as a "Bicycle-Friendly Business."
- Provided approximately 57 percent of our global workforce with the tools for remote connectivity to telecommute.

Water use

- Reused 1.5 billion gallons of water, enough to fill 2,273 Olympic-sized swimming pools.
- Invested three times more in water conservation programs than in 2009 and saved about 122 million gallons of water through efficiency projects.
- Participated in the Carbon Disclosure Project's first Water Disclosure program.
- Reduced the amount of water required to design, market and manufacture a semiconductor chip by 20 percent.

Material use and recycling

- Recycled 95.9 percent of our non-industrial waste and 93.9 percent of industrial waste, including 11.5 tons of silicon wafers.



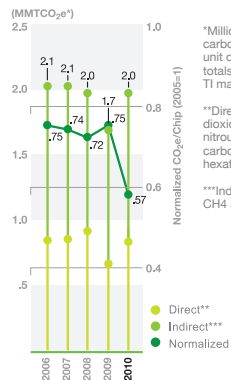
Sustainable site

- Achieved LEED gold certification for TI's new assembly/test facility in Clark, Philippines, the first of its kind in that country.

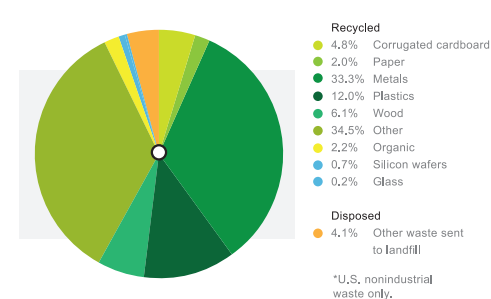
Looking ahead

- To design, market and manufacture our products over the next five years, we aim to:
 - Reduce energy required per chip by 45 percent.
 - Reduce water required per chip by 45 percent.
 - Reduce GHG emissions per chip by 30 percent.
- Allocate \$10 million for water and energy conservation projects.

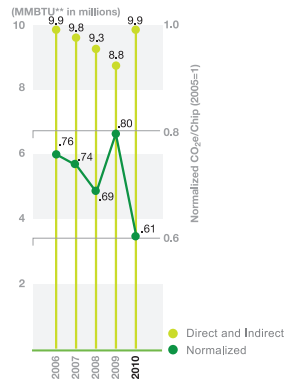
Carbon footprint



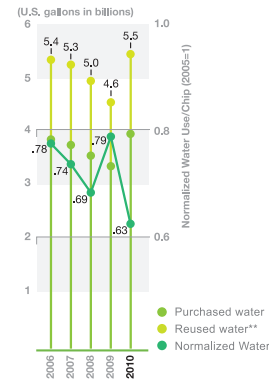
Waste by type*



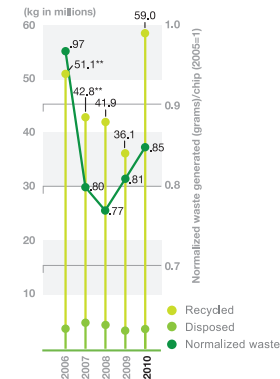
Total energy use*



Total water use*



Total waste*



*The total of all energy resources consumed by TI (direct and indirect energy). Total energy use increased due to increased production, including the start-up of one new manufacturing facility and the acquisition of two other facilities during the year. Total energy use now includes the energy from the supplier of gases on our Dallas north campus.

**Million British thermal units (MMBTU) is a measure denoting the amount of heat energy in fuels.

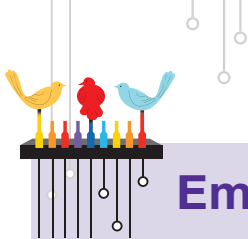
*Water obtained from local utilities and on-site wells. This does not include used once-through cooling water; water pumped from on-site wells at our Freising, Germany site for heat rejection, which is returned to the same aquifer.

**TI reused 27% of total water use.

TI recycled 95% of its total waste worldwide.

*All 2010 waste data does not include performance data from the two sites acquired late in the year.

