

National Instruments

2008 Citizenship Report



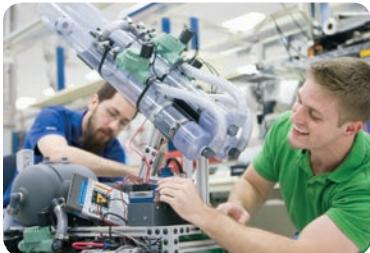
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NI Citizenship

At National Instruments, we are committed to being a responsible corporate citizen to our global communities and four key stakeholders: employees, customers, suppliers, and shareholders. We consistently innovate to develop new products and services that empower engineers and scientists to improve the world by addressing some of the biggest challenges society faces. In addition, we work to reduce the environmental footprint of our facilities and product life cycle. We are proud of our long-standing corporate culture that encourages fun, innovation, and community involvement. A [letter from our CEO](#), Dr. James Truchard, summarizes our citizenship efforts in 2008.

Pillars of NI Citizenship



People and Culture

- Hire and Retain the Best and Brightest
- Create a Great Place to Work
- Provide Superior Employee Development



Inspire and Empower Customers

- Empower Green Engineering
- Improve Everyday Life
- Inspire the Innovators of Tomorrow



Product Life Cycle and Operations

- Product Design and Life Cycle
- Supply Chain and Manufacturing Operations
- Facilities and IT



World-Class Community Engagement

- Mentoring Young Minds
- Employee Philanthropy and Volunteerism
- Community Collaborations

Statement from the CEO



I am proud to present our first citizenship report, which outlines our environmental, economic, and social performance in 2008 as well as our commitments for the future.

I have often stated that when we founded National Instruments, I was looking for both a job that I would like as well as a way to help society by improving the productivity of engineers and scientists. Over the last 32 years, National Instruments has established a track record of strong revenue growth and built a reputation as a stable supplier, business partner, employer, and corporate citizen.

With our innovative tools and technologies, we strive to empower and inspire our customers to address pressing global challenges in a wide variety of industries and applications, including the development of more energy-efficient systems, innovative medical devices, improved transportation systems, and breakthrough research in renewable energy. As we highlighted in a campaign we started in 2008, we empower our customers to "Measure It and Fix It." We are proud of the successes our customers have achieved by using NI products. With the increasing focus on renewable energy, we're especially pleased to support our customers driving advancements in areas such as wind and solar power, thermal and ocean wave energy, and fusion research. From exploring space to improving automobile safety to discovering the next medical breakthrough, our customers use NI tools to improve everyday life and the world.

We are passionate about the need to engage and motivate students to pursue careers in engineering and science to ensure that the next generation of innovators is equipped to tackle current and future challenges. These efforts reached new milestones in 2008 as we continued our multiyear collaboration with the LEGO® Group through which we deliver hands-on, project-based development concepts to students as young as the elementary levels. Additionally, the adoption of our NI CompactRIO industrial I/O platform, powered by NI LabVIEW, by the *FIRST* Robotics Competition empowers more than 45,000 high-school students to have fun while solving complex and real-world engineering challenges. A significant way our employees around the world support these efforts is by contributing thousands of hours volunteering as mentors in the classroom. They prepare and work with the teachers who are critical to the success and motivation of students to pursue scientific and engineering careers.

In addition to our focus on customer success and educational outreach, we realize that being a good corporate citizen extends to how we operate our business and our interactions with suppliers and partners. In 2008, we made progress toward minimizing the environmental footprint of our products, our operations, and our facilities. We implemented a recycling take-back program, subscribed to a renewable energy program for 10 percent of the total electricity usage at our headquarters, and eliminated all disposable

products from cafeterias at our headquarters, resulting in an estimated 50 percent reduction in waste. In addition, 100 percent of our suppliers signed the NI Supplier Code of Conduct, which expects suppliers to treat workers fairly, provide a safe working environment, conduct their business ethically, and look for ways to minimize their environmental impact. Prompted by the employee-led, grassroots NI Green Team, we have developed a plan to optimize our product packaging and printed documentation to reduce unnecessary waste and expense. We look forward to progress on this initiative in 2009.



Finally, I realize that being a good corporate citizen would not be possible without the dedication and passion of all National Instruments employees around the globe. I am very pleased to say that we recently celebrated our 10th consecutive year on FORTUNE magazine's "100 Best Companies to Work For" list. This landmark achievement in our company's history is a testament to our unique corporate culture where creativity and talent flourish.

Moving forward, we will continue to prioritize our customers' success by maintaining a consistent investment in R&D, thus resulting in a steady stream of new products. In addition, we are continuing to increase our global sales engineering staff despite a challenging economic climate. We believe these long-term strategic investments will ensure future customer success. We will maintain our commitment to being a responsible corporate citizen by continuing our outreach efforts especially

involving education and by making further improvements in the way we operate our business. When all is said and done, we hope that you are able to look at our efforts and share in our commitment to "leave things better than we found them."

This report provides the full scope of our citizenship efforts, and I welcome your [feedback](#).

A handwritten signature in black ink, appearing to read "James Truchard".

Dr. James Truchard

President, Chief Executive Officer, and Cofounder, National Instruments

2008 Performance Summary

This section provides a summary of the top highlights and challenges for National Instruments in 2008, as well as commitments for 2009 and future years. To learn more about the company's performance and commitments, visit the sections linked from this summary. A [letter from the CEO](#) also summarizes the company's citizenship efforts in 2008.

Refer to the GRI Index to locate a specific GRI indicator in this report. A summary brochure also is available for download at ni.com/citizenship.

People and Culture

The company's greatest and most sustainable long-term competitive advantage is its culture and employees who directly influence the continued success of the company. An important component of the NI culture is the goal to preserve the company's "people advantage." With this strategy, NI meticulously hires the best and brightest employees, nurtures a great work environment, and helps employees optimize their talents and drive their careers through superior development opportunities.

[Hire and Retain the Best and Brightest](#) | [Create a Great Place to Work](#) | [Provide Superior Employee Development](#)

2008 HIGHLIGHTS

- Five NI offices were recognized as great places to work by the Great Place to Work Institute, including the corporate headquarters for the 10th consecutive year
- NI increased global sales engineering staff by 29 percent to ensure excellent, timely customer service
- Employees received an average of 33 hours of training – more than 172,000 total hours worldwide

2008 CHALLENGES

- NI recruiting efforts increasingly are challenged by the declining number of U.S. students graduating with technical degrees
- Women and minorities are underrepresented in the technology field, making it difficult for NI to ensure a diverse workplace
- Health care costs continue to increase rapidly in the U.S., making it more challenging to offer competitive benefit packages

2009 COMMITMENTS

- Maintain the rate of surveyed NI employees who describe NI as a Great Place to Work at 75 percent or greater
- Maintain employee turnover at 30 percent lower than the U.S. industry average using developmental programs
- Open the NI Health Center, an on-site medical clinic at NI corporate headquarters

Inspire and Empower Customers

Engineers, scientists, and students worldwide are creating products and technologies to address some of the biggest challenges society faces today. NI empowers its customers to improve the world through a user-defined, software-based approach for developing test, control, and embedded applications. NI customers use this approach in a variety of industries, making critical advancements such as optimizing machinery for pollution reduction and developing innovative, life-changing medical devices.

[Empower Green Engineering](#) | [Improve Everyday Life](#) | [Inspire the Innovators of Tomorrow](#)

2008 HIGHLIGHTS

- Launched the NI Medical Device Grant Program, donating \$350,000 USD in software and services
- Invested 16 percent of revenue in R&D, resulting in the release of 180 new products
- Adoption of CompactRIO, powered by LabVIEW, by the *FIRST* Robotics Competition, supporting more than 45,000 high-school students

2008 CHALLENGES

- Green engineering practices differ across industries, making it difficult for NI to develop resources and products
- Educational systems and resources vary by region, making it challenging to impact engineering and science education worldwide

2009 COMMITMENTS

- Continue developing products to further empower advancements in renewable and clean energy and other world-improving technologies
- Expand education efforts into more U.S. high-school classrooms through key partners such as Project Lead The Way (PLTW)
- Provide more than \$350,000 USD in NI products to the EcoCAR Challenge, a green automotive engineering competition

Product Life Cycle and Operations

Throughout company facilities and the entire product life cycle, NI consistently works toward a long-term goal to reduce its environmental footprint. NI aims to maximize the positive effects of its business and improve the world through initiatives such as innovative product design, supplier responsibility, and recycling programs.

[Product Design and Life Cycle](#) | [Supply Chain and Manufacturing Operations](#) | [Facilities and IT](#)

2008 HIGHLIGHTS

- Initiated a global take-back program so customers can recycle used NI products
- 100 percent of suppliers signed the NI Supplier Code of Conduct
- Subscribed to a renewable energy program to provide 10 percent of the total electricity usage at NI corporate headquarters

2008 CHALLENGES

- Replacement options for certain hazardous substances may have an environmental impact equal to or worse than the original substance
- An audit of the most-shipped NI products found that NI can optimize the amount of packaging used by up to 80 percent
- Due to vendor restrictions, NI cannot measure the nonhazardous waste sent to a landfill from its corporate headquarters

2009 COMMITMENTS

- Reduce annual water and energy usage by 1 percent and increase the amount of waste recycled annually by 10 percent per employee at NI corporate headquarters
- Reduce waste and costs through redesigned packaging for finished goods, including finding alternatives to foam
- Measure the nonhazardous waste sent to a landfill from NI corporate headquarters

World-Class Community Engagement

NI employees are passionate about serving the communities in which they work and live. At the more than 40 NI branch offices around the world, the company strives to improve its communities as well as encourage employee philanthropy and volunteerism. Because NI is a technology leader, the cornerstone of its community engagement program is to enhance science, technology, engineering, and math (STEM) education through classroom mentorship, student events, and collaborations.

[Mentoring Young Minds](#) | [Employee Philanthropy and Volunteerism](#) | [Community Collaborations](#)

2008 HIGHLIGHTS

- As committed, NI donated more than 1 percent of corporate pretax profits
- United Way Capital Area recognized NI corporate headquarters with the 2008 Spirit of Caring Award
- 6 percent of NI headquarters employees each volunteered an average of 95 hours in classrooms, amounting to more than 8,000 mentoring hours

2008 CHALLENGES

- Missed goal of 20 percent year-over-year increase in employee giving, but did grow 3 percent and exceeded a record \$500,000 USD in donations
- Data for all NI operations worldwide was not available in 2008
- Did not implement a Dollars for Doers program for volunteers to match volunteer hours with a dollar amount

2009 COMMITMENTS

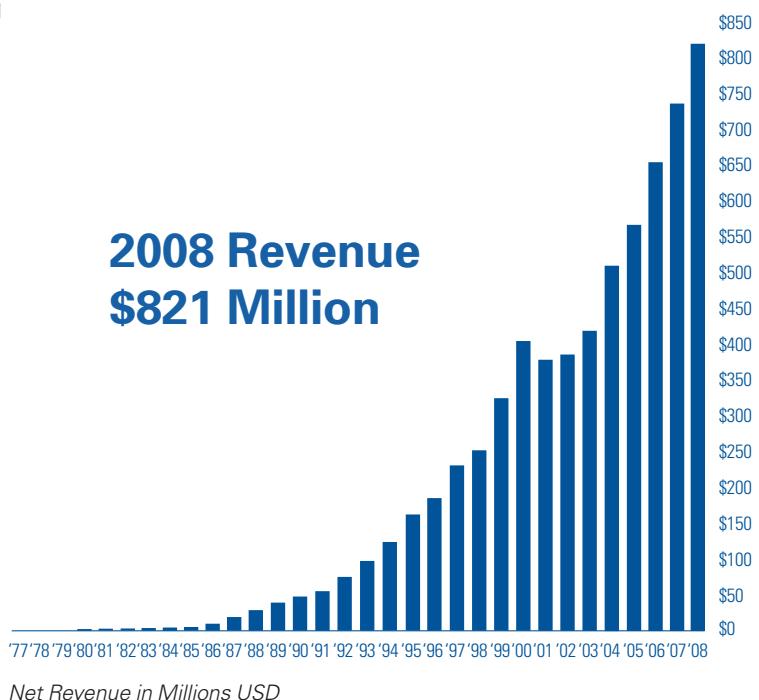
- Maintain commitment of donating 1 percent of pretax profits
- Implement a global tracking mechanism for philanthropy and volunteerism data to scale all efforts worldwide
- Create an employee funding advisory council as an unbiased group to maintain philanthropic transparency

Company Profile

National Instruments transforms the way engineers and scientists around the world design, prototype, and deploy systems for test, control, and embedded design applications. Using NI open graphical programming software and modular hardware, customers at more than 30,000 companies annually simplify development, increase productivity, and dramatically reduce time to market. With this approach, NI empowers customers to more rapidly develop innovative technologies that improve the lives of millions of people around the globe – from testing next-generation gaming systems to creating breakthrough medical devices.

Corporate Facts

- **Headquarters:** Austin, Texas
- **Year Established:** 1976
- **Global Operations:** offices in more than 40 countries
- **Customer Base:** more than 30,000 companies in 90 countries use NI products to serve a wide range of industries, such as automotive, semiconductor, aerospace/defense, biomedical, and communications
- **Industry Diversity:** no industry makes up more than 10% of revenue
- **Growth History:** 31 years of growth in 32-year history
- **Manufacturing:** more than 1,000 products produced at facilities in Austin, Texas, and Debrecen, Hungary
- **Employees:** approximately 5,000 worldwide
- **Investment in R&D:** 16% of annual revenue



2008 Revenue \$821 Million

Economic Performance

NI has a strong track record of growth and profitability, reporting 31 years of growth in its 32-year history. The company's 2008 revenue of \$820.5 million USD represented an 11 percent increase over 2007 with an operating budget of \$517.7 million USD. NI economic value distributed included employee wages and benefits at \$338.4 million USD and payments to government at \$17.2 million USD. NI retained an economic value of \$664.4 million USD. For more corporate and financial news, visit ni.com/nati.

Governance

NI is committed to upholding solid principles of corporate governance. The company has outlined the guidelines and charters that govern NI board committees, as well as its employees, to ensure NI remains accountable to its shareholders. Visit ni.com/nati/corporategovernance to view the following information:

- Board of Directors
- Committee Composition and Charters
- Code of Ethics
- Certification of Chief Executive Officer
- Certification of Chief Financial Officer

Stakeholder Engagement

The following table lists examples of how NI engages with its key stakeholders.

Stakeholder Group	Tools and Processes
Employees	<ul style="list-style-type: none">▪ Semianual company meetings▪ Quarterly Business Discussions▪ Annual performance reviews▪ Sneaker management▪ Internal e-newsletter <p>Refer to Create a Great Place to Work for more information.</p>
Customers	<ul style="list-style-type: none">▪ NIWeek, the company's annual customer and technology conference▪ Online discussion forums▪ Contact forms, including technical support, customer service, and product feedback
Suppliers	Procurement and purchasing resources
Shareholders	Investor relations

Awards

2008 HIGHLIGHTS

FORTUNE magazine:

100 Best Companies to Work For (10th consecutive year)

Forrester Groundswell Award:

Community Support Category – **ni.com/community**

United Way Capital Area:

Spirit of Caring Award

The American Consulting Engineers Council:

Engineering Excellence Award for the company's water quality pond

Landscape Contractors of America:

Exterior Environmental Improvement Award for xeriscaping and the use of indigenous plants

For a complete list of NI awards, visit **ni.com/awards**.

NI Culture



NI Guiding Principles

The company's long-term view, known as the 100-year plan, looks decades into the future and helps ensure that the needs of all the stakeholders are given appropriate consideration. The plan balances long-term NI vision with short-term goals and defines which company philosophies, ethics, values, and principles are necessary to guide the company's growth through generations of employees to ensure that the strong culture of innovation and fun is nurtured and grown. NI managers strive to develop employees based on their strengths versus asking them to conform to a company mold.

The company's guiding principles focus employees on the NI mission and assist them in their daily endeavors.

NI Core Values

Constant Respect for People

At NI, employees treat each other with respect and dignity, valuing individual and cultural differences. NI leadership and employees communicate frequently and with candor, listening to each other regardless of level or position. Recognizing that exceptional quality begins with people, NI leadership gives individuals the authority to use their capabilities to the fullest to satisfy their customers. The NI environment supports personal growth and continuous learning for all employees.

Uncompromising Honesty and Integrity

NI employees are honest and ethical in all business dealings. They keep their promises and admit mistakes. Employees' personal conduct ensures that NI is a company always worthy of trust.

Dedication to Serving Customers

NI equips engineers and scientists with tools to meet the world's most pressing engineering challenges and create technologies that improve the lives of millions of people. For more than 30 years, the company's software-centric approach to test, control, and design has helped customers get their innovations to market on time and under budget. NI has seen steady growth by putting customer success first.

