

Workplace



Our company is a reflection of our people – 30,000 problem-solvers around the globe working to create a better world by making electronics more affordable through semiconductors. Our people, known simply as Tlers, make our company great. Tlers are unique. They act with integrity and respect others. They are curious. They challenge themselves and each other to be the best. They imagine the future of technology and work relentlessly to solve problems and help our customers innovate to create a better world.

Diversity and inclusion

Our inclusive culture creates a place for all TIers to be heard, be themselves, contribute at a high level and make a difference. We do not back away from tackling tough issues because we believe discussion leads to understanding, and understanding helps break down barriers. Embracing diverse backgrounds, perspectives and approaches to problem-solving continue to make our culture more inclusive, our company stronger and our products more innovative.

“At TI, we are committed to creating an inclusive work culture. Inclusion is about creating an environment in which our people can bring their best to work in order to achieve success and deliver the best results.”

– Rich Templeton, TI chairman, president and CEO

To create an inclusive and diverse workforce, we focus on:

- **Advancing inclusion globally.** Our diversity and inclusion programs connect leaders, human resources managers and employees to resources, training and open discussions about how inclusive behaviors can impact business results and positively impact productivity and innovation.
- **Hiring diverse talent.** We partner with a diverse mix of universities, diversity conferences and programs to broaden our outreach and attract more diverse talent. We use college recruiting programs such as internships and rotations as well as new programs, including an initiative to attract and hire veterans and a “returnship” program for experienced professionals returning from a career break. These programs broaden our access to great talent with a variety of backgrounds and experiences.
- **Cultivating a diverse leadership pipeline.** We have programs to develop and retain high-performing, diverse talent, so our leadership reflects our workforce. We are committed to growing our leaders from within, and we train our leaders on inclusion and diversity through our high-potential and leadership development programs and initiatives.

- **Investing in our future through science, technology, engineering and math (STEM) education.** We invest to help build the next generation of engineers through community involvement and giving, with a focus on helping better prepare girls and Black and Latinx students, since these groups are traditionally underrepresented in STEM fields.

Addressing unconscious bias

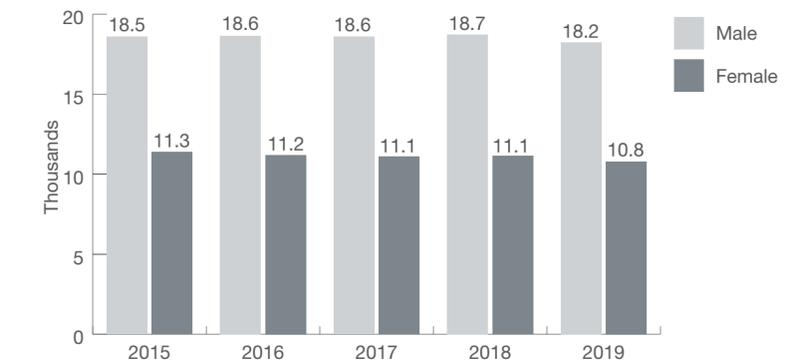
Unconscious biases are small judgments that people make quickly. It’s something everyone has experienced, perhaps without realizing it. To help check those biases, TI hosted a bus tour with CEO Action for Diversity and Inclusion that included a series of immersive activities to help identify bias and understand what it is like to walk in someone else’s shoes. Cultivating a trusting environment where our employees feel empowered to discuss diversity and inclusion is a top priority at TI. We must put ourselves in other people’s shoes and come face to face with our unconscious biases.



Recognized for our commitment to equality

For the past four years, TI has received a 100% rating by the Human Rights Campaign (HRC) Corporate Equality Index. We strive to provide a workplace where people can be themselves and deliver their best, which is why we’re honored to be recognized as a top place to work for LGBTQ equality. In addition to this rating, we have joined HRC’s Business Coalition for the Equality Act as an employer supporting the passage of the Equality Act in the U.S.

Global workforce by gender



Employees	2015	2016	2017	2018	2019
Asia	14,954	15,201	15,320	15,609	15,322
Male	7,077	7,233	7,519	7,772	7,690
Female	7,877	7,788	7,821	7,837	7,632
Americas	12,607	12,445	12,079	12,006	11,763
Male	9,517	9,455	9,212	9,120	8,936
Female	3,090	2,990	2,867	2,886	2,827
Europe	2,416	2,399	2,295	2,273	1,966
Male	1,989	1,968	1,875	1,853	1,625
Female	427	431	420	420	341

TI Diversity Network

For more than 30 years, the TI Diversity Network (TIDN) has helped educate employees and surface topics that matter to employees through 15 grassroots employee resource groups (ERGs). Our journey started in 1989 with the women's and Hispanic ERGs and has grown to include more than 10,000 members, a strong employee-led diversity council and an executive sponsor committee of company officers.

