

Anti-Human Trafficking Statement

May 2017

The California Transparency in Supply Chains Act of 2010 and the United Kingdom (UK) Modern Slavery Act 2015 require covered companies to disclose their efforts, if any, to eradicate slavery and human trafficking from their supply chains and businesses.

Texas Instruments (TI) believes that all employees should be treated with respect and dignity. We are committed to complying with the applicable laws of the countries in which we operate, and we pledge to uphold human rights, ethical practices and a safe environment at all our operations, regardless of location. Our [business practices statement](#) and [TI Code of Conduct](#) demonstrate TI's long standing commitment to doing the right things.

As a member of the Electronics Industry Citizenship Coalition ([EICC](#)), TI uses the EICC Code of Conduct ([EICC Code](#)) as a tool to align and adopt best practices within its industry and expects its suppliers to do the same. The labor section of the EICC Code addresses standards such as Freely Chosen Employment, Child Labor Avoidance, Working Hours, Wages and Benefits, Humane Treatment, Non-Discrimination and Freedom of Association. The EICC Code is also embedded in the [TI Supplier Code of Conduct](#).

We communicate our expectations to our suppliers through the [TI Supplier Code of Conduct](#) and the [TI Environmental and Social Responsibility Policy](#), both of which are referenced in TI's standard terms and conditions of purchase and in contracts. The TI Supplier Code of Conduct states that suppliers must have the necessary management systems in place to ensure workers' rights are protected throughout the supply chain.

We demonstrate our commitment to environmental and social responsibility through the use of EICC's standardized assessment and audit tools for our internal factories as well as for our supply chain. The EICC convenes regular teleconferences, webinars, and other meetings, which make us better able to understand and monitor risk associated with labor recruitment practices.

A summary of our efforts is included below:

1. **Verification:** We evaluate and address risks of human trafficking and slavery through conformance to the [TI Code of Conduct](#) and the [TI Supplier Code of Conduct](#). We pursue conformance using a three step process: risk assessment, detailed supplier self-assessments and third party audits.
 - a. A risk assessment is conducted on TI's top 80% spend production suppliers to assess the supply chain and determine which areas are highest risk in order to focus further assessments. In 2016, we focused on labor risks in the Asia region and on suppliers that had medium and high risk overall scores in previous assessments.

both internally and externally. Reports may be made anonymously, and all reported issues are investigated. Business relationships with suppliers that do not immediately remedy any non-conformances with regards to slavery and trafficking are subject to review and possible termination.

4. **Training:** As part of TI's focus on ethics and compliance with laws in all countries where it operates, the company has a yearly training requirement called the Ethics and Compliance Awareness Program (ECAP). ECAP courses help our employees understand how to comply with laws and regulations governing our business, and how to make the right ethical decisions. Reporting or raising a concern to our internal and third party help lines is an important part of ECAP training. During 2016, our employees completed 99.9% of ECAP assignments. Additionally, annual training on prevention of forced labor and human trafficking is conducted for TI's global buyers, procurement managers, and for targeted suppliers (including new suppliers). We also leverage the use of EICC's eLearning Academy for assigning specific courses and to track training completion. EICC's eLearning Academy contains online learning modules specifically on forced labor and human trafficking among other code of conduct modules. In 2016, TI conducted multiple in-person training sessions globally to train 100% of our procurement organization on forced labor and human trafficking. We trained 35 suppliers using the EICC e-Learning Academy training courses, and several TI sites held in-person training sessions for targeted region-specific suppliers. Through these capacity-building initiatives, the percentage of targeted suppliers with all low risk facilities increased from 69% to 86% by the end of 2016.

The [TI Code of Conduct](#) and the [TI Supplier Code of Conduct](#) are a fundamental part of our efforts to ensure that slavery and human trafficking are not taking place in our supply chains and our own business.

TEXAS INSTRUMENTS INCORPORATED

By: 

Rafael R. Lizardi

Senior Vice President and Chief Financial Officer