Commitment to Innovation and Continuous Improvement

Innovation is core to NI. Creating new products and technologies is essential to gaining new customers as well as keeping current ones. NI leaders encourage all employees to think creatively by stressing the importance of innovation in many ways, both formally and informally. One example of informal innovation is the Idea Market, an internal prediction market where NI employees can trade ideas like stocks. Regardless of the way NI employees innovate, it is this culture of innovation that drives NI and its employees to think and act creatively.

About This Report

National Instruments has a long-standing commitment to being a responsible corporate citizen, and this inaugural citizenship report further demonstrates that commitment. Stakeholders can use this report to learn about the company's performance across social, economic, and environmental areas, as well as commitments or goals for the future.

Feedback

Please submit questions or comments about this report using this [feedback form](#).

Scope

This report describes NI citizenship performance in fiscal year 2008, which ended December 31, 2008. Because this is the first year NI is reporting on citizenship performance, all data for all NI operations was not available. Unless otherwise noted, data presented in this report applies only to NI corporate headquarters in Austin, Texas.

Gathering additional data from all NI operations for future reports is an ongoing process, and NI will provide that data in future reports as it becomes available.

Format

The full 2008 NI citizenship report is available on the Web at [ni.com/citizenship](#). For the purposes of printing the full report, this PDF duplicates the information available in the Web report.

A summary brochure also is available for download at [ni.com/citizenship](#).

Reporting Standards

NI used the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3) to prepare this report.

[GRI index](#)

Glossary

- **FIRST:** For Inspiration and Recognition of Science and Technology. An organization that encourages students to discover the excitement of science and engineering through a range of robotics competitions.
- **FLL:** FIRST LEGO League. A mentor program that involves engineers and scientists who mentor 8- to 14-year-old students.
- **FRC:** FIRST Robotics Competition. Teams of high-school students and their mentors build robots from an unassembled kit of parts, program those robots using NI LabVIEW software, and then enter them in regional, statewide, and even national competitions.
- **GHG:** Greenhouse gas.
- **GRI:** Global Reporting Initiative.
- **kg:** Kilogram. Equivalent to 2.2046 pounds.
- **kWh:** Kilowatt hour.
- **m³:** Cubic meter. Equivalent to 1,000 liters or 264.1720523 U.S. liquid gallons.
- **PAC:** Programmable automation controller.
- **PLC:** Programmable logic controller.
- **RoHS:** Restriction of the Use of Certain Hazardous Substances.
- **STEM education:** Science, technology, engineering, and math education.
- **WEEE:** Waste electrical and electronic equipment.

GRI Index

National Instruments used the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3) to prepare its citizenship report. NI self-declares this report at GRI Application Level C.

Refer to the following tables to locate a specific GRI indicator in the report.

GRI Index: Profile Indicators

Indicator	Description	2008 Report	Response or Section
Strategy and Analysis			
1.1	Statement from the most senior decisionmaker of the organization	●	Statement from the CEO
Organizational Profile			
2.1	Name of the organization	●	National Instruments Corporation
2.2	Primary brands, products, and/or services	●	Profile Indicators, Annual Report
2.3	Operational structure of the organization	●	Profile Indicators, Annual Report
2.4	Location of organization's headquarters	●	Profile Indicators
2.5	Number and names of countries where the organization operates	●	ni.com/niglobal
2.6	Nature of ownership and legal form	●	Annual Report
2.7	Markets served	●	Annual Report
2.8	Scale of the reporting organization	●	Annual Report
2.9	Significant changes during the reporting period	●	Annual Report
2.10	Awards received in the reporting period	●	Company Profile
Report Parameters			
3.1	Reporting period for information provided	●	About This Report
3.2	Date of most recent previous report (if any)	●	Not applicable. This is the first report for the company.
3.3	Reporting cycle	●	Annual
3.4	Contact point for questions regarding the report or its contents	●	About this Report
3.5	Process for defining report content	●	About this Report
3.6	Boundary of the report	●	About this Report
3.7	State any specific limitations on the scope or boundary of the report	●	About this Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	●	This report does not include data on joint ventures, subsidiaries, leased facilities, or outsourced operations, unless otherwise noted.
3.10	Explanation of the effect of any restatements of information provided in earlier reports	●	Not applicable. This is the first report for the company.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	Not applicable. This is the first report for the company.
3.12	Table identifying the location of the Standard Disclosures in the report	●	GRI Index
Governance, Commitments, and Engagement			
4.1	Governance structure of the organization	●	Profile Indicators
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	Profile Indicators
4.3	State the number of members of the highest governance body that are independent and/or non-executive members	●	Profile Indicators
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	Profile Indicators
4.14	List of stakeholder groups engaged by the organization	●	Profile Indicators
4.15	Basis for identification and selection of stakeholders with whom to engage	●	Profile Indicators

Legend: ● Reported ○ Partially reported

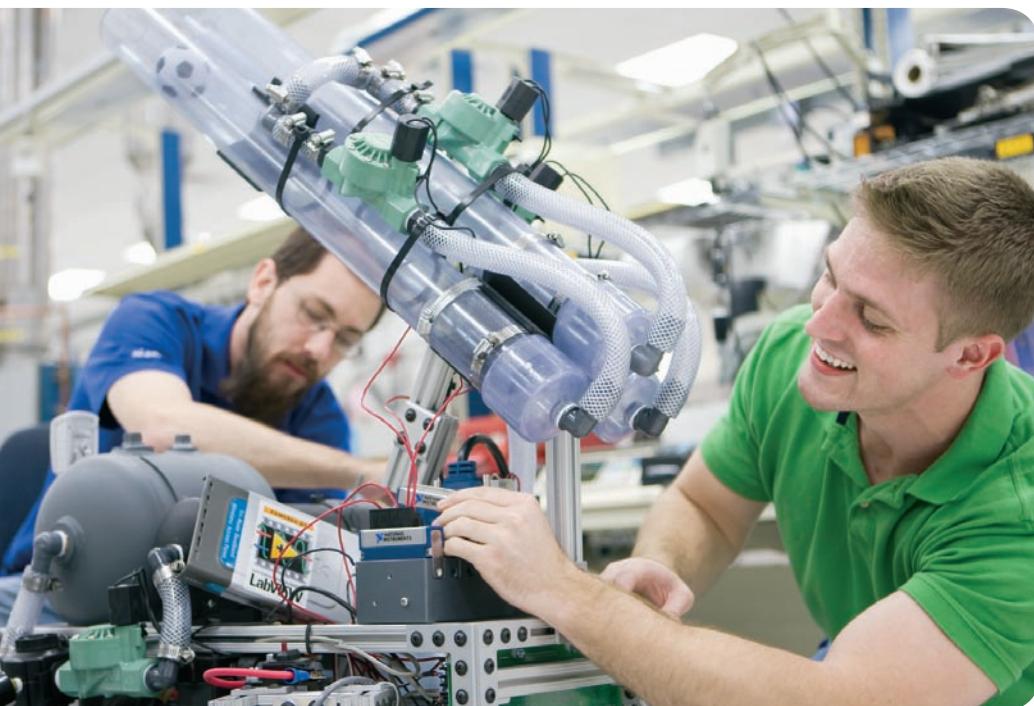
Performance Indicators

Indicator	Description	2008 Report	Response or Section
Economic			
EC1	Economic value generated and distributed	●	Company Profile
EC3	Coverage of the organization's defined benefit plan obligations	●	Create a Great Place to Work
Environmental			
EN1	Materials used by weight or volume	●	Product Design and Life Cycle
EN3	Direct energy consumption by primary energy source	●	Facilities and IT
EN4	Indirect energy consumption by primary source	●	Facilities and IT
EN5	Energy saved due to conservation and efficiency improvements	●	Facilities and IT
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	●	Facilities and IT
EN8	Total water withdrawal by source	●	Facilities and IT
EN13	Habitats protected or restored	●	Facilities and IT
EN22	Total weight of waste by type and disposal method	●	Facilities and IT
EN23	Total number and volume of significant spills	●	Supply Chain and Manufacturing Operations
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	Product Design and Life Cycle
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	●	Supply Chain and Manufacturing Operations
Social			
Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region	●	Hire and Retain the Best and Brightest
LA2	Total number and rate of employee turnover by age group, gender, and region	●	Hire and Retain the Best and Brightest
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	●	Create a Great Place to Work
LA10	Average hours of training per year per employee by employee category	●	Provide Superior Employee Development
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	Provide Superior Employee Development
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	Create a Great Place to Work
Human Rights			
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	Supply Chain and Manufacturing Operations
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	●	NI does not and will not use child labor. The term "child" refers to any employed person under the age of 16, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. NI supports the use of legitimate workplace apprenticeship, internship, and similar programs that comply with all laws and regulations applicable to such programs.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	●	NI does not and will not use forced or involuntary labor of any type, including but not limited to forced, bonded, indentured, or involuntary prison labor. Employment is voluntary.
Society			
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	●	Create a Great Place to Work

Legend: ● Reported ○ Partially reported

People and Culture

As stated in the company's 100-year plan, the greatest and most sustainable long-term competitive advantage for National Instruments is its culture and employees who directly influence the continued success of the company's four key stakeholders: employees, customers, investors, and suppliers. An important component of the NI culture is the goal to preserve the company's "people advantage." With this strategy, NI meticulously hires the best and brightest employees, nurtures a great work environment, and helps employees optimize their talents and drive their careers through superior development opportunities.



In this Section:

Hire and Retain the Best and Brightest

Recruiting Employees
Retaining Employees

Create a Great Place to Work

Outstanding Employee Communication
Employment Policies
Compensation and Benefits
Health and Safety

Provide Superior Employee Development

Learning Programs
Leadership Development

2008 HIGHLIGHTS

- Five NI offices were recognized as great places to work by the Great Place to Work Institute, including the corporate headquarters for the 10th consecutive year
- NI increased global sales engineering staff by 29 percent to ensure excellent, timely customer service
- Employees received an average of 33 hours of training – more than 172,000 total hours worldwide

2008 CHALLENGES

- NI recruiting efforts increasingly are challenged by the declining number of U.S. students graduating with technical degrees
- Women and minorities are underrepresented in the technology field, making it difficult for NI to ensure a diverse workplace
- Health care costs continue to increase rapidly in the U.S., making it more challenging to offer competitive benefit packages

2009 COMMITMENTS

- Maintain the rate of surveyed NI employees who describe NI as a Great Place to Work at 75 percent or greater
- Maintain employee turnover at 30 percent lower than the U.S. industry average using developmental programs
- Open the NI Health Center, an on-site medical clinic at NI corporate headquarters

Hire and Retain the Best and Brightest

Staying true to the people advantage, National Instruments hires top talent from leading universities and retains employees through meaningful work, a fun environment, and a variety of developmental programs. NI hires not only for aptitude and potential but also for the ability to take initiative and work collaboratively – fundamental components of the NI culture.

NI encourages employees to challenge each other by providing an open work environment that supports idea generation and innovation. New engineering employees can immediately contribute to developing products and technologies that empower NI customers to improve the world.

2008 HIGHLIGHTS

- NI increased global sales engineering staff by 29 percent to ensure excellent, timely customer service
- Turnover rate for U.S. employees was 8.9 percent, which is 46 percent lower than the U.S. industry average
- NI hired more than 50 percent of its co-ops and interns at corporate headquarters for permanent positions

2008 CHALLENGES

- NI recruiting efforts increasingly are challenged by the declining number of U.S. students graduating with technical degrees

2009 COMMITMENTS

- Maintain employee turnover at 30 percent lower than the U.S. industry average using developmental programs
- Continue to hire the best and brightest engineering and technical students from the highest-rated universities
- Provide corporate housing to all engineering intern and co-op hires

Recruiting Employees

NI recruiting efforts revolve around an efficient, sophisticated program called the “recruiting machine.” By leveraging tools and best practices across recruiting teams, employees can focus on obtaining the information they need to make a successful hiring decision and on providing candidates with all the details they need to make a knowledgeable employment decision. Candidates have access to all levels of NI employees during their interview process, giving them firsthand experience with the open working environment at NI.

A robust co-op and intern program is at the core of the NI hiring strategy. Co-ops and interns work on actual projects solving real problems, which requires tremendous talent and initiative. Some co-ops and interns have even filed patents for their work at NI. In this challenging environment, co-ops and interns have the opportunity to hone technical skills as they work with leading-edge technologies. These employees gain valuable experiences that help determine if they and NI are a good fit for each other. NI measures the success of this program by the percentage of co-ops and interns hired for permanent positions. In 2008, NI exceeded its goal of hiring 50 percent of co-ops and interns at corporate headquarters for permanent positions.

Challenges

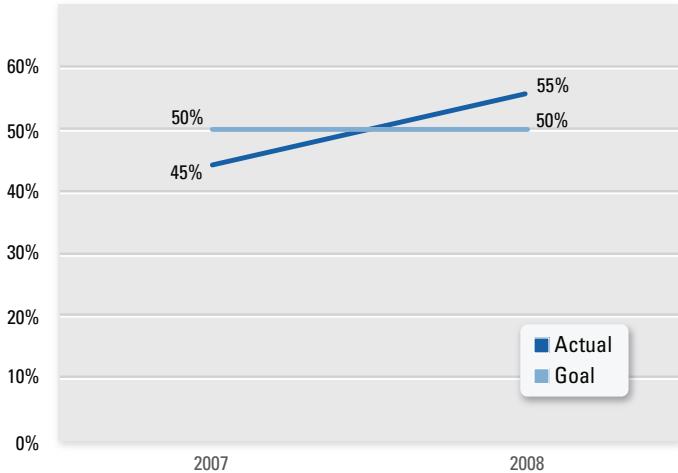
NI recruiting efforts increasingly are challenged by the declining number of U.S. students graduating with technical degrees. As a leading technology provider, NI works to enhance science, technology, engineering, and math (STEM) education through classroom mentorship, student events, and collaborations with the goal of inspiring students to pursue careers in the science and technology fields.

By the Numbers

Interns Hired for Permanent Positions

Data is from NI corporate headquarters and Berkeley, California, only.

	2007	2008
Actual	45%	55%
Goal	50%	50%



Retaining Employees

Given all that NI invests in finding and hiring the best and brightest employees who fit into the company culture, retaining them is essential to NI success.

NI prides itself on a low employee turnover rate. In 2008, the turnover rate for all employees worldwide was 10.8 percent. The turnover rate for U.S. employees was 8.9 percent, which is 46 percent lower than the U.S. industry average. The company's low turnover rate is a key indication of its great work environment and superior employee development to grow talents and skills.

By the Numbers

Employees by Region

Note: Totals are for the number of employees as of December 31 in the given year.

Type of Employee	Designation	Category	U.S.	Outside U.S. ¹	Total
Regular	Full-Time	All	2,533	2,578	5,111
		Exempt	2,088	1,873	3,961
		Nonexempt	445	705	1,150
	Part-Time	All	36	57	93
		Exempt	30	22	52
		Nonexempt	6	35	41
Total Regular Employees by Region			2,569	2,635	5,204
Intern/Co-Op ²		All	219	167	386
		Exempt	N/A	N/A	N/A
		Nonexempt	219	167	386
	Total Intern/Co-Op Employees by Region		219	167	386
Total by Region 2008³			2,551	2,606	5,157
Total by Region 2007³			2,420	2,227	4,647

¹In the Outside U.S. column, totals in the Exempt row are for professional employees, and totals in the Nonexempt row are for administrative employees.

²The total for U.S. intern/co-op employees includes all employees of that type hired in 2008.

³In this total, two part-time employees are counted as one full-time employee.

EMPLOYEE PROFILE

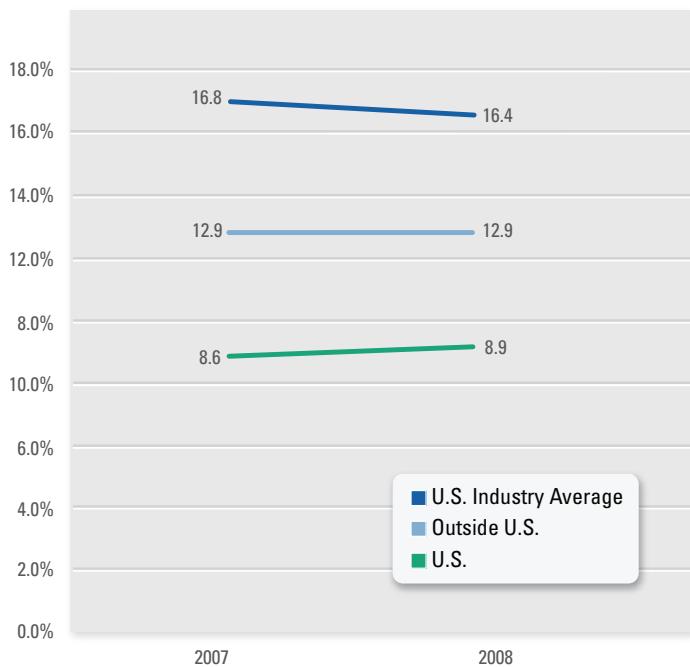
“NI culture is what initially attracted me to Austin from the University of Wisconsin and it is the culture that keeps me here. I had the opportunity to see the inner workings of the company firsthand during my internship, and when I was asked to work for NI full-time, I was ready to hit the ground running. I took the opportunity while training as a full-time hire to help my fellow new hires and was able to renew my communication with the employees that I got to know over the previous summer.