Open to all Tlers globally, ERGs encourage employees to discuss challenges, share ideas and create opportunities to provide development, career advice and community involvement that supports both members and the local community. All TI ERGs have goals and objectives that are aligned with and in support of our values.



Here are a few ways our ERGs are making an impact:

- Women's Initiative (WIN). WIN members around the world focus on increasing our company's female talent pipeline, advancing women in technical leadership roles, and strengthening our communities through mentorship with organizations such as Girl Scouts to give young girls visibility into a STEM career.
- Hispanic/Latino Initiative (Unidos). Unidos members focus on recruiting top Hispanic talent to TI and regularly attend the Society of Hispanic Professional Engineers conference to recruit new college graduates. They also represent TI at the Congressional Hispanic Caucus in Washington, D.C., each year.
- Black Employee Initiative (BEI). BEI members focus on the recruitment and retention of Black employees through professional development and mentoring. Members of BEI also represent TI at the Congressional Black Caucus in Washington, D.C., each year.
- TI Pride. Pride's focus is to create an environment of respect at TI so that people of all sexual orientations and gender identities, as well as perceived sexual orientations and gender identities, can be their true selves at work, and maximize their creativity and productivity. TI Pride's Safe Space program focuses on LGBTQ+ awareness in the workplace. Recently, this ERG led an effort to expand and facilitate safe space conversations within our Technology and Manufacturing Group and expanded training to five factory sites, reaching more than 200 first-line supervisors and senior leaders.

The TIDN includes three faith-based ERGs:

- Muslim Employee Initiative.
- Christian Values Initiative.
- Jewish Initiative.

As a global company, the TI workforce represents a wide range of diverse worldviews. For many employees, their faith is the foundation of their core values and self-identity.

Giving Tlers a voice

"Even though TI is a large, global company, the company creates a culture where each member of our team has a voice – a voice to provide ideas, feedback and creativity to ensure success. My unique voice can assist in finding solutions to make our company even stronger. I make TI better, and TI makes me better. I couldn't ask for more."

– Paerrick, a member of BEI and a pricing applications manager in IT



A champion for women in STEM careers

As sector general manager for TI's Automotive Infotainment team, system engineer Hope was instrumental in launching the Silicon Valley chapter of High-Tech High Heels (HTHH), a nonprofit that strives to eliminate the gender gap in STEM careers.

"You need a holistic approach to get girls into STEM because they start to lose confidence in math and science as early as fourth grade," Hope said.

HTHH hosts camps and training for young girls and women that create a supportive environment of learning and mentorship. Hope serves as a member of the board and leads the volunteer committee.



Commitment to equal employment opportunities

TI's commitment to equal employment opportunity extends to recruiting, hiring, training, promotion, transfers, compensation, benefits, termination, and all other terms and conditions of employment. TI administers employment decisions at TI in a nondiscriminatory manner without regard to race, color, religion, sex, gender, gender identity and expression, sexual orientation, marital status, national origin, ancestry, age, disability, genetic information, protected medical condition, pregnancy, military and veteran status, or any other characteristic protected by applicable law (collectively, "protected characteristics"). TI does not tolerate any harassment, intimidation or violence.

TI is committed to following the eight ILO fundamental conventions on equal remuneration without discrimination, ensuring the remuneration of all employees based on their qualifications and not on their gender identity or personal characteristics.

Valuing our differences

Inclusion encourages people to put thoughts and ideas on the table to help unlock everyone's potential.

"Being inclusive is about forming connections with people," said Amna, TIDN co-chair. "It's hard to put culture into words because it's intangible, but you can see and feel the diversity here."

The Association of ERGs and Councils' 2019 ERG and Council Honors Award recognized the TIDN for its management commitment, accountability and efforts to communicate and educate employees about inclusion and diversity.



