



Texas Instruments

Basis of Reporting: Greenhouse Gas Emissions Data

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1. Overview

Texas Instruments Inc. (TI) is a global semiconductor company that designs, manufactures, tests and sells analog and embedded processing chips. Our approximately 80,000 products help over 100,000 customers efficiently manage power, accurately sense and transmit data, and provide the core control or processing in their designs. Our products are used in such markets as industrial, automotive, personal electronics, communications equipment and enterprise systems. Our headquarters are in Dallas, Texas, and TI has sites in more than 30 countries and employs about 34,000 people.

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

TI's scope 1 GHG emissions include:

- Direct process emissions of Perfluorocarbons (PFCs), Hydrofluorocarbons (HFCs), Sulfur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃) resulting from the manufacture of semiconductor products worldwide.
- Direct combustion of fuels used in stationary equipment such as boilers, exhaust/emissions abatement, and emergency generators at TI sites.
- Other fuels used in mobile equipment supporting semiconductor manufacturing processes worldwide including diesel, gasoline, jet fuel and liquefied petroleum gas (LPG).

Exclusions from the scope 1 inventory:

- TI has not included emissions from fluorinated heat transfer fluids (FHTF) due to varying calculation methodologies and guidance. Recently, the WSC has aligned on all regions moving to the 2019 Intergovernmental Panel on Climate Change (IPCC) guidance, which includes FHTF. TI is reviewing the timing of a transition to the 2019 IPCC guidance and will consider the inclusion of FHTF emissions upon adoption. TI estimates the emissions from FHTF to be approximately 5% of the 2023 scope 1 and scope 2 GHG emissions.
- Emissions from refrigerants are not included from the GHG inventory, as these have not yet been assessed.

TI's Scope 2 GHG emissions include those produced by:

- GHG emissions associated with the generation of purchased electricity for our semiconductor manufacturing operations worldwide

- District heating distributed to the Freising, Germany facility by a co-generation (combined heat and power) plant.

Exclusions from the scope 2 inventory:

TI does not include GHG emissions from multiple small, leased sales offices and design centers, which account for less than 1% of TI's total GHG emissions.

Emissions factors used:

TI calculates and reports both location-based and market-based Scope 2 emissions. Scope 2 location-based electricity emission factors are from the U.S. EPA eGRID for U.S. sites and the International Energy Agency (IEA) for international sites. Scope 2 market-based factors are the Green E residual mix for U.S. locations and the AIB Residual mix for our Freising, Germany location. Emissions are calculated using the global warming potentials (GWP) as referenced by the IPCC's Fourth Assessment Report. In some situations, such as for our operations within Taiwan, we use the emission factors published by the local energy administration.

2. Scope of Reporting

a. Organizational boundary

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

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

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

b. Operational boundary

Operational boundaries define which types of GHG emissions sources are included in the GHG inventory. The types of emissions are categorized by scope. Scope 1 are direct emissions from sources owned or controlled by TI, scope 2 are purchased electricity and district heating, and scope 3 are value chain emissions that are a consequence of TI's operations but occur at or from sources owned or controlled by another company. TI has not fully calculated scope 3 emissions in 2023.

3. Reporting criteria

TI follows the Greenhouse Gas Protocol Corporate Accounting & Reporting Standard from WBCSD/WRI for general guidance on GHG emissions accounting and reporting. TI adheres to the U.S. EPA's Mandatory Reporting Rule (40 CFR 98 Subparts A, C and I) for monitoring and reporting GHG emissions within the U.S. and regional Semiconductor Industry Association methods (such as the IPCC 2006 methodology) for reporting GHG emissions internationally.

Auditing and verification

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