Hands down, my intern experience accelerated my ability to start giving back as a full-time employee and to impact the applications engineering group and NI.”

*Jonah Paul,
NI Applications Engineer*

Employee Turnover Rate by Region

	2007	2008
U.S. Industry Average	16.8%	16.4%
U.S.	8.6%	8.9%
Outside U.S.	12.9%	12.9%



Type of Employee	U.S. (%)	Outside U.S. (%)
Exempt	8.1	N/A
Nonexempt	8.9	N/A
Professional	N/A	12.0
Administrative	N/A	15.1
Total 2008	8.9	12.9
Total 2007	8.6	12.9

Create a Great Place to Work

National Instruments strives to create a great place to work for its employees. People stay at NI because of the culture and core values. NI leaders and employees model these values and work hard while having fun. NI is a place where employees can brainstorm with top technical minds, reinvent their jobs as they develop their skills, and join coworkers at the on-site sports courts at the end of the day.

In this challenging economic year, it is more important than ever to maintain the open atmosphere, innovative culture, and dedication of NI employees

2008 HIGHLIGHTS

- Five NI offices were recognized as great places to work by the Great Place to Work Institute, including the corporate headquarters for the 10th consecutive year
- 55 percent of NI employees worked at one of these recognized workplaces
- More than 75 percent of surveyed NI employees described NI as a Great Place to Work
- Lost workday rate declined 98 percent

2008 CHALLENGES

- Women and minorities are underrepresented in the technology field, making it difficult for NI to ensure a diverse workplace
- Health care costs continue to increase rapidly in the U.S., making it more challenging to offer competitive benefit packages
- Data for all NI operations worldwide was not available in 2008, but NI will obtain data for additional branches in future reports

2009 COMMITMENTS

- Maintain the rate of surveyed NI employees who describe NI as a Great Place to Work at 75 percent or greater
- Open the NI Health Center, an on-site medical clinic at NI corporate headquarters to focus on wellness and prevention
- Ensure employees receive detailed, meaningful performance feedback through annual performance reviews

FORTUNE® 100 BEST COMPANIES TO WORK FOR 2000–2009

NI Corporate
2000–2009



NI Italy
2007–2009



NI United Kingdom
2006–2009



NI Germany
2004–2005, 2008–2009



NI Mexico
2008

Outstanding Employee Communication

A key to the strong culture and high level of trust at NI is ensuring timely, honest, and accurate communications to all employees worldwide. NI supports and evangelizes existing communication channels and seeks innovative new ways to share information with employees. Employee feedback drives this continuous improvement.

Company Meetings

To foster open and direct communication, NI leadership communicates to all employees via semiannual company meetings. The purpose of these meetings is to discuss the state of the business, highlight company and team successes, present business goals, and provide a town hall-style forum for employees to ask NI officers questions directly.

Quarterly Business Discussions

Managers lead discussions with their groups on a quarterly basis during the Quarterly Business Discussion (QBD). After every quarterly earnings release, NI officers present the QBD to managers, who in turn present the QBD to their employees. The QBD provides a balanced, ongoing discussion covering a variety of topics. Topics include the following:

- Financial, product, and operations updates
- Challenges NI faces
- Company successes
- Employee calls to action

Performance Reviews

Employees meet with their managers individually on an annual basis for a performance review. It is important that employees receive feedback from their managers to be recognized for their accomplishments and to make improvements as needed.

Sneaker Management

Dr. Truchard and other senior managers frequently drop in on staff and project meetings throughout all departments to communicate key business strategies and to stay updated on how things are running. These informal, often spontaneous meetings are part of NI “sneaker management” – a term coined by Dr. Truchard that places emphasis on walking around and talking to employees face-to-face. He has practiced sneaker management from the company’s earliest days, and he believes that talking to people firsthand remains the best way to stay updated on employee concerns and questions.

Today, as a tighter marketplace challenges all companies to increase focus and unify employee direction, sneaker management flows throughout the ranks at NI, creating a tightly bonded group of employees. The open cubicle environment at NI, which includes all management, has no closed doors. Managers make themselves available to employees. By maintaining constant communication, employees not only share their input with management but also maintain a consistent view of the company’s mission and vision.

Internal Newsletter

NI employees communicate with each other on a weekly basis in the form of an internal, employee-driven e-newsletter. *NIWeb News* is published every week and includes stories submitted by employees covering a range of topics from product launches to blogs about NI to local events happening at each NI office.



Crisis Communication

NI understands it is vital that employees have up-to-date information in the event of a crisis. A crisis response plan is essential to ensuring the continued success and confidence of key NI stakeholders – employees, customers, suppliers, and shareholders.

NI has a crisis response team that includes employees who are well-known within the company and essential to the communication process at NI. The NI Crisis Response Team (CRT) is led by three co-chairs from the HR, marketing, and corporate communications departments. The team meets regularly with key NI operational teams to review the crisis response plan, discuss improvements, and assess potential risks.

Employment Policies

NI has developed and supports an equal employment opportunity program for all applicants and employees of the company. NI maintains a policy of selecting, training, assigning, and advancing employees on the basis of job-related ability and performance. NI has and will continue to afford equal employment opportunity to all individuals without regard to race, gender, age, religion, sexual orientation, disability, veteran status, or national origin.

Anticorruption

The NI corporate culture of honesty in business dealings is one of the company's most valuable assets. NI considers maintaining this principle to be one of its most important responsibilities. The long-term success of NI depends on employees and leadership members observing high standards of conduct.

The purpose of the NI Code of Ethics is to clarify specific policies based on the NI principles of honesty and integrity. Each employee and leadership member has a responsibility to assist in furthering these principles. This means that all employees and leaders must take responsibility for their own actions and report any violations they witness. NI provides a secure, confidential intranet site and phone number for reporting any issue that employees deem unethical. Employee support and cooperation is highly valued and helps ensure that NI is an ethical company from top to bottom.

The NI Code of Ethics applies to all employees, officers, and directors of the company. The director of internal audit compiles and updates, as necessary, a list of U.S. and international employees (including those of subsidiaries) who shall certify compliance not less than once every two years through electronic and/or written means.

The NI Code of Ethics is intended to comply with the applicable requirements of the SEC and NASDAQ. The company expects all employees and leadership members to read and understand the Code of Ethics, uphold the standards in day-to-day activities, and comply with the applicable policies.

Employees read and sign the NI Code of Ethics upon entering into employment at NI. NI leadership reviews and signs the policy every two years.

By the Numbers

Number of Employees Who Received Anticorruption Training

Type of Employee	2006	2007	2008
Management	316	N/A ¹	204
Nonmanagement	409	614	580

¹NI management reviews and signs the NI Code of Ethics policy every two years.

Diversity

Women and minorities are underrepresented in the technology field, creating a challenge for NI in striving for a diverse workplace. NI is committed to maintaining a workforce that reflects the faces of worldwide community members, customers, and colleagues. NI promotes equal employment opportunity for all applicants and employees by recruiting, hiring, training, and promoting persons in all job titles, without regard to race, gender, age, religion, sexual orientation, disability, veteran status, or national origin. Enhancing and using the abilities of all individuals to their fullest extent continues to fuel the profitable and responsible growth of the company.

NI encourages all employees to become actively involved in programs that increase the company's ability to recruit qualified candidates for all job positions. NI also encourages employees to participate in community organizations that foster social and economic opportunity for all members of the community.

In addition, NI takes a long-term view by working to enhance science, technology, engineering, and math (STEM) education through classroom mentorship, student events, and collaborations with organizations such as GirlStart, with the goal of inspiring students to pursue careers in the science and technology fields.

By the Numbers

Board Member Diversity

Category	Number	Percent of Board
Female	1	12.5
Minority Groups	1	12.5

Officer Diversity

Category	Number	Percent of Officers
Female	1	4
Minority Groups	2	8

Compensation and Benefits

NI offers a comprehensive compensation and benefits package that helps the company [hire and retain](#) the best and brightest employees. This package offers benefits to employees such as the following:

- Competitive salary and benefits, including the following:
 - Highly competitive health insurance plan that offers NI employees quality health care coverage at minimal cost
 - Tuition assistance
 - Group life insurance
 - 401(k) retirement plan
- Company performance bonus
- Ownership in the company through equity programs

The following additional benefits are available to employees at NI corporate headquarters:

- On-site fitness center complete with trainers to help employees meet their physical fitness goals
- Monetary matching for employee donations to charitable organizations
- Emergency loans for employees in need
- Employee assistance program (EAP) for health care, legal, and financial help

In addition, NI will soon open an on-site health center at corporate headquarters to help employees maintain their health and fitness.

NI Health Care Coverage

NI medical coverage for U.S. employees offers a rich, three-tiered approach so employees can tailor their medical coverage to suit their needs, either individually or as a family. According to a recent survey of high-tech companies conducted by NI, an NI employee with family coverage pays 36 percent less in medical premiums than the average Central Texas high-tech employee with similar benefits.

Through NI health care plans, employees have access to medical, dental, vision, and prescription coverage. Employees also have the option to create a tax-saving flexible spending account for medical expenses.

401(k) Retirement Plan

NI offers a voluntary 401(k) plan to help U.S. employees provide for their retirement. The plan allows employees to contribute up to 50 percent of their pretax income and an additional 10 percent of their after-tax income, within legal limits. NI will match 50 percent of an employee's pretax contribution up to 6 percent, which makes a total company contribution of 3 percent.



Company Performance Bonus

NI distributes a company performance bonus to all eligible employees worldwide twice per year. A result of focusing on NI customers and strong execution across the company, the company performance bonus is a percentage of eligible earnings, based on revenue growth and operating profit.

Health and Safety

Wellness is a priority at NI. The company believes that healthy employees and families benefit in many ways. NI provides a variety of health and wellness programs to help employees evaluate, maintain, and improve their personal health as well as the health of their families. The on-site NI Fitness Center at NI corporate headquarters offers a gateway for employees to access and participate in these programs.

NI health and wellness programs include the following:

- Wellness assessment
- Quarterly wellness programs
- Flu shots
- Annual wellness fair
- Health screenings
- Walking trails
- NI sports leagues
- Special wellness events such as bike to work day and boot camp classes

NI Health Center

Beginning in June 2009, NI will operate an on-site medical clinic.

Health care costs continue to increase rapidly in the U.S., making it more challenging to offer competitive benefit packages. With the NI Health Center, NI is taking a proactive approach in partnership with employees to help them achieve a healthier lifestyle through wellness and prevention.

NI is proud to offer comprehensive medical benefits and programs that encourage and support employees' health and well-being.

EMPLOYEE PROFILE

"It's an exciting time to see NI taking the next step to provide on-site health care for employees and ease the mounting costs of insurance. NI employees have always enjoyed strong medical benefits, but the pressures of day-to-day life often distract people from taking proper care of themselves. Having a doctor on-site will remove the obstacle of inconvenience for employees who wouldn't otherwise seek preventive care."

The on-site clinic will serve as an excellent foundation for the basic medical care everyone needs for the checkups, screenings, and consultations to head off problems before they get out of hand. "

*Laura Thompson,
NI Print Production
Art Manager*

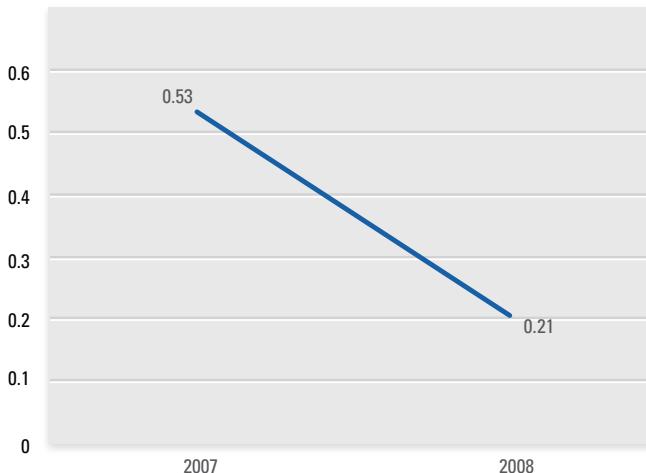
Safety

NI pledges to protect workers by providing a comprehensive health and safety program. The company's safety performance in 2008 continued to be world-class with few recorded injuries and a 98 percent decline in the lost workday rate over 2007.

By the Numbers

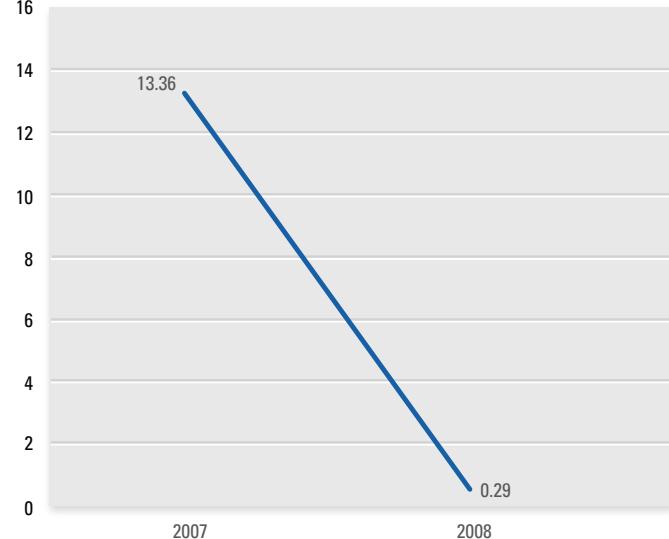
Recordable Injury/Illness Rate

2007	2008
0.53	0.21



Lost Workday Rate

2007	2008
13.36	0.29



Incidents per 100 employees calculated based on weekdays. Data is from NI corporate headquarters only.

Provide Superior Employee Development

The National Instruments Superior Employee Development (SED) program offers employees tools, resources, and opportunities to prepare them for successful careers at NI. Helping to align employee talents with business opportunities and continuously grow their skills, the SED program is a key component in developing people who can reach beyond their roles and influence the company's success.

2008 HIGHLIGHTS

- BusinessWeek named NI one of the "Best Places to Launch a Career"
- Employees received an average of 33 hours of training – more than 172,000 total hours worldwide
- 429 supervisors received NI leadership training

2008 CHALLENGES

- Revenue growth ensures opportunities for employee career growth, so a challenging economic climate reduces traditional career path opportunities and requires the company to look for additional ways to foster career growth
- With more than 40 NI branch offices around the world, it is challenging to provide the same robust training and development opportunities to employees at all offices

2009 COMMITMENTS

- Offer the NI Supervisor Development Series training to all supervisors
- Maintain employee turnover at 30 percent lower than the U.S. industry average using developmental programs
- Educate employees on how to access opportunities for career growth by consistently promoting SED tools and resources worldwide
- Increase training and development opportunities at NI branch offices through electronic learning tools

Learning Programs

NI offers more than 1,700 training courses in the U.S. and more than 2,500 worldwide. These courses cover a wide range of topics, from technical sales trainings to time management courses. NI also provides an intranet site for employees to register for courses and to decide which courses they want to take based on recommendations for their positions.

NI highly values education and supports many additional forms of continuing education for employees. The following list includes examples of the skills management and lifelong learning programs NI provides:

- New employee orientation programs at the corporate level and by department
- Department training programs to develop employees within various organizations in the company such as Marketing, Sales, and Engineering
- Recommended reading, book groups, and lending library
- NI product training and certification
- Mentor roles such as experienced technical leads in Engineering who mentor newer engineers
- Skills training and development opportunities in the following areas:
 - People – interpersonal skills
 - Business – NI vision and mission
 - Technical – as applicable to department or employee needs
 - Project/process – project management and team effectiveness
- Training and development advocates who serve as a decentralized model of training facilitation in each department
- Tuition assistance for courses external to NI

In the 2008 FORTUNE 100 Best Companies to Work For survey, 81 percent of employees reported that NI offers training or development that furthers their careers. This is an 8 percent improvement over the 2007 survey.

NI managers also provide daily development opportunities such as challenging work, coaching and mentoring, job rotation between different groups, special projects, internal and external conferences, brown bag lunch presentations, and more. Managers strive to develop employees based on their strengths rather than asking them to conform to a company mold.

Tuition Assistance

The NI tuition assistance program supports U.S. employees financially while they pursue a job-related degree or course external to NI. Tuition assistance is a shared responsibility between NI and the employee.

By the Numbers

Tuition Assistance from NI

	2007	2008
Number of Participating Employees	85	59
Percentage of Total U.S. Employees (%)	3.51	2.31
Assistance Paid by NI (USD)	\$401,820.55	\$281,617.78
Average Amount per Employee (USD)	\$4,727.30	\$4,773.18

Number of Course Offerings

Region	2008
Worldwide	>2,500
U.S.	>1,700

Hours of All Training Offered

Region		2007	2008
Worldwide	Total	170,843.55	172,435.5
	Average per Employee	36.76	33.44
Headquarters	Total	145,819.04	152,719.2
	Average per Employee	>60	>65

Challenges

Revenue growth ensures opportunities for employee career growth, so a challenging economic climate reduces traditional career path opportunities and requires the company to look for additional ways to foster career growth. In addition, with more than 40 NI branch offices around the world, it is challenging to provide the same robust training and development opportunities to employees at all offices. To address this challenge, in 2009 NI will increase training and development opportunities at NI branch offices through electronic learning tools.