Inclusion and diversity awards

- Forbes magazine's "America's Best Employers for Diversity."
- CAREERS and the disABLED magazine's "Top 50 Employers."
- Minority Engineer magazine, "Top 50 Employers," 8th year.
- National Association for Female Executives, "Top Companies for Executive Women," 15th consecutive year.
- Woman Engineer magazine, "Top 50 Employers."
- Working Mother magazine, "100 Best Companies for Working Mothers," 22nd year.
- Association of ERGs and Councils Honors Award.

Recruitment

Our ability to grow and thrive depends on recruiting and retaining the best talent in the industry. Candidates choose TI again and again because we offer:

- Exciting and impactful work across a number of markets, businesses and product lines.
- The opportunity to collaborate with the brightest minds in technology.
- Competitive pay and benefits packages designed to help our employees live their best lives.
- Career development opportunities where employees feel empowered to own their career paths.
- An inclusive and diverse culture where all employees can be themselves and bring their best to work.

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Our recruiting strategy centers around hiring a large number of new college graduates; many start their TI careers in our global rotation programs. These programs offer new graduates hands-on, meaningful experiences from their very first day on the job, and provide training and development opportunities to quickly make an impact at TI. We offer internships around the world, which are our primary source for hiring entry-level talent into the global rotation programs.

TI recruits talent at female, underrepresented minority and LGBTQ+ events and meetings of associations such as:

- Asian American Engineer of the Year
- Hispanic Engineering Awards Achievement Ceremony
- National Black MBA Association
- Out in Science, Technology, Engineering and Math
- Grace Hopper Celebration of Women in Computing
- Society of Women Engineers/WE Local
- Society of Hispanic Professional Engineers
- Black Engineer of the Year Awards
- National Society of Black Engineers
- IEEE Women in Engineering Leadership
- National Black MBA Association
- National Association of Black Accountants
- Out & Equal

For highly specialized technical and business roles, we have a sourcing and hiring strategy for experienced candidates that helps us identify, network and recruit the best and brightest in the industry to come work at TI. We recruit from the states and countries where we operate, particularly for entry-level and managerial positions, and then train and develop employees for more advanced or senior roles.

Retention

Retaining employees with institutional knowledge, technical and operating expertise, and extensive relationships within our company is a top priority for TI. We recognize that retaining women and minorities, who are traditionally underrepresented in technology, is critical. We invest in these groups with tailored career development

plans and provide mentors who encourage their professional growth. Two examples of our efforts include:

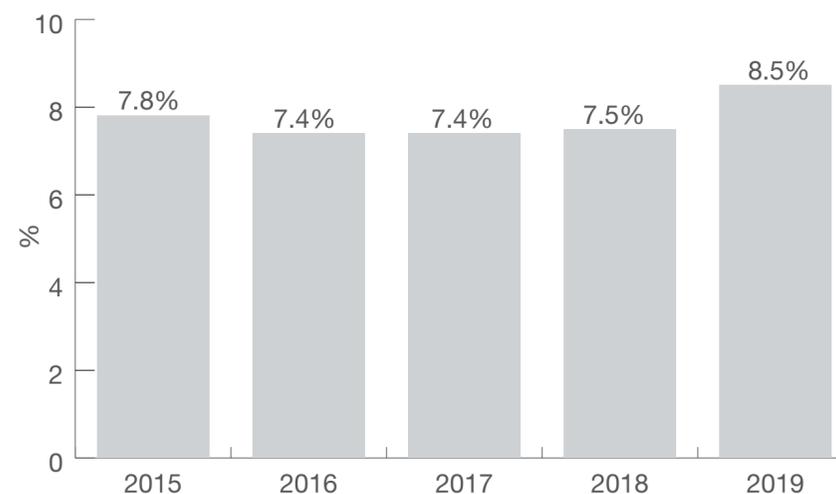
- Our Women for Technical Leadership program, which helps build a diverse talent pool of women with the intent to help them eventually become a business or technical leader at our company.
- Our Advancing Leadership initiative, which helps accelerate leadership capabilities for a diverse set of team leads or first-level managers to prepare them for a broader scope of responsibility.

We conduct pulse surveys quarterly to understand what's on our employees' minds and to gauge their job satisfaction and engagement in their work. In a recent survey:

- Around 90% of our employees said that their jobs provide them with interesting and challenging work.
- Approximately 90% said that they are proud to work at TI.
- About 95% know that they are contributing to the company's success.