**This information has been updated due to improved measurement



Employee well-being

2010 performance

Safety

- Maintained one of the best safety rates among U.S. Semiconductor Industry Association members.
- Performed more than 1,700 ergonomic assessments for computer workstations.

Health

- Analyzed the effectiveness of our wellness programs to strengthen and enhance their delivery, and expand their global reach.
- Supported the Semiconductor Industry Association's five-year study to assess potential cancer risks of those working in wafer fab clean rooms. Researchers found no association between this work environment and overall cancer mortality.

Work-life balance

- Evaluated our work-life programming to ensure it met employees' needs.
- Named to Working Mother Magazine's Hall of Fame for our inclusion on its "100 Best Companies for Working Mothers" list for 15 consecutive years.

Pay and benefits

- Increased salaries following a wage freeze in 2009.
- Paid 17.3 percent profit sharing to all employees globally, except for France and Mexico, which have locally-regulated plans.

Diversity and inclusion

- Recognized as one of the "Top 50 Companies for Executive Women" by the National Association for Female Executives.
- Named a "Most Admired Employer" by U.S. Black Engineer, Hispanic Engineer and Women of Color magazines.

Recruitment and retention

- Created more than 200 jobs at our new manufacturing site in Richardson, Texas, and added approximately 1,140 employees to our workforce through the acquisition of two manufacturing sites in Asia.

Employee well-being

Human rights

- Scored 100 percent for the third consecutive year on the Human Rights Campaign Foundation's U.S. Corporate Equality Index.
- Assessed human rights performance and audited existing protocols at TI's newly acquired site in China.
- Received no allegations of human rights abuses.

Development

- Engaged, trained and mentored both new hires and critical personnel to drive smart business growth.
- Received the Talent Development Innovator Award by the Association of Educational Publishers for our outstanding hiring, professional development and career advancement programs.

Recognition

- Increased the number of recognition requests through the TI Recognition Services and Events team, which rewarded employees for their business successes.

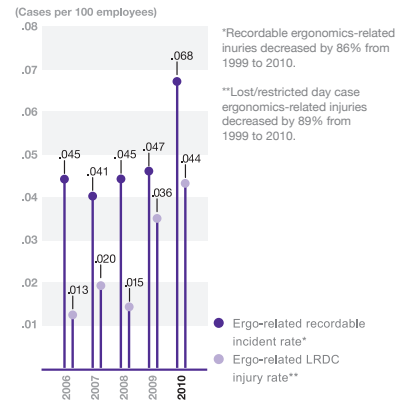
Engagement

- Built a social media framework to better enable interactive communications throughout the company, which included the development of related principles, guidelines and training.
- Formed a new Employee Panel and Employee Communications Forum to identify and validate the feelings and viewpoints of our global teams.

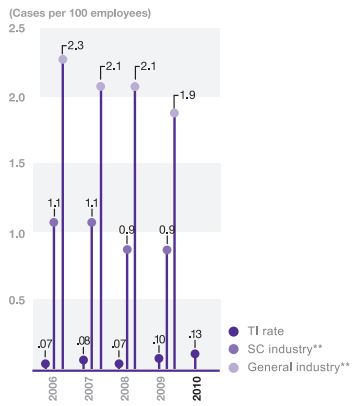
Looking ahead

- Meet our recordable injury rate goal of 0.20 or less.
- Launch a new e-learning portal to provide focused content and track employee development activities.
- Bring additional talented women into our global workforce.
- Offer more targeted programs to help employees eat healthier foods, exercise regularly, reduce stress and maintain their blood sugar.
- Roll out an online portal that allows managers and employees to set goals based on company priorities, share and discuss feedback, complete performance reviews and drive development planning.