Leadership Development

NI offers employees several options for leadership training. Leaders then multiply their effectiveness by motivating team members and helping other employees be more effective. Managers and supervisors help employees enhance their performance by giving them regular, constructive feedback. Leadership development includes three levels of training: Supervisor Development Series (SDS), Management Development Series (MDS), and Leadership Development Series (LDS).

SDS and MDS training develops the people leadership skills of NI management through group discussion and role play. Both series cover topics such as the essential skills for supervising, leading change, coaching and delegating, and building an environment of trust.

NI developed LDS training for top-level management at NI to more clearly articulate and gain alignment on the roles, responsibilities, and business issues that NI leaders face. Led by several NI officers and Dr. Truchard, this highly interactive training features thought-provoking questions and discussion. LDS training covers the following areas:

- NI core ideology
- NI strategic vision
- NI business model
- Leadership strategies
- Leadership in the areas of quality and NI culture

By the Numbers

Employee Type	Employees Graduated from Corresponding Training in 2008
Supervisors	171
Managers	191
Leaders	67



EMPLOYEE PROFILE

“The Leadership Development Series was a formative event in my growth as a manager at NI. The training courses served to link my personal beliefs with the foundational attitudes of the company. If we are to preserve the NI culture and ensure congruency with who we were, who we are, and who we will be, we need to personally identify with the basis of our past success through the stories shared in LDS.”

*Jonathan Barker,
NI E-Commerce Manager*

Inspire and Empower Customers

Engineers, scientists, and students worldwide are creating products and technologies to address some of the biggest challenges society faces today. As a supplier of graphical system design software and modular measurement and control hardware, National Instruments empowers its customers to improve the world through a user-defined, software-based approach for developing test, control, and embedded applications. NI customers use this approach in a variety of industries, making critical advancements such as optimizing machinery for pollution reduction and developing innovative, life-changing medical devices. In addition, NI is committed to facilitating a pipeline of students around the world who are motivated, excited, and well-equipped to pursue careers in engineering and science and ultimately develop the next generation of world-improving innovations.



In this Section:

Empower Green Engineering

Recognizing Customers
Teaching Best Practices
Empowering Development

Improve Everyday Life

NI Medical Device Grant Program
Infrastructure Monitoring

Inspire the Innovators of Tomorrow

From Kindergarten On
K-12 FIRST Programs
Higher Education and Research

2008 HIGHLIGHTS

- Launched the NI Medical Device Grant Program, donating \$350,000 USD in software and services
- Invested 16 percent of revenue in R&D, resulting in the release of 180 new products
- Adoption of CompactRIO, powered by LabVIEW, by the FIRST Robotics Competition, supporting more than 45,000 high-school students

2008 CHALLENGES

- Green engineering practices differ across industries, making it difficult for NI to develop resources and products
- Educational systems and resources vary by region, making it challenging to impact engineering and science education worldwide

2009 COMMITMENTS

- Continue developing products to further empower advancements in renewable and clean energy and other world-improving technologies
- Expand education efforts into more U.S. high-school classrooms through key partners such as Project Lead The Way (PLTW)
- Provide more than \$350,000 USD in NI products to the EcoCAR Challenge, a green automotive engineering competition

Empower Green Engineering

Engineers and scientists around the world are using the National Instruments graphical system design platform to make a positive impact on the global ecosystem. Known as green engineering, this approach uses measurement and control techniques to design, develop, and improve products, technologies, and processes to achieve environmental and economic benefits. Green engineering applications span almost every industry and range from environmental monitoring to retrofitting aging production facilities and machines with new control systems to optimize efficiency.

NI enables green engineering by providing measurement, automation, and design tools that empower engineers and scientists to first quantify and understand real-world data and then correct problems for more environmentally friendly designs.



“National Instruments provides the tools to help engineers turn measurements into better designs. Our customers use LabVIEW and NI hardware to solve the world’s problems and create new ideas on how we can be more energy-efficient and environmentally sensitive – from windmills to steel mills.”

*Dr. James Truchard,
President, CEO, and
Cofounder, National Instruments*

2008 HIGHLIGHTS

- Launched a global green engineering initiative to educate companies on how they can develop clean technologies and implement sustainable design practices using NI products
 - Presented 10 green engineering seminars to more than 500 engineers and scientists
 - Received more than 5,000 unique requests for green engineering resources on ni.com
 - Received more than 58,000 visits to the new green engineering online content
 - “Measure It and Fix It” campaign and technical library named by Design News magazine as one of the Top 10 Green Engineering Trends for 2008
 - Invested 16 percent of revenue in R&D, resulting in the release of 180 new products to further empower engineers and scientists to develop clean energy and other world-improving technologies

2008 CHALLENGES

- Implementation of green engineering practices differs across industries and even within different areas of a company, making it difficult for NI to develop standard resources and products

2009 COMMITMENTS

- Continue developing products to further empower advancements in renewable and clean energy and other world-improving technologies
- Teach green engineering principles to 1,000 engineers and scientists through on-site and Web-based green engineering seminars
- Launch an online version of the green engineering seminar to eliminate the need for engineers and scientists to travel to learn green engineering best practices, reducing both the strain on their companies' budgets as well as their impact on the environment
- Recognize those advancing green technology development to encourage more engineers and scientists to develop world-improving technologies
- Provide vouchers for free regional or online training to employed or unemployed engineers who need training on NI tools but do not have the funds

Recognizing Customers Who Develop Green Applications

NI develops innovative measurement, automation, and design tools that enable engineers and scientists to acquire and analyze real-world data and then correct or fix any problems they discover. NI customers are using these technologies to develop applications to optimize their current machines and processes, perform environmental and power quality monitoring, and research and develop renewable energy resources and techniques. As a result, NI believes that showcasing the innovative technologies customers are currently developing using graphical system design will inspire others to create the next generation of products and technologies that reduce environmental impact.

This section features case studies from 2008.

Case Study:

Researchers Use LabVIEW and CompactRIO to Perform Environmental Monitoring in the Costa Rican Rain Forest



Researchers from the Center for Embedded Networked Sensing (CENS) at the University of California, Los Angeles (UCLA), developed a mobile, wireless, aerially suspended robotic sensor system capable of measuring the transfer of carbon and other materials between the atmosphere and the earth to better understand the impact of the emission of greenhouse gases on the environment. The networked infomechanical system (NIMS) based on LabVIEW software and CompactRIO hardware is deployed at the La Selva Biological Station in Costa Rica.

“With this research, scientists will be able to better understand the carbon absorption impact of rain forests and potentially calculate the carbon absorption value of an acre of forest, ultimately providing a method of quantifying carbon credits.”

*Dr. William Kaiser
Department of Electrical Engineering, UCLA*

Case Study:

Nucor Refines Steel Recycling Using LabVIEW and NI Hardware



Nucor Steel used NI programmable automation controllers (PACs) and the LabVIEW graphical programming environment to develop plant automation solutions that improved facility safety and reduced resource consumption by providing a method to accurately measure the amount of energy required to recycle steel. The company has seen a tenfold increase in efficiency and reduced the impact of its Marion, Ohio, facility on the town's residents by eliminating power grid flicker, which was caused by overdrawing electricity for the company's operations.

“By programming with LabVIEW and PACs versus programming with PLCs and ladder logic, we have seen a tenfold increase in efficiency and drastically reduced the costs of facility automation.”

*Dave Brandt
Nucor Corp*

Teaching Green Engineering Best Practices to Engineers and Scientists

While many engineers and scientists around the world currently use the NI graphical system design platform to develop their applications, they might not realize they already have the tools they need to develop more efficient, economical, and environmentally friendly products through green engineering. To inform engineers and scientists worldwide about green engineering and sustainable design practices they can implement using NI technologies, NI developed several free resources in 2008 including a seminar on green engineering using graphical system design, a green engineering Web resource portal (ni.com/greenengineering), and a green engineering online technical library.

Successes

- Presented 10 green engineering seminars throughout North America, Europe, and Asia, which resulted in more than 500 attendees learning green engineering best practices
- Received more than 5,000 unique requests for green engineering resources on ni.com
- Received more than 58,000 visits to the new green engineering online content, which was launched in April 2008
- “Measure It and Fix It” green engineering campaign and technical library named by Design News magazine as one of the Top 10 Green Engineering Trends for 2008

Challenges

In 2008, NI focused on promoting the features of its existing products and releasing new resources and products that enable engineers and scientists to practice green engineering. However, the company realized that the term “green engineering” can carry a different message across industries and even within organizations. For example, some consider green engineering to strictly mean the development of renewable energy techniques while others consider green engineering the practice of optimizing manufacturing operations to use less power. NI recognized this difference and is focused on creating products and resources that aid customers in developing a variety of green technologies, from photovoltaic cell testing equipment to applications that reduce emissions at coal power plants.

Empowering the Development of World-Improving Technologies

LabVIEW graphical system design software provides a wide range of enabling technologies for green engineering, including high-speed and high-resolution measurements, advanced analysis and signal processing, high-speed and sophisticated control, and embedded system technology. Additionally, NI offers modular measurement and control hardware that users define and repurpose based on their unique requirements.

NI products inherently enable engineers and scientists to practice and develop green engineering techniques. In addition, NI continues to invest heavily in R&D to create a steady stream of tools its customers need, further empowering customers to develop life-changing applications. Even in the midst of the economic downtown in 2008, NI maintained its strong investment in R&D. Throughout 2008, NI continued to invest 16 percent of its total revenue in R&D. As a result, the company released 180 new products.

Additionally, because NI wants as many engineers and scientists as possible to be able to easily perform green engineering practices with their existing tools, the company made several of its products available for free on its Web site, ni.com.

New NI products for green engineering released in 2008 include the following:

- NI PXI-4130 source measure unit (SMU) for photovoltaic cell characterization and test
- NI 9225 C Series module for power quality monitoring applications
- Field-oriented control (FOC) IP for advanced control to optimize large electric motor efficiency – code is available to download for free on ni.com
- LabVIEW SDI-12 application programming interface (API) software, which gives LabVIEW users the ability to interface with environmental monitoring sensors that communicate via SDI-12, a serial-based communication protocol optimized for battery-powered intelligent sensors

Improve Everyday Life

For decades, a mission to improve everyday life has inspired NI to play an important role in vastly improving the quality of life for people across the globe by providing innovative products and technologies to engineers and scientists.

Using open, intuitive software and modular hardware from NI, customers are meeting a myriad of challenges that span many aspects of people's lives, such as discovering new methods for water desalination, monitoring bridge infrastructure health, creating new automobile safety technologies, and implementing green engineering applications ranging from new alternative energy methods to devices that help companies optimize facility efficiency and reduce their environmental footprints.

Every year, NI sells solutions to more than 30,000 companies that develop a variety of applications used across a broad range of industries, from the manufacturing floors of automotive plants to the research laboratories and classrooms at top-tier universities. One of the keys to NI success, this diversity has helped the company have a far-reaching impact in terms of empowering customers to improve the world.

2008 HIGHLIGHTS

- Launched the NI Medical Device Grant Program, donating \$350,000 USD in software and services to 21 medical device start-ups
- Formed a partnership to research and develop infrastructure monitoring technologies with The University of Texas at Austin
- Invested 16 percent of revenue in R&D, resulting in the release of 180 new products to further empower engineers and scientists to develop world-improving technologies

2009 COMMITMENTS

- Continue supporting medical device start-up companies by providing free software and services through the NI Medical Device Grant Program
 - Continue developing products to further empower advancements in medical devices and other world-improving technologies
 - Research and develop new infrastructure monitoring technologies in tandem with researchers at The University of Texas at Austin
 - Recognize those advancing medical device development to encourage more engineers and scientists to develop world-improving technologies
-

NI Medical Device Grant Program

NI takes pride in the innovative, life-changing solutions that its customers develop using NI products – from a device that helps premature infants learn to oral feed to a device that dramatically reduces pain for patients undergoing tumor treatment. Applications such as these inspired NI to explore ways to support and further the efforts of companies developing innovative medical technology. Because the majority of medical technology advances over the past 20 years have been developed by small, entrepreneurial companies, NI focused on ways to provide start-up assistance.

In 2008, NI created a grant program that gives medical device designers and developers easier access to the world's most advanced embedded design technology. In the first year of this program, NI issued 21 grants, awarding more than \$350,000 USD in software and services to help these start-up companies achieve their goal of developing innovative medical devices.

By the Numbers

Medical Device Grants Issued

Region	Number of Grants
U.S.	16
Europe	3
India	1
South America	1

Customer Profiles: 2008 Grant Recipients



Quark Cybernetics and Fundamental Research Laboratories is a privately held company focusing on development-oriented research in several science and technology domains. One of this company's key business areas is general-purpose and biomedical instrumentation. Quark Cybernetics is working on an advanced electrocardiogram project, which aims to predict cardiac pathologies using advanced mathematical algorithms.

"With traditional tools, we could do data processing, but it is tedious and time-consuming. With the LabVIEW graphical programming environment, there is a wide variety of prebuilt toolsets like filters and wavelet tools - the time frame for development is far shorter."

*Suraj Kamal
Quark Cybernetics*



Founded in 1994, Biorep Technologies Inc. is an original medical equipment manufacturer. It developed its products primarily to assist physicians with islet isolations and islet cell transplantation. Currently, diabetes research labs around the world use Biorep's equipment, and the company continually strives to design unique tools that help with cure-focused diabetes research. Biorep has experience collaborating with numerous physicians and researchers to develop custom equipment that suits their particular needs.

"Given the impressive evolution of the NI line of products, we are really interested in harnessing the power of LabVIEW to do all or most of our automation. This will signify a single platform for most of the applications with only one learning curve. We expect this to have a great impact on our efficiency and development capabilities."

*Felipe Echeverri
Biorep Technologies*

A Partnership to Develop Infrastructure Monitoring Technologies

In 2008, the National Institute of Standards and Technology (NIST) awarded a multimillion-dollar grant to The University of Texas at Austin to conduct a five-year research project to develop a system for monitoring bridge safety in the U.S. Through a partnership with university engineers, NI will take the lead on researching and developing the data acquisition hardware and software for the wireless networks and energy harvesting. Implementation of a new wireless, real-time bridge monitoring system such as this has the potential to prevent tragic bridge collapses and save thousands of lives.

Case Study:

Developing a Real-Time Wireless Data Acquisition System to Monitor Bridge Health in India

Apna Technologies & Solutions Private Limited built a stand-alone data acquisition and transmitting system using the LabVIEW Real-Time Module and NI PXI hardware to remotely monitor bridges and civil structures. The system acquires data from different sensors and instruments mounted on the structures; transmits the data to a central control station through standard telephone, Global System for Mobile Communications (GSM), or radio frequency (RF) communication; and instantly displays the state of the structural condition in real time. The scalability of the system can provide a long-term, high-quality, low-cost solution for widespread implementation of remote monitoring systems in India.

Visit ni.com/shm to learn more about how to use NI products to develop structural health and seismic monitoring applications.



Inspire the Innovators of Tomorrow

The world has no shortage of areas that need further engineering and science innovation. Producing renewable energy, developing better medical devices, and ensuring a global supply of clean drinking water are only a few areas where future innovation can remarkably impact the way people live. National Instruments believes that today's students must be equipped and prepared to be tomorrow's innovators and works closely with educational organizations and companies such as the LEGO Group to deliver the technology necessary to support hands-on, project-based learning that inspires and engages students. Leading science, technology, engineering, and math (STEM) educational organizations and universities around the world use NI technology and tools to prepare students to drive the next generation of innovation. These educational initiatives will ultimately help create a highly skilled, technically literate workforce ready to pursue careers in many fields.

"The saturation of technology in most fields means that all students, not just those who plan to pursue a STEM profession, will require a solid foundation in STEM to be productive members of the workforce."

National Governors Association

2008 HIGHLIGHTS

- Adoption of the CompactRIO industrial I/O platform, powered by LabVIEW, by the FIRST Robotics Competition, where more than 45,000 high-school students use the advanced control capabilities of CompactRIO to control 130 lb robots
- Produced graphical software for LEGO Education WeDo™, a new robotics platform designed to deliver hands-on learning to students ages 7 to 11
- Released the National Instruments Educational Laboratory Virtual Instrumentation Suite II (NI ELVIS II), delivering a cost-effective, high-performance solution for educators teaching in a range of engineering disciplines
- Launched the LabVIEW Academy, a program that produces certified LabVIEW developers and helps students develop more skills as they enter the workforce
- Received the Excellence in Engineering Education Collaboration Award for the NI Academic Program from the American Society of Engineering Education (ASEE) Corporate Members Council

2008 CHALLENGES

- Educational systems and resources vary by region, making it challenging to impact engineering and science education worldwide

2009 COMMITMENTS

- Expand STEM education efforts into more U.S. high-school classrooms through key program partners such as Project LeadThe Way (PLTW)
- Provide support and more than \$350,000 USD in NI products to teams participating in the EcoCAR Challenge, a green automotive engineering competition
- Support green engineering curricula and research by providing content and tools to the top 50 U.S. and Canadian universities

Inspiring Innovators from Kindergarten On

NI provides powerful, industry-standard tools including graphical system design software and low-cost, modular hardware so educators can connect curriculum with hands-on, project-based learning. These NI tools help eliminate educational barriers such as learning complex programming languages and instead focus the student's attention on learning problem-solving techniques. With NI technology, kindergarten students can begin learning graphical programming techniques that they can develop through high school and college and eventually take into their careers.