We also use data analytics that allow us to track turnover by region so we can tailor initiatives for improvement. In 2019, turnover was 8.5%, up 1% from 2018, while 26% of our employees had worked at TI for more than 20 years.

Worldwide turnover



Development

At TI, employees own their career and development with the support of human resources, their managers, and programs and resources we provide. We invest in training and development programs to advance employees' learning in classrooms, online and through on-the-job stretch assignments. We encourage employees and managers to meet at least twice a year to discuss performance goals and career development.

Accelerating leader readiness

TI's Business Leader Development program accelerates readiness across all business organizations, with women making up 30% of participants. The program includes four interactive work sessions designed to give employees a deeper understanding of profit and loss leaders and culminates in a two-day business simulation exercise.



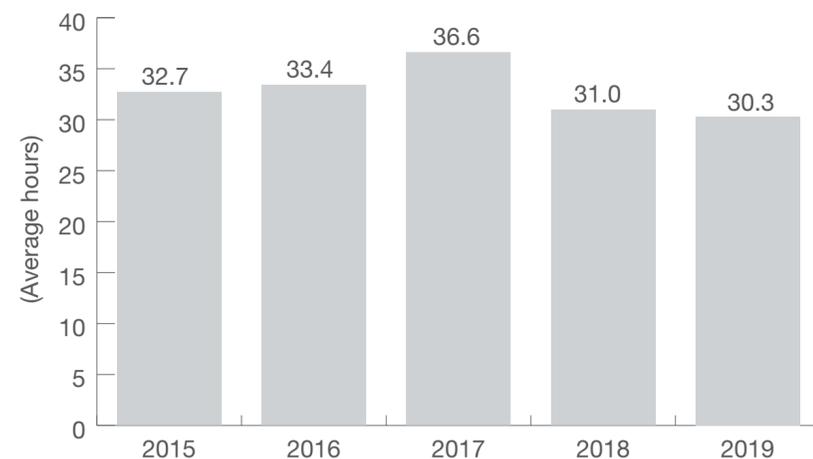
We have rigorous processes and tools for identifying and growing talent from within, enabling us to build critical talent pools and prepare potential leaders so that we have the right talent when leadership opportunities emerge. This includes:

- Leader assessments that help identify talent deeper in our organization and reduce biases in development opportunities.
- Biannual talent review discussions within each organization.
- Leader development programs for women, technical leaders and business leaders.

Leaders/managers

We help new supervisors, frontline managers and managers of managers effectively transition into their leadership roles through our LEADERSHIPmatters curriculum, and we offer high-potential employees on-demand learning to strengthen their leadership skills. We use 360-degree assessments and other development plans, online and hands-on learning, peer coaching, and teambuilding activities to enhance leadership skills, communication and collaboration.

Training per employee



Training hours in 2019 decreased slightly as a result of a new learning management system with enhanced tracking and assignments, and the retirement of some older and longer courses.

Technical development

The TI Tech Ladder, first introduced in 1968, is a technical career path with increasing levels of responsibility and influence on the company’s technical direction. Titleholders are peer-elected based on demonstrated leadership, innovation and initiative to contribute to the company’s goals.

We provide technical development for our engineers to improve their foundational skills and adapt their abilities to address changing technical needs. Tlrs also can participate in technical conferences, workshops, lectures and symposia.

Development programs for women

We sponsor selected Tlrs to participate in programs to prepare team leads, first-level managers and high-potential women for technical leadership and management roles. These include formal training and coaching to address opportunities for continued growth, including:

- Leadership America, an organization focused on equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- The International Women’s Foundation, an organization for high-achieving women that aims to expand knowledge and skills, develop connections among female leaders, and cultivate the next generation of emerging female leaders.
- Leadership Texas, which provides educational and development opportunities to Texas women who seek to advance as leaders and expand their knowledge of the diverse dynamics, issues, challenges and opportunities impacting their work, personal lives and communities.
- TI’s Women for Technical Leadership program, which is designed to inspire a more diverse pool of early- and mid-career talent and prepare them to join the ranks of our most prestigious technical community, the TI Tech Ladder. The one-year program consists of a mix of targeted experiences, customized training, personal coaching, and leadership insights and roundtables. In 2019, we saw a 71% increase – from 69 to 118 – of female applicants to the Technical Ladder, which recognizes and rewards elected members who make innovative contributions and demonstrate technical leadership.