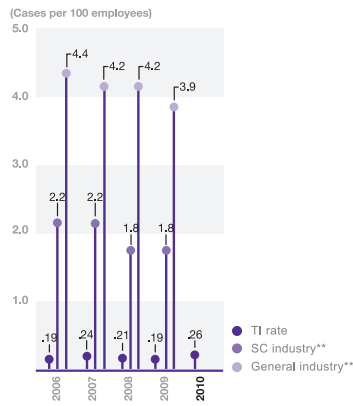
Ergonomics-related cases



Lost/restricted day cases*



Recordable injury cases*



*Work-related injury (rate per 100 employee-years) that results in days away from work, restricted work activity and/or job transfer.

**Industry data provided by the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. Statistics represent U.S. performance only. SC and general industry data for 2010 were not available at the time of report development.

*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 provided by the U.S. Occupational Health and Safety Administration and the Bureau of Labor Statistics. Statistics represent U.S. performance only. SC and general industry data for 2010 were not available at the time of report development.



Community commitment

2010 performance

Giving

- Gave \$27 million from corporate funds and the TI Foundation to support numerous agencies, programs and charities and also gave \$1.2 million worth of in-kind donations.
- Updated and focused our corporate giving guidelines to channel company and employees' energies and resources for the greatest community benefit.

Education

- Granted \$16.6 million to develop more science, technology, engineering and math (STEM) teachers, and funded related programs to increase the number of graduates entering the technology workforce.
- Invested more than \$150 million cumulatively to support education over the past five years.
- Joined Change the Equation to help the U.S. develop effective programs to lead in science and math education over the next decade.

Volunteerism

- Enabled employees to donate 31,383 hours of their time, valued at almost \$655,000.
- Held our first-ever TI Founders Community Service Awards, which recognized five U.S. employees for outstanding volunteerism.

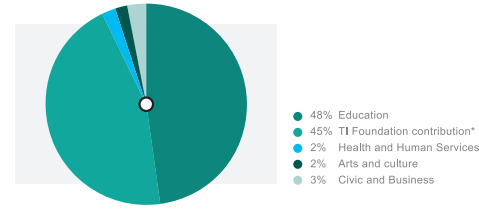
Engagement

- Engaged with our workers, customers and investors about TI's rapid growth, acquisitions and plans for sustaining market share.
- Learned that top stakeholder questions and concerns included conflict minerals, climate change management, water use, energy use and renewable energy.
- Created the industry's first proprietary online customer panel to gather insight on TI's products and design tools, innovation and future product enhancements.

Looking ahead

- Support and strengthen student achievement and teacher effectiveness programs.
- Introduce a volunteer match program to match employee volunteer hours with a grant to a qualified organization.
- Improve dialogue with and better respond to stakeholder groups.

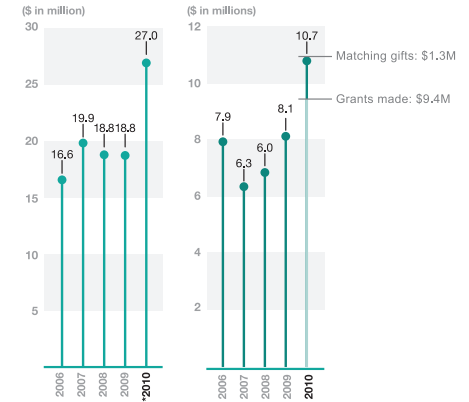
Corporate giving by type



2010 TI corporate contributions worldwide: \$27M

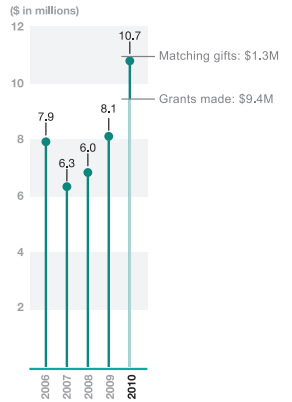
*TI gives an annual donation to the TI Foundation. In 2010, TI contributed \$12M. The TI Foundation made \$10.7M of grants and matching gifts in 2010.