In support of these efforts, in 2008, NI and the LEGO Group announced the LEGO Education WeDo, a new robotics platform designed to deliver hands-on learning to students ages 7 to 11. This platform makes it even easier to reach more children with graphical programming concepts. The easy-to-use software can operate on both the Intel Classmate PC and the One Laptop per Child XO, which enables children in the most underprivileged regions of the world to access this technology.

Providing Innovative Technologies to Support K–12 *FIRST* Programs

On a global scale, NI has partnered with several organizations that are leading the effort to revolutionize STEM education in today's schools by developing tools and programs that educators need to teach STEM concepts in fun and engaging ways. With the collaboration between NI, the LEGO Group, and For Inspiration and Recognition of Science and Technology (*FIRST*), approximately 150,000 students in all *FIRST* competitions have access to a progressive programming platform, starting with LEGO Education WeDo and LEGO MINDSTORMS® NXT-G and continuing through industry-standard LabVIEW. This robotics software continuum introduces students to age-appropriate technology in an engaging, hands-on learning environment and encourages them to discover the excitement of science and engineering through a range of robotics competitions. NI also supports this effort through classroom mentoring.



In 2008, *FIRST* selected the CompactRIO embedded control platform as its next-generation *FIRST* Robotics Competition robot controller. Beginning in 2009, NI will grant a multimillion dollar in-kind donation over the next five years to *FIRST* to provide the CompactRIO system to participating teams, reaching more than 45,000 students worldwide each year.



“Our goal is to have a FIRST team in every high school and to change the culture in our communities to celebrate excellence in science and engineering the same way we celebrate sports. It’s the support of partners like NI that is helping FIRST make that goal a reality.”

*Dean Kamen,
Founder of FIRST and
President of DEKA Research
& Development Corporation*

Developing Tools for Higher Education and Research

Today, more than 6,400 universities in 110 countries use the LabVIEW graphical development environment to educate students and perform research that will improve the world. Through collaborative product development with companies such as the LEGO Group and Vernier and the support of proven STEM programs such as Project LeadThe Way (PLTW), one of the nation's leading providers of pre-engineering and science curricula, NI is committed to facilitating a pipeline of engineers and scientists who are already familiar with industry-standard tools such as LabVIEW software upon entering higher education institutions. In addition, in 2008, NI introduced the LabVIEW Academy program, which provides classroom curriculum and hands-on exercises to community colleges, two-year colleges, and four-year universities to prepare students to take the Certified LabVIEW Associate Developer (CLAD) exam with confidence.

Case Study:

MIT Remotely Connects Future Engineers Worldwide with LabVIEW



Providing a hands-on learning environment is essential for training future engineers. However, the resources necessary to enable this type of experiential learning are not uniformly available at universities worldwide. Using LabVIEW, researchers at the Massachusetts Institute of Technology (MIT) are helping bridge this resource gap with iLabs, a framework for offering students remote access to state-of-the art engineering labs from anywhere in the world. Under-resourced universities in countries such as Nigeria, Tanzania, and Uganda are using iLabs to significantly increase the number of available hands-on learning and research tools.

Case Study:

Project-Based Learning Helps Students Understand DSP Concepts at Georgia Tech

Students at the Georgia Institute of Technology learn fundamental digital signal processing (DSP) concepts with the help of LabVIEW graphical programming, NI SPEEDY-33 DSP hardware, and LEGO MINDSTORMS NXT. In a project-based class, students connect with real-time hardware easily using LabVIEW and visualize the signals in the interactive LabVIEW environment. With graphical dataflow programming, students can understand the effects of different variables on their experiments as well as learn to build basic DSP systems.

Case Study: Advanced Cancer Research Using Next-Generation Medical Imaging



Researchers at Kitasato University in Japan have created the world's fastest optical coherence tomography (OCT) medical imaging acquisition system using LabVIEW and the latest multicore technology. Dr. Kohji Ohbayashi and his team are exploring new methods for early cancer detection using this noninvasive device that does not subject patients to unnecessary stress or discomfort. The team's ultimate goal is to save more lives from this deadly disease.

Challenges

As NI strives to inspire the students of today to become the problem solvers and innovators of tomorrow, the fragmentation of educational systems around the globe presents a constant obstacle because almost no education or curriculum development programs or educational standards are truly global.

In addition, each region of the world faces its own unique educational challenges. For example, the U.S. faces a gap between the nation's growing need for and declining production of scientists, engineers, and other technically skilled workers, while many other countries are struggling with providing access to the technologies necessary to train the students interested in these fields.

NI aims to develop tools and resources appropriate for regional educational systems when possible. For example, to support green engineering curricula and research in the U.S. and Canada, NI provides region-appropriate content and tools to the top 50 universities in that region.

Product Life Cycle and Operations

Throughout company facilities and the entire product life cycle, National Instruments consistently works toward a long-term goal to reduce its environmental footprint. NI aims to maximize the positive effects of its business and improve the world through initiatives such as innovative product design, supplier responsibility, and recycling programs.



In this Section:

Product Design and Life Cycle

Reduction of Hazardous Substances
Packaging and Documentation
Export Policy
Product Take-Back

Supply Chain and Manufacturing Operations

Supplier Responsibility
Environmental Management
Manufacturing Operations

Facilities and IT

Reducing Energy Consumption
Conserving Water and Nature
Recycling and Waste Reduction

2008 HIGHLIGHTS

- Initiated a global take-back program so customers can recycle used NI products
- 100 percent of suppliers signed the NI Supplier Code of Conduct
- Subscribed to a renewable energy program to provide 10 percent of the total electricity usage at NI corporate headquarters

2008 CHALLENGES

- Replacement options for certain hazardous substances may have an environmental impact equal to or worse than the original substance
- An audit of the most-shipped NI products found that NI can optimize the amount of packaging used by up to 80 percent
- Due to vendor restrictions, NI cannot measure the nonhazardous waste sent to a landfill from its corporate headquarters

2009 COMMITMENTS

- Reduce annual water and energy usage by 1 percent and increase the amount of waste recycled annually by 10 percent per employee at NI corporate headquarters
- Reduce waste and costs through redesigned packaging for finished goods, including finding alternatives to foam
- Measure the nonhazardous waste sent to a landfill from NI corporate headquarters

Product Design and Life Cycle

Reducing the impact National Instruments has on the environment begins with product design. Throughout the past several years, NI has worked to improve product development and manufacturing processes to offer customers more environmentally friendly products. NI continually works to remove harmful substances from existing products and prohibits the introduction of known harmful substances into new products. NI constantly monitors environmental requirements around the world. In addition, NI has taken steps to improve packaging efficiency and has initiated a product recycling program so customers can send their old NI products back to be recycled.

2008 HIGHLIGHTS

- Initiated a global take-back program so customers can recycle used NI products
- Hired an environmental compliance manager, who ensures compliance with environmental regulations and examines upcoming environmental legislation to determine its impact on NI
- For printed marketing literature and events collateral at NI corporate headquarters and most branch offices, switched to paper products and suppliers certified by the Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certification (PEFC) Council

2008 CHALLENGES

- Replacement options for certain hazardous substances may have an environmental impact equal to or worse than the original substance
- An audit of the most-shipped NI products found that NI can optimize the amount of packaging used by up to 80 percent
- The internal process for accepting products for the global take-back program is currently manual and might include shipping inefficiencies
- Data for all NI operations worldwide was not available in 2008, but NI will obtain data for additional branches in future reports

2009 COMMITMENTS

- Reduce material waste and costs through redesigned packaging for finished goods, including finding alternatives to foam
- Review product documentation to determine how and if NI can reduce the amount of printed materials provided with its products

Reduction of Hazardous Substances

NI is committed to releasing environmentally friendly products as part of the NI Hazardous Substance Reduction initiative. This initiative is a voluntary program modeled after the European Union Restriction of the Use of Certain Hazardous Substances (RoHS) directive, which restricts the use of harmful substances such as lead, mercury, and cadmium in products.

The RoHS directive applies to eight categories of electrical and electronic equipment but excludes products in Category 9, Monitoring and Control Instruments, under which NI products fall. By complying with the directive, NI demonstrates a commitment to the environment, its employees, and its customers, who can use NI components to design and develop their own environmentally friendly products.

For more information about NI compliance with RoHS, contact rohs@ni.com.

Timeline

Since the 1990s, NI has researched and tested methods for reducing the use of certain hazardous substances in its products. NI began offering RoHS-compliant products in September 2005 and continued with the releases of additional compliant products in subsequent years. NI manufacturing and engineering teams continually work to adapt products to use RoHS-compliant components and manufacturing processes. As of today, NI has transitioned a substantial number of core products to RoHS compliance.

The move to RoHS-compliant products is a significant effort because it impacts nearly every step in the supply chain. Therefore, NI will complete this transition over a progressive timeline as new products release and some existing products transition to hazardous substance-free components. At this pace, NI will transition all products before the RoHS directive includes the category under which NI products fall.

All products released in 2008 were RoHS-compliant, with the exception of a few select products. Starting in 2007, each exception case required officer-level approval. In some instances, high-demand products require components that are not available in a RoHS-compliant version. After these products release, NI adds them to the list of products pending a transition to RoHS compliance.

Challenges

In addition to the far-reaching impact on the supply chain, NI faces the following challenges in the process of eliminating hazardous substances from its products:

- Organizations such as the Environmental Protection Agency (EPA) have found that the replacement options for certain hazardous substances may have an environmental impact equal to or worse than the original hazardous substance. To mitigate this issue, NI is actively involved with numerous trade organizations around the world. Through involvement with these organizations and close relationships with suppliers, NI stays at the forefront of both advanced technological developments in materials and compliance with worldwide regulations of hazardous substances. For more information, see the full EPA report.
- Regulations in this area evolve rapidly. NI is a member of the Test and Measurement Coalition and is providing feedback on the revision of RoHS currently under review and planned for publication in 2009.

Resources

Refer to ni.com/rohs to learn more about the RoHS directive, including:

- Frequently Asked Questions
- NI RoHS-Compliant Product Listing
- NI Hazardous Substance Reduction Initiative
- Management Methods for Controlling Pollution Caused by Electronic Information Products (China RoHS)
- Waste Electrical and Electronic Equipment (WEEE) Directive

Product Packaging and Documentation

In 2008, members of the NI Green Team, a grassroots employee-led initiative to reduce the NI carbon footprint, started an evaluation of NI product packaging. Through an audit of the company's most-shipped products, the NI Green Team found that NI can optimize the amount of packaging used by up to 80 percent, which will result in reduced waste and expense to NI and its customers. In 2009, a cross-functional team will begin work on the following goals:

- Optimize box sizes to reduce excess packaging and dimensional weight shipping charges, which could result in customer savings because both package weight and size factor into shipping costs
- Evaluate alternatives to foam, such as suspension packaging, because foam is difficult to recycle
- Evaluate the printed documentation that ships with NI products and reduce the amount printed where possible while increasing the amount of documentation available in electronic formats

Highlight: Suspension Packaging Reduces Waste and Costs

In 2009, NI will switch to suspension packaging for all CompactRIO and Compact FieldPoint controllers as well as the four-slot CompactRIO chassis. Suspension packaging uses air instead of foam to cushion products, which reduces the amount of material used in the package. This new packaging contains at least 30 percent recycled content and is recyclable in corrugated hydropulping operations. Also, it is reusable for return shipments, which minimizes waste at both ends of the distribution cycle. This change will reduce the amount of foam used by 5 percent (87 m^3) per year and result in a 47 percent reduction of box size for these products.

By the Numbers

Data is from Hungary manufacturing operations only. Those operations account for approximately 98 percent of usage.

Corrugated Cardboard Boxes Purchased for Product Packaging

2007 (kg)	2008 (kg)
157,199	200,901

Foam Used in Product Packaging

Foam Type	2007 (m^3)	2008 (m^3)
Polyethylene	71	437
Polyurethane	747	1,249

Export Policy

It is NI policy to ensure all export and re-export sales or shipments of its products and technical data are in accordance with the following regulations and requirements:

- Export Administration Regulations as governed by the U.S. Department of Commerce
- Dual-Use Export Control System as governed by the European Union
- Any and all applicable local export regulations in the U.S. and the country of export

The NI Global Trade Compliance department monitors activity, provides training internally, and works with NI customers and local governments to ensure full compliance.

Product Take-Back and Recycling

In October 2008, NI announced a new no-charge service that gives customers the option to return used NI hardware products to be recycled. Through the NI global take-back program, NI covers all costs of returning the products and ensures that the products are properly recycled. This service helps reduce the impact on landfills and other disposal sites and provides an environmentally safe end-of-life solution.

To send hardware products to be recycled, customers can e-mail recycling@ni.com, and NI staff will reply with information on how to ship the product. After the product is recycled, NI also can provide a Certificate of Destruction upon customer request.

Product take-back regulations are constantly evolving. Current regulations do not require NI to take back its products. However, by launching a global take-back program, NI demonstrates a commitment to the environment and its customers by helping them dispose of NI products responsibly.

Visit ni.com/recycle to learn more about the NI take-back program.

Challenges

NI announced this program in late 2008, so few customers have participated at this point. As more customers participate in the program, NI will look for opportunities to improve, including but not limited to the following:

- The internal process for accepting a product is currently a manual process. If customer demand increases, NI will consider adjusting the process.
- Shipping inefficiencies might exist. In the current process, the customer ships the product to NI, and NI ships the product to the recycling vendor. If customer demand increases, NI will consider adjusting the process so the customer ships the product directly to the recycling vendor.

WEEE Directive

In 2003, the European Parliament and the Council passed Directive 2002/96/EC on waste electrical and electronic equipment – the WEEE directive. The goal of the directive is to encourage the reuse, recycling, and recovery of this waste and to improve the environmental performance of all operators involved in the life cycle of electrical and electronic equipment, especially those dealing with waste equipment.

Member states were required to adopt legislation by August 13, 2005. The regulations apply to all electrical and electronic equipment put on the European Union market after that date. WEEE products can fall into one of 10 categories according to the WEEE directive. NI products fall under Category 9, Monitoring and Control Instruments.

For more information about NI compliance with WEEE, contact weee@ni.com.

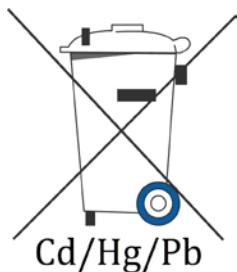
Implementation by EU Member State

NI is actively working with NI branch offices and subsidiaries in Europe to fully comply with these regulations as local legislation passes. Visit ni.com/environment/weee.htm for the latest information about WEEE implementation.

Battery Directive of the European Union

The European Parliament and the Council adopted Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators with the intent of reducing the impact on the environment and increasing recycling. Member states were required to adopt national legislation by September 26, 2008. NI is actively working with NI branch offices and subsidiaries in Europe to fully comply with these regulations as local legislation passes. The directive entails obligations such as labeling, registration, recycling, and restriction of batteries containing cadmium, lead, and mercury.

The labeling of batteries consists of the following symbol, including the battery capacity, and the chemical symbol for cadmium, mercury, or lead if contained above the legal threshold limits.



The symbol indicates that the batteries used in the product should be disposed of separately from municipal waste. For NI products, the predominant battery type is coin cell, which provides continuous power for constant memory. These batteries are incorporated or embedded into appliances, are intended to last for the life of the product, and are separated from the appliance during the treatment phase of the appliance as required under the WEEE directive. Certain NI products are accompanied by removable lead-acid/alkaline batteries that are also for continuous power supply. Please check the product user manual regarding removability.

NI continually attempts to ensure proper collection and recycling by joining collection and recycling schemes. The company expects customers in the European Union to use the collection and recycling systems in place and properly dispose of all batteries. Proper disposal of batteries reduces the environmental impact and risk to human health. For additional information about the potentially harmful effects of substances used in batteries on human health and the environment, visit the U.S. Environmental Protection Agency or the National Institute for Occupational Safety and Health.

For information about the available collection and recycling scheme in a particular country, refer to the [WEEE Directive](#) section of this report.

For more information about NI compliance with the battery directive, contact weee@ni.com.