Recognized by the National Association of Female Executives (NAFE)

For 15 years, NAFE has recognized TI for its efforts to advance women’s career paths, particularly female executives. We train managers to develop and promote women and have a formal executive succession planning program in place. In 2019, women comprised:

- 33% of our board of directors
- 13% of profit-and-loss positions
- 33% of direct reports to our CEO

Early Career Pivotal Learning Roles program

The Early Career Pivotal Learning Role (ECPLR) program is a 10-month program for selected early-career employees that gives participants the opportunity to learn a different role or new set of skills while working closely with leaders, technical experts and talent from across TI. The ECPLR program creates business impact by taking strong performers and matching them with high-impact problems, giving them the opportunity to find solutions and showcase their results.



Compensation

We offer competitive compensation and designed our compensation strategy to ensure that key talent, who will drive future growth, will remain with the company. Our compensation philosophy is based on pay for performance. Both the employee's contribution to our success and company performance determine an individual's compensation.

TI offers a global profit-sharing program that rewards all Tlers across all levels of the organization for contributing to its financial success. TI makes payouts as a percent of eligible earnings based on profitability each year. Some countries where we have operations, such as France and Mexico, have statutory requirements for their profit-sharing programs, which we meet.

Our profit-sharing formula is based on profit from operations (PFO) and begins when TI reaches 10% PFO. The maximum payout is 20% when PFO reaches 35%. All Tlers receive the same payout as a percentage of eligible earnings. The compensation and benefits we provide exceed or are in accordance with local laws. We do not maintain a standard entry-level wage for every country; however, we have verified that we pay employees above the local minimum wage in every country where we operate. For the last four years, our profit sharing plan has paid out at the maximum level possible, equating to a 20% bonus for all eligible employees.

Pay equity

We pay our employees fairly and equitably. TI has long been committed to competitive and equitable compensation regardless of gender, race, ethnicity or other protected characteristics, and we have designed checks and balances into our compensation system, including regular in-depth analyses, to ensure that we achieve it.

In 2019, we conducted a separate compensation analysis examining gender and race pay parity (including base, bonus and equity), that considered job type, job level and country. Our analysis confirmed that within the U.S. and worldwide, TI pays women as much as men, and in the U.S., TI pays minorities as much as nonminorities.



Work-life balance and resources

We believe that offering work-life support helps us attract, engage and retain top talent. Across TI, we offer a variety of work-life programs to reduce daily stressors that can interfere with workplace satisfaction and productivity. While initiatives and goals vary globally depending on specific work cultures and government-subsidized programs, examples include:

- Counseling sessions, on-demand resources and referrals for child care and elder care through our Employee Assistance program.
- Concierge services for vacation planning, making reservations or other personal transactions.
- Adoption support and reimbursement.
- Flexible work arrangements and the ability to work remotely.
- Discounted child care, seasonal children's camps and parent's night out events.
- Complimentary dry cleaning and packing services.

Work-life recognition

Working Mother magazine's "100 Best Companies for Working Mothers," 22nd year

In the U.S., TI supports families in a variety of ways, including:

- Parental leave: TI supports new parents with time off to bond with babies and recover from giving birth. New mothers and fathers receive four weeks of paid parental leave. Birth moms receive a total of 12 paid weeks of leave (eight weeks of paid maternity disability leave and four weeks of parental leave).
- Dependent care: Tlers can contribute pre-tax money to pay for qualified dependent care expenses using their flexible spending account.
- Child care: We partner with the Learning Care Group to offer Tlers a discount on early education and child care services, including before- and after-school programs and summer camps for children ages six weeks to 12 years old. This care network includes more than 900 U.S. locations.
- Private lactation rooms: To support new mothers returning to work, TI offers private lactation rooms equipped with a phone, comfortable seating, a refrigerator and a medical-grade pump.

Balancing work with life

Angela, an HR manager at TI and mother of two, feels she is a better parent because of work.

"You don't have to be perfect to be a great parent. I had to embrace the messiness and imperfection that comes with being a working parent. This has allowed me to have more realistic expectations, be flexible and ask for help. It's not easy to leave my kids and go to work every day, but I remind them and myself that it's important to work hard for the things you want to accomplish."





Workplace

EMPLOYEE SAFETY AND HEALTH

We believe that every workplace injury or illness is preventable, which is why we invest in and incorporate safe and healthy practices into our employees' daily routines. From building awareness to delivering specialized training and putting health and safety controls in place, we implement programs worldwide to reduce the risk for injury or illness.