Corporate giving



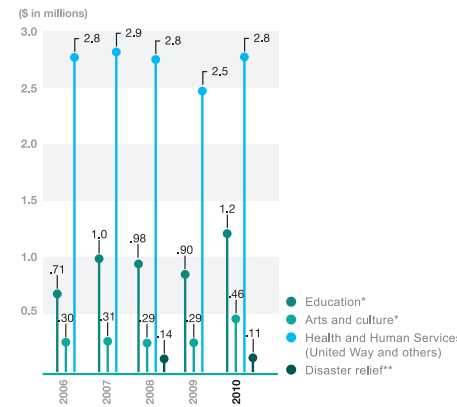
*This does not include gifts-in-kind valued at \$1,184,432.

TI Foundation giving*



*Includes grants made to eligible organizations, in addition to employee matched contributions.

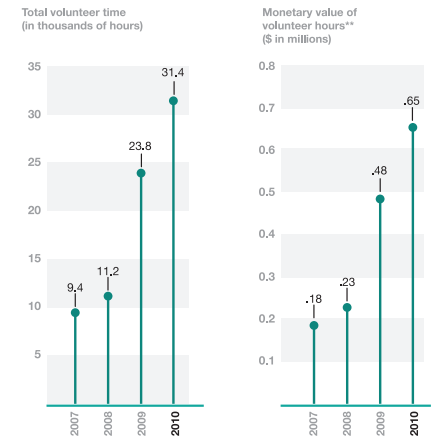
Employee giving*



*Giving tracked through the U.S.-based TI Foundation matching gifts program.

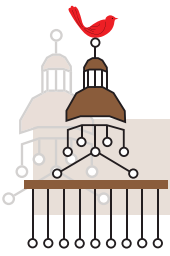
**Includes employee gifts in support of domestic and international disaster relief efforts but does not include value of employee volunteer hours. This does not include a 2010 TI Foundation gift of \$200,000 given for relief efforts in Haiti.

Volunteerism*



*These are estimates based on select, corporate-sponsored U.S.-based volunteer activities only.

**Value based on Independent Sector calculation: http://www.independentsector.org/programs/research/volunteer_time.html



Responsible advocacy

2010 performance

- Supported U.S. federal and state tax policies to encourage R&D, including an extension of the R&D tax credit.
- Continued efforts to ensure that legislation to reform the patent system would support our significant research investments.
- Supported the America Competes Act and various appropriations measures that provided funding in this area.

Looking ahead

- Engage new members of Congress and other stakeholders in key regions of the world.
- Advance growth opportunities, ensure a fair and competitive playing field for TI products, and advance our reputation as an ethical supplier and partner.



Corporate governance

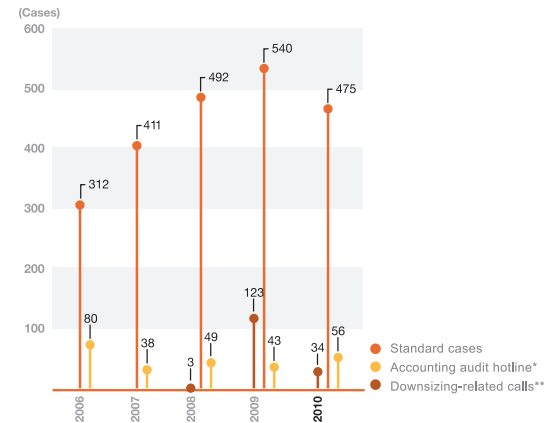
2010 performance

- Rolled out a computer-based ethics and compliance awareness program to 99.1 percent of our workforce to standardize our training approach on core ethics matters.
- Included on the “World’s Most Ethical Companies” list for the fourth consecutive year by Ethisphere Magazine.

Looking ahead


- Monitor the requirements and implications of the Dodd–Frank Wall Street Reform and Consumer Protection Act.
- Train and educate employees to encourage ongoing dialogue about compliance and ethics.

Ethics office inquiries and contacts*



* None of the inquiries or contacts presented an accounting issue or appeared to pose a financial risk.

**Submitted through the Accounting and audit hotline.



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**.

Stay up-to-date year round through **www.ti.com/citizenship**.



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