Supply Chain and Manufacturing Operations

To meet the company's environmental commitments, National Instruments partners with suppliers who are equally invested in being responsible corporate citizens. Suppliers sign the NI Supplier Code of Conduct established in 2008 as an acknowledgement of this commitment. Internally, NI maintains an environmental management system that complies with all applicable environmental regulations. This system helps prevent pollution and continually improves environmental performance through regular reviews of environmental goals, objectives, and targets. NI also is committed to maintaining safe manufacturing operations and is working toward compliance with the Occupational Health and Safety (OHSAS) 18001 standard.

2008 HIGHLIGHTS

- 100 percent of suppliers signed the NI Supplier Code of Conduct, established in 2008, which expects suppliers to be responsible corporate citizens
- 53 percent decrease in solder dross waste generation at NI corporate headquarters due largely to process changes
- No hazardous spills occurred at either NI manufacturing facility
- No fines or sanctions incurred for noncompliance with environmental laws and regulations at either NI manufacturing facility

2009 COMMITMENTS

- Leverage the Electronic Industry Citizenship Coalition (EICC) to assist in evaluating supplier compliance with the NI Supplier Code of Conduct
- Conform to OHSAS 18001 standard and become certified in 2010 at both NI manufacturing facilities

Supplier Responsibility

All key suppliers have agreed to comply with the NI Supplier Code of Conduct. NI expects its suppliers to be responsible global citizens by adhering to the laws and regulations in the countries where they do business. Furthermore, to meet minimum expectations, NI requires its suppliers to comply with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct for the fair treatment of workers, a healthy and safe work environment, the protection of the environment, and outstanding business ethics.

Environmental Management

The International Organization for Standardization (ISO) 14000 is a series of international standards addressing environmental management that provides a framework to help participating organizations create an Environmental Management System. The specific 14001 standard within the series applies to those environmental aspects that the organization controls and can influence.

Both NI manufacturing facilities – one in Austin, Texas, and one in Debrecen, Hungary – are certified to ISO 14001.

- Austin: Certified in July 2004
- Debrecen: Certified in January 2003

SUPPLIER PROFILE

“Analog Devices is committed to environmental and corporate responsibility. Signing the NI Supplier Code of Conduct reaffirms that both companies are committed to the highest level of corporate citizenship.”

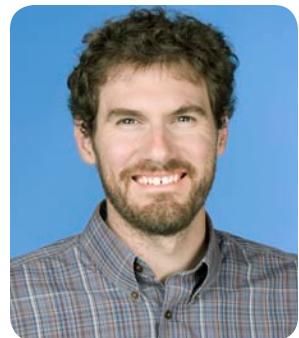
*Dick Meaney,
Vice President of Precision
Signal Processing,
Analog Devices*

Environment Management System (EMS)

An EMS is a management tool that helps organizations identify and control the environmental impact of their activities, products, and services; lessen their environmental impact; and implement a systematic approach to setting and achieving environmental objectives and targets. As depicted below, an EMS is a continual cycle of planning, implementing, reviewing, and improving the processes and actions that an organization undertakes to meet its environmental obligations.



EMS Cycle



EMPLOYEE PROFILE

“As a member of the NI ISO 14001 EMS team, I have learned a lot about the ways companies can reduce their carbon footprint and drive ‘green’ behavior. I’m glad I am able to be a part of this effort.”

*Trey Hamilton,
NI Senior Program Manager
for Manufacturing Services*

Manufacturing Site Environmental Permits and Registrations

Visit ni.com/environment to read the company's environmental policy regarding manufacturing operations. Visit ni.com/citizenship to access the following permits and registrations.

U.S. Federal

EPA Waste Registration

State of Texas

Texas Natural Resource Conservation Commission Air Permit Exemption

Texas Commission on Environmental Quality, Industrial and Hazardous Waste Registration

City of Austin

City of Austin Wastewater Permit

Hazardous Materials Ordinance Permit

Hungarian Ministry

For information about waste registration, contact Mariann Murguly, 9011 36 52 5240, at NI Hungary.

Hungarian Regional

Air Emissions Permit

Wastewater Permit

Manufacturing Operations

NI is working toward full compliance with the OHSAS 18001 standard, which helps companies control occupational health and safety risks. NI plans to become certified to OHSAS 18001 in 2010. The standard is part of the OHSAS 18000 international occupational health and safety management system specification.

Facilities and IT

National Instruments continually works to reduce the environmental footprint of its facilities and IT infrastructure. Providing a foundation for this work is the landscape design of NI corporate headquarters, which preserves the natural habitat and minimizes water usage. NI also seeks opportunities to reduce energy consumption and greenhouse gas emissions, conserve water, and increase recycling.

2008 HIGHLIGHTS

- Subscribed to Austin Energy GreenChoice, a renewable energy program, to provide 10 percent of the total electricity usage at NI corporate headquarters
- Eliminated all disposable polystyrene, paper, and plastic products from on-site cafeterias at NI corporate headquarters, resulting in an estimated 50 percent reduction in waste
- Started the NI Green Team, an all-volunteer internal organization working to reduce the ecological footprint of NI and its employees
- Reduced total electricity usage per employee by 10 percent at NI corporate headquarters and by 13 percent at NI Hungary
- Per employee at NI Hungary, reduced natural gas usage by 5 percent and water usage by 27 percent

2008 CHALLENGES

- Due to vendor restrictions, NI cannot measure the nonhazardous waste sent to a landfill from its corporate headquarters
- The cost of recycling electronic waste is increasing
- Data for all NI operations worldwide was not available in 2008, but NI will obtain data for additional branches in future reports

2009 COMMITMENTS

- Reduce annual water usage by 1 percent, or approximately 500 m³, per employee at NI corporate headquarters (to 0.22 m³ per employee)
- Reduce annual energy usage by 1 percent, or approximately 87,000 kWh, per employee at NI corporate headquarters (to 37 kWh per employee)
- Evaluate software tools for efficiently managing power settings of employee computers
- Install more energy-efficient lighting
- Increase the amount of waste recycled annually by 10 percent, or approximately 9,100 kg, per employee at NI corporate headquarters (to 4 kg per employee)
- Measure the nonhazardous waste sent to a landfill from NI corporate headquarters, which will help NI set future goals for reducing waste
- Evaluate ways to reduce paper use at NI corporate headquarters, such as through double-sided printing and copying, and develop a plan to execute in 2010
- Investigate setting up pretax flexible spending accounts that U.S. employees can use for commuting costs such as mass transit passes
- Refine greenhouse gas emission calculations

Reducing Energy Consumption and Greenhouse Gas Emissions

NI made several efforts to reduce energy consumption and greenhouse gas (GHG) emissions in 2008. The company subscribed to Austin Energy GreenChoice, a renewable energy program, to provide 10 percent of the total electricity usage at NI corporate headquarters. In addition, NI reduced electricity usage at NI corporate headquarters by taking the following measures:

- Installed more energy-efficient lighting in one of the three buildings
- Replaced the metal halide light fixtures in the manufacturing warehouse with energy-efficient fluorescent bulbs
- Installed energy misers on vending machines
- Installed motion sensors in the restrooms

NI also moved its Oracle enterprise resource planning (ERP) system and related systems from Dublin, Ireland, to corporate headquarters. During this move, NI replaced older servers and storage systems with new, more energy-efficient models and reduced the overall number of systems through consolidation, which reduced energy consumption.

These measures combined with additional efforts reduced total electricity usage per employee by 10 percent at corporate headquarters and by 13 percent at NI Hungary.

In addition, NI is a member of the Clean Air Partners Program (CAPP) of Central Texas, a coalition of industry and civic organizations proactively working to ensure Austin air is clean and healthy for living and working. The program promotes clean air business practices, such as employee carpooling, renewable energy, and water conservation techniques. As a member of this program since 2004, NI reports annually to the organization on emissions and reductions achieved. In 2008, per-employee emissions decreased, but overall emissions increased due to the rising number of employees. This will be a challenge going forward as NI evaluates its greenhouse gas calculations and sets goals for reducing emissions.

NI Green Team

The NI Green Team is an all-volunteer internal organization at NI corporate headquarters working to reduce the ecological footprint of NI and its employees. The team, started in 2008, is organized into several subgroups. Each subgroup sets goals specific to its focus area and meets regularly to make progress toward achieving those goals. Subgroups and examples of specific projects include the following, with a heavy emphasis on internal education initiatives:

- Energy and water use – Encourage employees to turn off lights when leaving a conference room, shut down computers before leaving work, and so on
- Events – Coordinate Earth Day activities and year-round lunchtime presentations on environmental topics
- Food and drink – Promote local and organic food
- NI products – Investigate ways to optimize the amount of packaging used for NI products
- NI grounds – Educate employees about the natural habitat on the campus, including wildlife and plant life
- Office supplies – Find ways to reduce excess use of office supplies, such as paper
- Recycling and waste – Publicize which materials are recyclable and where employees can recycle them
- Transportation – Promote carpooling, biking to work, and use of public transit

Commitments

In 2009, NI is taking the following measures to continue the reduction of energy consumption and greenhouse gas emissions:

- Evaluate software tools for efficiently managing power settings of employee computers at NI corporate headquarters
- Investigate setting up pretax flexible spending accounts that U.S. employees can use for commuting costs such as mass transit passes
- Refine NI greenhouse gas emission calculations following the Greenhouse Gas (GHG) Protocol, including pursuing third-party verification of the calculations and joining the Environmental Protection Agency's Climate Leaders program, an industry-government partnership that works with companies to develop comprehensive climate change strategies

In addition, a new commuter rail with a stop close to NI corporate headquarters is scheduled to begin operation in 2009. NI is working with the organization managing the rail line to make it easy for employees to commute to work by rail and connecting bus routes.

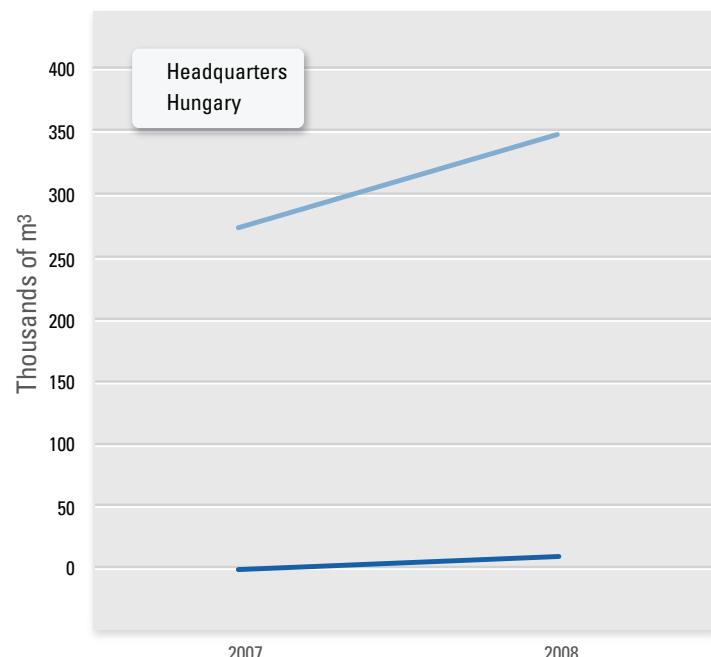
By the Numbers

Natural Gas Usage

The following notes pertain to natural gas usage:

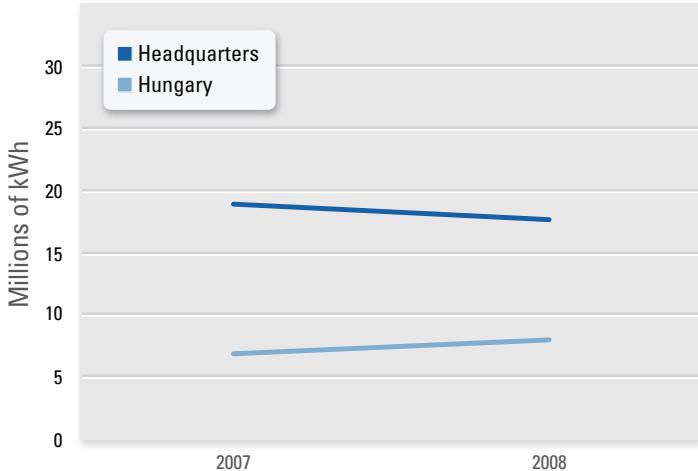
- NI corporate headquarters usage increased slightly due to the increased use of heated water for the purpose of washing dishes. This increased use was a result of eliminating disposable containers in on-site cafeterias.
- NI Hungary per-employee metrics are higher than NI corporate headquarters per-employee metrics because 55 percent of that facility is taken up by manufacturing operations, as compared to only 8 percent at headquarters, and employee headcount in Hungary is much smaller than at headquarters.

Office		2007 (m ³)	2008 (m ³)
Headquarters	Total	48,835	56,169
	Per Employee	22.4	24.5
Hungary	Total	328,403	395,697
	Per Employee	403	382



Purchased Electricity

Office		2007 (kWh)	2008 (kWh)
Headquarters	Total	19,699,124	18,731,771
	Per Employee	9,036	8,176
Hungary	Total	6,802,142	7,486,970
	Per Employee	8,346	7,234



Conserving Water and Nature

Water Usage

NI recently made several improvements to its corporate headquarters to reduce water usage, including the following:

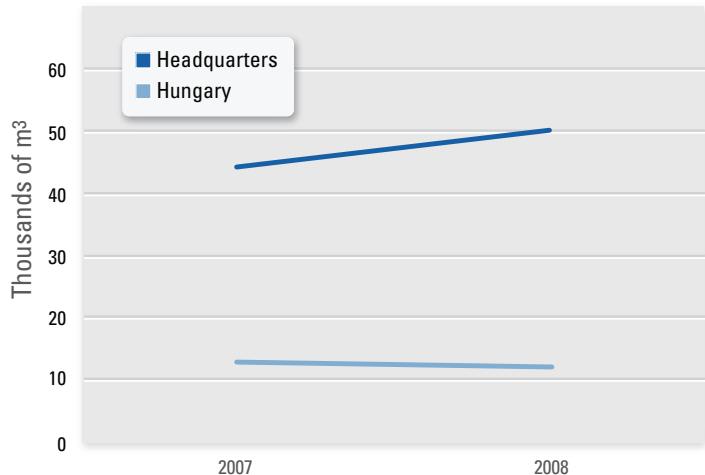
- Installed water-saving aerators on faucets in restrooms, break rooms, and cafeteria kitchens
- Installed water-saving flush valves in toilets and urinals
- Installed water-saving shower heads in the on-site fitness center

Overall, these measures should save approximately 10.7 m³ of water per employee per year. However, 2008 water usage at headquarters was higher than 2007 water usage due to drought conditions. According to the Lower Colorado River Authority, 2008 was one of the driest years in Central Texas since the mid-1950s.

By the Numbers

Water Usage

Office		2007 (m ³)	2008 (m ³)
Headquarters	Total	45,043	50,037
	Per Employee	20.7	21.8
Hungary	Total	13,728	12,646
	Per Employee	16.8	12.2



EMPLOYEE PROFILE

"I don't use disposable plates at home, but I didn't really think about it too much at work. I was really happy when NI moved away from using disposable containers. The process helped me realize that the things I do at home for conservation and financial responsibility should also be practiced at work. Before NI removed disposables from the cafeteria, I didn't think about the money NI was spending because of my actions, which is money I myself wouldn't spend in my home. I'm more conscious now about turning off my computer and lights because those things affect the bottom line and our ability to be a responsible citizen. And I'm part of that."

*April Griffin,
NI Staff Technical Writer and
member of the NI Green Team*

Protecting Habitats

NI Corporate Headquarters

Most of this campus is still in its natural, unirrigated state except for building footprints, walks, drives, and parking. Multilevel garages provide most parking, which minimizes the amount of ground covered by impervious material. Developed landscape areas feature native plant materials that require minimal water to thrive, and the campus includes a number of critical environmental features, including limestone sinkholes. NI protects and monitors these features to ensure that storm water runoff from roads and parking lots does not enter them. In addition, through NI efforts, the campus is a Texas Historical Commission Recorded Site for evidence of flint knapping activity, or activity for making tools, by Native Americans.

NI Hungary

To develop this campus, NI reclaimed a brownfield site for reuse. During development, NI preserved all existing trees on the site.

Recycling and Waste Reduction

In 2008, NI eliminated all disposable polystyrene, paper, and plastic products from on-site cafeterias at NI corporate headquarters, resulting in an estimated 50 percent reduction in waste. NI also saw an opportunity to reduce waste by examining its printing and copying paper use habits. In 2009, NI is assessing these habits, identifying where and how the company can reduce paper use, and developing a plan to execute in 2010.