Safety

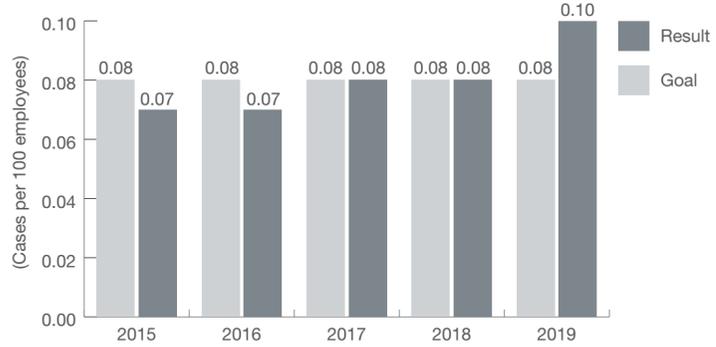
We have established and continue to champion a safety-oriented culture that includes implementing safety requirements and best practices globally to ensure a safe and healthy work environment for all of our employees. To maintain one of the industry's best safety records, we:

- Create and operate safe work sites and maintain proper safety protocols and controls.
- Design and build inherently safe buildings and engineer out equipment risks.
- Deliver relevant and required safety training.
- Inspect our equipment and continuously audit our processes to assess compliance and performance.
- Evaluate, screen and control the chemicals we use in manufacturing.

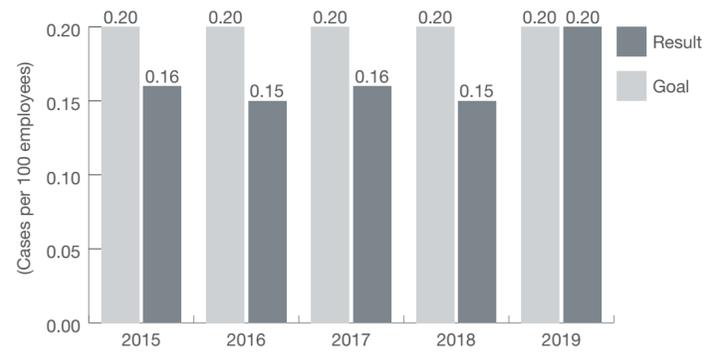
Globally, we aim to achieve zero work-related injuries and illnesses. We also set specific safety goals that include a days away, restricted or job transfer (DART) case rate of 0.08 or less, and a recordable case rate of 0.20 or less.

In 2019, we did not meet our DART goal because our reporting mechanisms became more robust and mature at some of our international locations, which led to more awareness and incident reports. Our DART and recordable rates continue to be the lowest within our industry. In 2018, industry averages were 0.3 for DART case rates and 1.2 for recordable case rates. 2019 industry data is not yet available.

Days away, restricted or job transfer (DART) rate



Recordable case rate



Occupational and general health

To reduce exposure to health risks, we eliminate or limit the use of potentially harmful materials, install ventilation and isolation controls, conduct general hygiene area and individual assessments, and require the use of and provide personal protective equipment where necessary and advisable. We also promote healthy lifestyles both at work and at home to make it easy for our employees to make healthy choices. For example, we:

- Conduct health assessments and provide preventive screenings and immunizations.
- Offer employee assistance programs, counseling and education services.
- Provide integrated disability case management associated with short- and long-term disability, workers' compensation, leave under the U.S. Family and Medical Leave Act, and any work- or non-work-related health concerns.
- Provide health and well-being information and improvement programs.

Additional health and safety data

Description	2018	2019
Recordable cases (employees)	0.15 (48 cases)	0.16 (48 cases)
Recordable cases (contractors) ¹⁴	0.36 (6 cases)	0.27 (5 cases)
Fatalities from work-related injuries (employees)	0	0
Fatalities from work-related injuries (contractors)	0	0
Fatalities from work-related illness (employees)	0	0
Fatalities from work-related illness (contractors)	0	0
High-consequence injuries (employees)	0.007 (2 cases)	0.007 (2 cases)
High-consequence injuries (contractors)	0	0
Hours worked (employees)	58,253,519	59,425,882
Hours worked (contractors only)	3,335,737	3,658,678
Recordable cases from work-related illness (employees)	4	9
Recordable cases from work-related illness (contractors)	1	0

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¹⁴ All references to contractors in this report refer to supplemental contractors.