Challenges

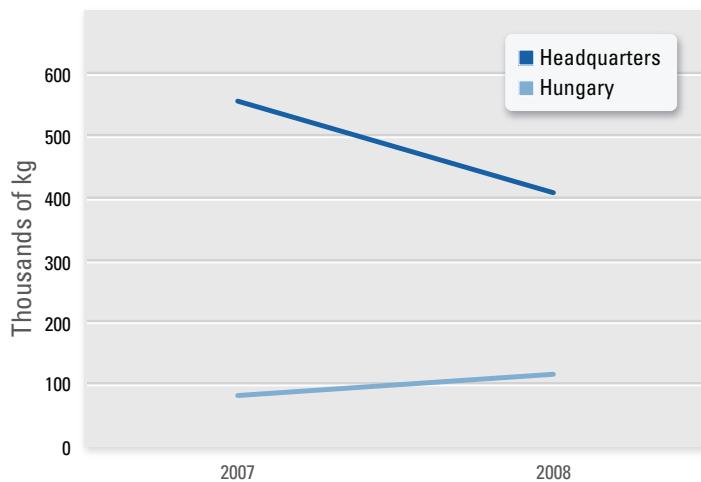
The waste vendor used by NI corporate headquarters does not offer a way to measure the exact amount of nonhazardous waste sent to a landfill from the facility. As a result, NI can set meaningful goals only for the amount of waste recycled and not for reducing the total amount of waste. In 2009, NI will work with its waste vendor to find ways to measure the nonhazardous waste sent to a landfill from NI corporate headquarters.

In addition, the cost of recycling electronic waste is increasing. NI is working with its vendors and operations to find ways to minimize this cost so that it can continue to be a good steward to the environment.

By the Numbers

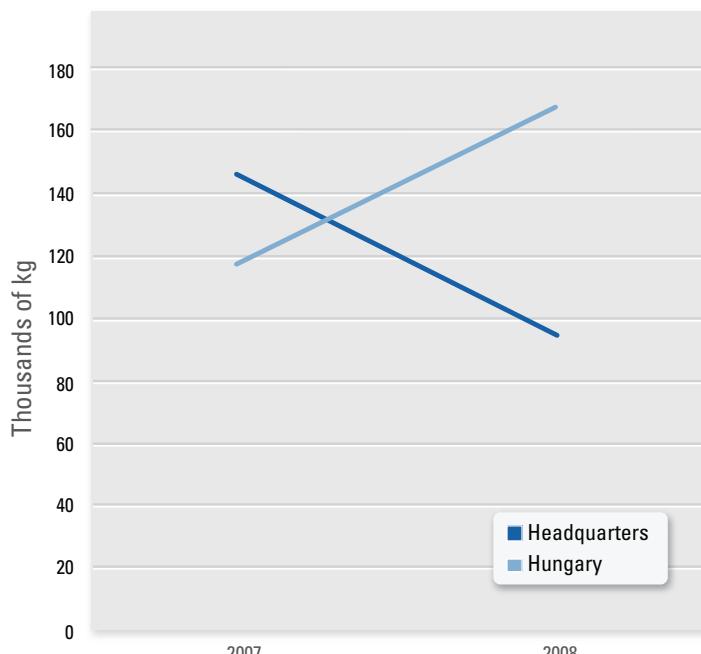
Estimated Trash Sent to Landfill

Office		2007 (kg)	2008 (kg)
Headquarters	Total	564,467	402,025
	Per Employee	258.9	175.5
Hungary	Total	83,540	107,140
	Per Employee	102.5	103.5



Materials Recycled

Office		2007 (kg)	2008 (kg)
Headquarters	Total	147,178	95,568
	Per Employee	67.5	41.7
Hungary	Total	119,089	166,277
	Per Employee	146.1	160.7



World-Class Community Engagement

National Instruments employees are passionate about serving the communities in which they work and live. At the more than 40 NI branch offices around the world, the company strives to improve the education, health, and well-being of its communities as well as encourage employee philanthropy and volunteerism. Because NI is a technology leader, the cornerstone of its community engagement program is to enhance science, technology, engineering, and math (STEM) education through classroom mentorship, student events, and collaborations with the goal of inspiring students toward greater achievement in technological proficiency.



In this Section:

Mentoring Young Minds

Skillpoint Alliance

In-Classroom Mentoring

After-School Mentoring and Competition

Employee Philanthropy and Volunteerism

Philanthropy

Global Perspectives

Volunteerism

Community Collaborations

Collaborations

Board Membership

2008 HIGHLIGHTS

- As committed, NI donated more than 1 percent of corporate pretax profits
- United Way Capital Area recognized NI corporate headquarters with the 2008 Spirit of Caring Award
- 6 percent of NI headquarters employees each volunteered an average of 95 hours in classrooms, amounting to more than 8,000 mentoring hours

2008 CHALLENGES

- Missed goal of 20 percent year-over-year increase in employee giving, but did grow 3 percent and exceeded a record \$500,000 USD in donations
- Data for all NI operations worldwide was not available in 2008
- Did not implement a Dollars for Doers program for volunteers to match volunteer hours with a dollar amount

2009 COMMITMENTS

- Maintain commitment of donating 1 percent of pretax profits
- Implement a global tracking mechanism for philanthropy and volunteerism data to scale all efforts worldwide
- Create an employee funding advisory council as an unbiased group to maintain philanthropic transparency

Mentoring Young Minds

Since the company's founding, National Instruments has taken the position that its support and education of future generations is just as important as the effect its customers have on the world today. The engineers of tomorrow will address the world's most critical issues, so NI fosters strong community outreach that supports technical education efforts.

Current statistics indicate negative trends in education that would ultimately reduce the number of engineers in the future and threaten the ability to address the world's most critical issues. Because of the enormity of this issue, NI leverages its role as a global technology leader and is committed to furthering science, technology, engineering, and math (STEM) education through classroom mentoring, student events, and collaborative efforts with leading organizations.

The numerous [NI educational initiatives]/company/education.htm] include a variety of K-12 programs that encourage children's enthusiasm in technology and science and support STEM foundations in schools. Through its K-12 STEM programs, NI helps to ensure a robust network of technologically proficient talent that will be able to solve tomorrow's problems.

This section focuses on the company's involvement on a volunteer level. To learn about how NI helps empower the future generation of innovators by working with leading programs and universities around the world, visit the [Inspire the Innovators of Tomorrow](#) section of this report.

2008 HIGHLIGHTS

- Employee mentorship from NI corporate headquarters increased 53 percent year-over-year
 - K-12 STEM initiatives directly impacted a record number of Central Texas students – approximately 3,800
 - More than 6 percent of employees each volunteered approximately 95 hours in the classroom, amounting to more than 8,000 mentoring hours
 - Increased awareness of the Central Texas *FIRST* LEGO League (FLL) program produced 648 mentoring hours with 18 Central Texas teams
- NI Taiwan provided a three-day LEGO MINDSTORMS NXT instructional camp for middle-school students
- NI was admitted into the Central Texas Technology and Education Executive Council (TEEC)

2009 COMMITMENTS

- Support the estimated twofold increase in *FIRST* teams at all levels



On a global scale, NI has partnered with several organizations that are equally committed to enhancing classroom mentoring and STEM education in today's schools. At the heart of this strategy is a partnership with the LEGO Group and *FIRST*.

"NI volunteers help teachers make STEM more fun, engaging, and relevant to students' lives."

Stanford Social
Innovation Review

Skillpoint Alliance

In Austin, Skillpoint Alliance is a nonprofit organization that builds partnerships among industry, education, and the community, leading to college and career success for Central Texans while meeting employers' needs for a qualified workforce. As a result of the new relationship developed with Skillpoint in 2008, NI was admitted into the Central Texas Technology and Education Executive Council (TEEC). The TEEC is a consortium of regional high-tech industry executives, education leaders, and community organizations committed to workforce and education development in Central Texas. The council's structure creates a unique, direct, and dynamic dialog between top industry executives and education leaders. Together, these leaders engage in joint problem solving on challenging workforce and education issues that impact the regional economy.

NI also helps ensure the world will benefit from future engineers by participating in the following programs.

LEGO MINDSTORMS NXT In-Classroom Mentoring

NI participation in the LEGO MINDSTORMS NXT mentor program provides technically trained engineering mentors to second- through eighth-grade students who are involved in basic LEGO robotics experimentation as part of their STEM coursework. Mentors offer students guidance in building and programming the LEGO MINDSTORMS NXT robot using NXT software, which is based on NI LabVIEW. In 2008, 154 classroom mentors volunteered more than 8,700 hours while working with approximately 1,000 Central Texas students.

	2007	2008
Number of Mentors	147	154
Hours Volunteered	>8,000	>8,700
Students Impacted	>900	~1,000

NI Taiwan Mentoring

In 2008, NI Taiwan conducted a three-day LEGO MINDSTORMS NXT camp for middle-school students. During the camp, NI Taiwan employees volunteered in classrooms and coached students on building and programming NXT robots. The children impressed both their teachers and NI mentors with their ability to overcome failures and repeatedly improve upon their programming skills.

The success of the program exceeded everyone's expectations. The future is bright for this effort – NI Taiwan employees are already searching for additional schools to expand participation.



FIRST LEGO League After-School Mentoring and Competition



The *FIRST* LEGO League (FLL) mentor program involves engineers and scientists who mentor 8- to 14-year-old students. As a technical mentor, each engineer supports the students' teacher in developing strategies to teach basic programming skills and to help students troubleshoot their robotic creations. In 2008, NI began fully supporting the program, with 18 employee mentors from NI corporate headquarters spending nearly 650 hours working with 18 Central Texas FLL teams.

The theme for the 2008 challenge was Climate Connections, which focused on environmental sensitivity. Students and mentors were tasked with completing 28 missions on the competition floor while keeping global climate changes in mind. The missions, all built with LEGO blocks, included windmills, river dams, storms, and ice caps. These students explored why the earth's climate is changing and how these changes impact the planet.

Junior *FIRST* LEGO League

The Junior *FIRST* LEGO League (Jr. FLL) is a more basic robotics-oriented program designed for 6- to 9-year-old students. It incorporates the same core concepts used in all *FIRST* programs to introduce children to technology. With the help of NI, Jr. FLL participation increased to 33 Texas teams in 2008, with nearly half of those coming from Central Texas, near NI corporate headquarters. NI headquarters impacted approximately 200 Central Texas children through Jr. FLL.

FIRST Robotics Competition

The *FIRST* Robotics Competition (FRC) helps high-school students learn how fun technology can be. Within six weeks, teams of students and their mentors build robots from an unassembled kit of parts, program those robots using LabVIEW, and enter them in regional, statewide, and even national competitions. NI contributes to the FRC in a variety of ways, including the supply of mentors, competition judges, referees, and other event coordinators throughout the U.S. In 2008, NI began supporting the program, with two NI mentors volunteering more than 230 hours to help students engineer, program, and control their robots in the FRC. For 2009 and beyond, NI is committed to greatly increasing NI mentor participation in the FRC.



EMPLOYEE PROFILE

"I'm passionate about engineering education, so I'll take every opportunity I can to help. My most profound 2008 memory is from an e-mail I received from a girl who, at the time, had only spent half of a season on the student robotics team I mentor."

I didn't have a lot of motivation to stay in high school, but robotics made me feel like I could do something useful and productive and reach outside the realm of school and do something better. For once, I felt like I could change things for the better.

When you have someone like that who benefits from all the hard work and dedication you put into something, it really makes an impression on you and makes you proud to do what you do."

Danny Diaz,
an NI Senior Software
Engineer and volunteer for the
FIRST Robotics Competition

Employee Philanthropy and Volunteerism

National Instruments encourages employees to engage in community issues they are passionate about and provides regular opportunities for them to learn and become involved with organizations through the donation of time, talent, and resources. NI supports these efforts with several continuous education initiatives to keep employees engaged in and educated about community needs. Additionally, NI branch offices outside the U.S. impacted their communities through initiatives such as the NI India Cares project.

2008 HIGHLIGHTS

- Exceeded a record \$500,000 USD in total employee donations through the NI corporate headquarters Fall Giving Campaign – nearly \$500 USD donated per participant
- NI India Cares initiative helped numerous underprivileged children in India
- More than 500 NI corporate headquarters employees volunteered a total of 6,700 hours with various nonprofit organizations – a ninefold increase in tracked hours
- Started the NI Leaders in Service volunteer recognition initiative
- Started the NI Spring Volunteer Campaign
- Provided the most employee volunteers ever from a single Austin-based company for United Way Capital Area Day of Caring

2008 CHALLENGES

- Missed goal of 20 percent year-over-year increase in employee giving, but did grow 3 percent and exceeded a record \$500,000 USD in donations
- Data for all NI operations worldwide was not available in 2008
- Did not implement a planned Dollars for Doers program for volunteers to match volunteer hours with a dollar amount

2009 COMMITMENTS

- Implement a global tracking mechanism for philanthropy and volunteerism data to scale all efforts worldwide
- Increase employee membership on boards of nonprofit organizations
- Implement a Dollars for Doers volunteer program
- Create an employee funding advisory council as an unbiased group to maintain philanthropic transparency

Philanthropy

NI is tremendously proud of the individual impact employees are making with their generous personal philanthropy.

Fall Giving Campaign and Matching Gifts

The year 2008 marked the 13th annual NI GIVES: Fall Giving Campaign, the company's internal employee giving campaign for its corporate headquarters. The NI giving intranet portal offered employees the opportunity to make a donation through a variety of channels, including payroll deductions and stock, check, or credit and debit card payments, making it easy for employees to donate to the charities of their choice.

In 2008, total employee donations through this campaign exceeded a record \$500,000 USD, with nearly \$500 USD donated per campaign participant.

Although the NI GIVES campaign is only three weeks long, throughout the year employees at corporate headquarters can request that NI match a cash, check, credit/debit card, or stock donation that they have given to a qualified nonprofit organization. Through matching gifts, NI doubles the power of an employee's donation up to \$1,000 USD.

"The charitable work of NI draws on the company's core products and skills. By aligning its philanthropy to its business, NI enhances its community, entices consumers, and inspires its employees' dedication."

*Stanford Social
Innovation Review*

In 2008, total estimated employee donations through the matching gifts program exceeded a record \$180,142 USD, bringing the total donations for both the giving campaign and the matching gifts program to more than \$690,000 USD.

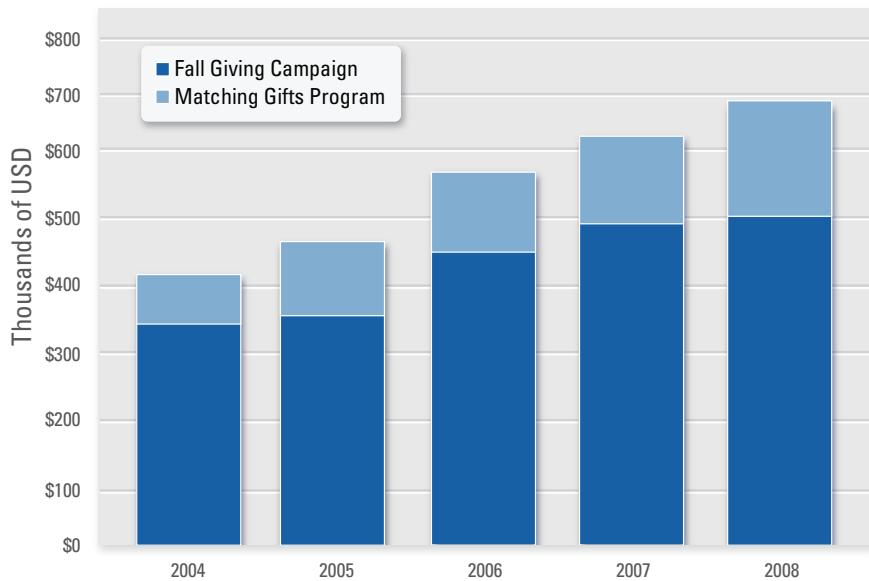
By the Numbers

Data is from NI corporate headquarters only. All donation amounts are in USD.

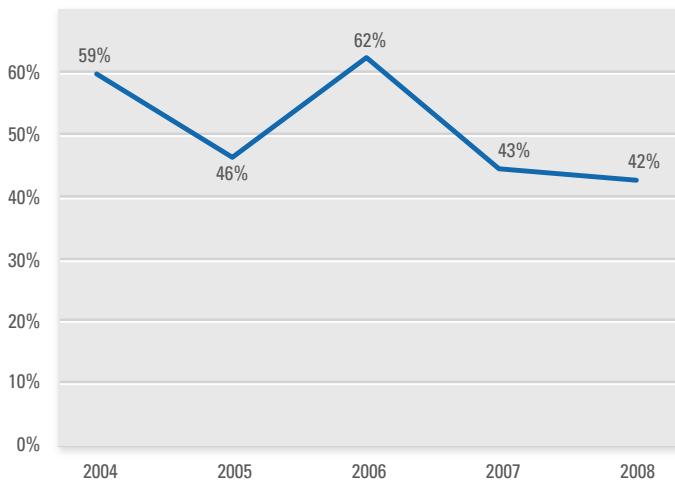
Total Employee Donations

Program	2004	2005	2006	2007	2008
Fall Giving Campaign	\$342,539	\$356,612	\$450,748	\$495,500	\$510,000
Matching Gifts	\$72,788	\$100,000	\$129,973	\$120,923	\$180,142 ¹
Total Donations	\$415,327	\$456,612	\$580,721	\$616,423	\$690,142

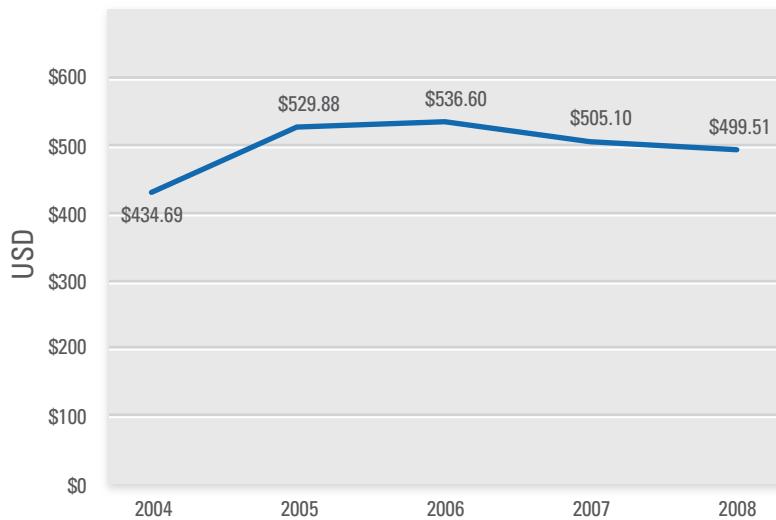
¹ The matching gifts total for 2008 is estimated.



Percentage of Employees Participating in Fall Giving Campaign



Average Donation per Fall Giving Campaign Participant



Challenges

In 2008, NI did not meet its goal of increasing employee giving 20 percent year-over-year. However, in the face of a global economic recession, employee giving increased 3 percent and exceeded a record \$500,000 USD in donations.

NI Leaders in Giving

NI Leaders in Giving are employees at NI corporate headquarters who give \$1,000 USD or more throughout the year by using NI giving tools. Each quarter, NI Leaders in Giving come together to learn about opportunities to connect through the giving of time, talent, and resources. With more than 200 NI Leaders in Giving, approximately 10 percent of the NI employee base at headquarters, employees have the opportunity to unite with like-minded people throughout the year who share a passion for giving.

Young Leaders Society

As current and emerging leaders in the community, Young Leaders Society (YLS) members enjoy educational, service, social, and networking opportunities throughout the year. Founded in September 2000, YLS consists of more than 1,000 young business and community leaders who value the importance of philanthropy and support the work of United Way Capital Area in addressing the whole spectrum of health and human service issues in the community. NI has the most YLS members of any company in Central Texas, making up more than 20 percent of the YLS membership in the United Way Capital Area.

NI Sharing Tree

The NI Sharing Tree is a holiday giving program that allows NI employees at corporate headquarters to volunteer and provide in-kind or financial resources to those in need during the holiday season. Opportunities such as the Salvation Army Angel Adoption or LifeWorks Adopt a Family programs are popular among NI employees. In 2008, NI employees:

- Sponsored 205 children in need through the Salvation Army Angel Adoption program
- Created 244 holiday cards for the Meals on Wheels delivery to homebound elders
- Donated more than \$4,800 USD to 14 families through LifeWorks and the Any Baby Can holiday program
- Gave 40 pairs of shoes to underprivileged students through the Shoes for Austin Holly Days program

	2007	2008
Children adopted	233	205
Families adopted	15	14
Holiday cards delivered to elders	490	244
Shoes donated to students	71	40

Global Perspectives

The majority of the people in developing countries live in deplorable conditions. Almost half of the people in this world earn less than \$2 USD per day, 1 billion go to bed hungry every night, and 73 million primary-school-aged children do not attend school.¹ Because of facts like these, employees at NI branch offices have been doing what they can to help improve everyday life for those less fortunate and are demonstrating responsible, caring citizenship in their local communities.

This section details activities from the NI India branch, but many other NI branch offices that serve emerging economies, including NI China and NI Korea, are driving activities similar to those described. NI is proud of its international branch philanthropic activities. As citizens who generally enjoy a high standard of living, NI employees are innovating new ways to help those who are underprivileged.

¹Sources:

Poverty data: A supplement to World Development Indicators 2008. The World Bank, 2008.

Fact sheet: GOAL 1: Eradicate extreme poverty and hunger. The United Nations, 2008.

The Millennium Development Goals Report. The United Nations, 2008.

NI India Cares



NI India Cares is an initiative driven by NI India employees to reach out to underprivileged citizens. The initiative seeks to make a difference in the quality of life for orphaned children and in the field of primary and secondary education. Currently, NI India employees focus closely on two domains: imparting education to underprivileged children and supporting orphanages. The emphasis is on supporting small, nascent initiatives. Over time, as each initiative grows and achieves stability, the nature and amount of the support provided evolves.

In 2008, the NI India Cares initiative provided complete educational support to six outstanding students in the Aspire orphanage located in Chennai, Tamil Nadu. NI India Cares also started a tuition assistance center in the village of Choodasandra, Bangalore, to help approximately 65 children.

NI for Orphaned Children

Under the scope of NI for Orphaned Children, NI India Cares adopted the New Hope Foundation, a family-run orphanage of 45 children. Here, NI India Cares provided regular contributions in terms of monetary and other support, such as clothes, groceries, and rent.

Volunteerism

The year 2008 marked a record year for employees at NI corporate headquarters who volunteer to improve the world. More than 500 volunteers contributed 6,700 hours of service to various nonprofit organizations. This ninefold increase in tracked hours of service compared to 2007 was due largely to the launch of **nivolunteer.com**.

Spring Volunteer Campaign



The company's inaugural Spring Volunteer Campaign was a response to employee demand at NI corporate headquarters for increased awareness of volunteer opportunities. The campaign helped educate and inform employees about ways to connect with local nonprofit organizations. The culmination of the two-week campaign was the NI Day of Caring on April 24, during which more than 120 NI volunteers gave a total of more than 500 hours of service back to the community through seven different projects hosted by the United Way Capital Area. This was the largest ever turnout from a single company that the United Way Capital Area had seen in the history of a single-day volunteer event.

2008 NI Day of Caring activities in Austin, Texas, included the following:

- Cleared the Austin State School Life Trail
- Enhanced the Mainspring Schools playground safety
- Beautified the Blackland Garden
- Participated in a Habitat for Humanity deconstruction
- Cleaned during the Lyons Gardens Senior Housing Center Spring Spruce-Up

NIVolunteer.com

In 2008, NI officially launched **nivolunteer.com**, a new portal where NI employees at corporate headquarters can both sign up for and post volunteer opportunities. The portal also enables nonprofits to post opportunities for NI employees. The internal volunteer tool delivers a greater scope and frequency of volunteer opportunities to NI employees, as well as educates them on current community needs.

NI Leaders in Service

The NI Leaders in Service program, launched in 2008, is a volunteer recognition initiative that acknowledges and rewards NI employees at corporate headquarters who volunteer more than 55 hours of their time to the community during the year. This group was established in 2008 through the use of the internal nivolunteer.com tool. NI Leaders in Service receive a certificate of appreciation signed by members of NI leadership. In addition, NI features the volunteers in *NIWeb News*, an internal employee newsletter, over the course of the year.



EMPLOYEE PROFILE

"I lost my 25-year-old daughter, Heather, to cancer in 2000. I volunteer with the American Cancer Society because I'm excited to have a way to give back to a cause that would honor Heather, help others who may be battling cancer, and help raise money for research to find a cure so others will not have to go through what Heather did."

In 2008, I served as co-chair of my community's ACS Relay for Life event and I was a speaker at a luminaria service, during which I talked about Heather and her encouragement to others when she was going through her treatment.

I'm honored to volunteer for this because 80 percent of the money raised by the Relay for Life events goes back into research, education, and advocacy for cancer. Because of ACS research, today we have the mammogram, pap test, and PSA test, in addition to many drugs created because of their research, and tomorrow we will find the cure!"

*Dora Hudgins,
a Paralegal in the NI Legal
Group, and a volunteer for
the American Cancer Society
Relay for Life*

Community Relations Department DriverTeam

The NI corporate headquarters Department Driver Team is key to the tremendous success of NI employee engagement in the community. This team includes volunteers from major areas of the corporate headquarters organization. These volunteers help determine messaging for corporate giving and volunteerism and then execute community engagement campaigns, messaging, and strategy throughout the year. In 2008, the number of department drivers remained consistent at 2007 levels, with 40 active department drivers inspiring employees in personal philanthropy and volunteerism.

Department Driver Service Project



Each year, NI asks each group within the Department Driver Team to complete two volunteer service projects that are open to the NI community. They are responsible for working with a nonprofit organization, promoting the volunteer opportunity company-wide, and coordinating volunteer logistics. In 2008, the Sales Department Driver team went above expectations and adopted a nonprofit.

During the NI corporate headquarters Spring Day of Caring, more than 15 sales employees volunteered at

the local convalescent center, Family Eldercare, to assist in cleaning the grounds, painting the walls, and interacting with the elderly. A result of this volunteer opportunity was an interest in continuing a relationship with the nonprofit as well as a desire to pursue ongoing interaction through a summer fan drive to benefit Family Eldercare. The sales department raised more than \$1,000 USD of personal employee donations. NI matched those donations dollar-for-dollar, leading to more than 80 fans donated to Family Eldercare.

Community Engagement Series

The Community Engagement Series (CES) is a series of bimonthly brown bag lunches that features nonprofit organization representatives from the community who come to NI corporate headquarters and speak about their missions. These organizations are selected based on employee interest and donations. All NI employees are invited to attend CES and learn more about these organizations, why certain NI employees are passionate about them, and how they can help.

Community Collaborations

National Instruments engages in strategic, consistent collaborations with community organizations to help effect positive change and create a steady stream of volunteer opportunities for NI employees. NI collaborates with organizations that strive to maintain and improve the education, health, and well-being of the communities in which NI employees live and serve. The company encourages its employees to learn about these programs and initiatives so they can be a part of the growth and development NI strongly supports. This support includes volunteer initiatives, knowledge sharing, and board membership placements, as well as corporate donations, contributions through the NI Foundation, and in-kind gifts. The company feels this strong commitment to the community helps set a standard for business and creates more consistency for nonprofits.

2008 HIGHLIGHTS

- As committed, NI donated more than 1 percent of corporate pretax profits
- United Way Capital Area recognized NI corporate headquarters with the 2008 Spirit of Caring Award

2008 CHALLENGES

- Did not implement a Dollars for Doers program for volunteers to match volunteer hours with a dollar amount

2009 COMMITMENTS

- Maintain commitment of donating 1 percent of pretax profits
 - Create an employee funding advisory council as an unbiased group to maintain philanthropic transparency
 - Increase employee membership on boards of nonprofit organizations by 70 percent year-over-year
 - Implement a Dollars for Doers volunteer program
 - Implement a global tracking mechanism for philanthropy and volunteerism data to scale all efforts worldwide
-

Collaborations

The following sections present the results of some of the collaborative efforts the company participated in during 2008.

United Way Capital Area

The company's 13-year relationship with United Way Capital Area has been a consistent collaboration, with a strong emphasis on education, health, and financial stability. This commitment provides NI employees the opportunity to positively affect their local communities. In 2008, United Way Capital Area recognized the company's dedication with the 2008 Spirit of Caring Award. Each year, this award acknowledges one organization that is an especially active and effective agent of positive change.

Capital Area Food Bank

The Capital Area Food Bank provides food and grocery products to hungry people in the Central Texas area. The NI collaboration with the food bank includes regular volunteer opportunities during which employees sort and process many thousands of pounds of food each visit. In 2008, NI employees volunteered 236 hours and processed nearly 5,000 pounds of donated food, which provided approximately 4,000 meals to community citizens. This saved the food bank more than \$4,500 USD in operating costs. During the Texas hurricane season, the food bank becomes a hub for Louisiana and Texas Gulf Coast hurricane evacuees. In 2008, NI made an additional donation to the food bank disaster relief fund to aid coastal residents affected by the destruction from hurricanes Dolly, Gustav, and Ike.

Breakthrough Austin

Breakthrough Austin provides a path to college for low-income students who will be first-generation college graduates. The program admits students as sixth graders and makes a six-year commitment to help them graduate from high school and enter college. With the help of NI, Breakthrough Austin admitted its first class in 2002 and currently serves more than 240 students in grades 7–12. The first class of Breakthrough Austin participants graduated in 2008.

Keep Austin Beautiful

Keep Austin Beautiful (KAB) inspires and educates individuals and the community on greater environmental stewardship. The organization's goal is to clean, beautify, and protect the Central Texas environment through physical improvements and hands-on education.

Throughout 2008, NI collaborated with KAB on several events, such as the Austin Clean Sweep and the Adopt-a-Street program. Through the Adopt-a-Street program, NI adopted the streets surrounding its corporate headquarters and scheduled regular clean-up events. KAB also provided guidance on making some events more environmentally responsible, including 2008 FIRST LEGO League events, to which NI contributed. Additionally, two employees from the NI Manufacturing Department serve on the board of directors for this organization.

Leadership Austin

NI is a sponsor of Leadership Austin, which offers programming that serves the broad continuum of experience and interests at every stage in an individual's career. As a sponsor and member of the Leadership Austin family, NI helps influence the community in measurable, meaningful ways to improve the quality of life for all in the region. One way NI assists Leadership Austin is to provide on-campus hosting services to the organization so it can effectively carry out its programs for many people at one time in one consistent setting. Since its beginning, at least five NI employees have completed several Leadership Austin programs.

GirlStart

GirlStart empowers young girls in science, technology, engineering, and math (STEM) education by providing hands-on learning and engineering concepts. The organization's unique programming includes nationally recognized Saturday camps, summer camps, and after-school programs, where girls become engaged in hands-on STEM activities and meet female role models working in STEM careers.

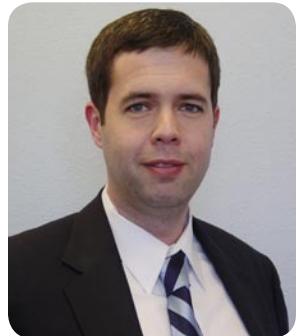
The company's focus on enhancing STEM education was a natural fit with GirlStart. In 2008, Expand Your Horizons reached out to hundreds of young girls aspiring to be engineers and scientists. This one-day conference was driven by a group of female engineers from throughout the community, including a session on robotics led by NI employees, which was the most-attended session of the day. The NI collaboration with GirlStart already has proven to be a successful effort that engages students and strengthens their interest in STEM-related careers.

Shoes for Austin

NI has contributed to Shoes for Austin for many years. As in years past, the nonprofit helped organize the NI Sharing Tree campaign, which encourages employee donations of holiday gifts for less fortunate families. In 2008, NI employees at corporate headquarters donated more than \$800 USD of personal funds and bought 40 pairs of shoes for underprivileged students. Shoes for Austin distributes these shoes through its Holly Days program. Additionally, the organization provides other regular volunteer opportunities for NI employees.

The University of Texas Performing Arts Center

The NI collaboration with the UT Performing Arts Center (PAC) strengthens the company's relationship with The University of Texas and supports the arts. Although the PAC's Bass Concert Hall underwent a major renovation in 2008, the PAC's outreach efforts never ceased. Pop Ed 101 is a UT PAC educational outreach program that teaches underprivileged students the artistic value of positive music. The PAC consistently hosts free events for underprivileged



EMPLOYEE PROFILE

"National Instruments is a company that is well-known for innovation. Although their primary focus is transforming the way engineers and scientists design, prototype, and deploy systems for measurement, they are also committed to transforming the way NI employees engage with their community. In the past four years, National Instruments has been instrumental in shaping the improved partnerships between corporations and United Way by focusing on a year-round relationship encompassing volunteering, educational opportunities, and financial investment.

The intelligent and passionate employees at National Instruments have played a vital role in ensuring that everyone in Central Texas feels a part of, and an ultimate responsibility for, the common good of all."

*Ray Blue,
Vice President of Resource
Development, United Way
Capital Area*

students to introduce them to artists who perform at the center as well as to show them the technical aspects of performances. Students are encouraged to work with the artist and on-site technicians to prepare for the upcoming concert or performance. Music has a strong correlation in developing a firm math base that is commonly overlooked. Rhythm and pitch, two of the most basic elements of music, are best described using math concepts, and this is a principle upon which the NI collaboration with UT PAC is built.

Austin Children's Medical Center



Austin Children's Medical Center of Central Texas is the only dedicated freestanding pediatric facility in the region. Serving a 46-county area, Austin Children's is the premier health care provider for children and adolescents. In addition to financial donations, NI has worked closely with child life specialists to ensure positive interaction with long-term patients using LEGO MINDSTORMS NXT technology. Often, the child patients cling to their LEGO creations because they are one of the few aspects of their lives they can control.

Additionally, in 2008, NI employees donated 2,000 books to Austin Children's Medical Center.



EMPLOYEE PROFILE

“As a board member of the Austin Children’s Museum, I have the privilege of serving the community through the museum’s efforts to create innovative learning experiences for children and families that equip and inspire the next generation of creative problem solvers. We strive to become an essential catalyst and trusted adviser in a community that works together to become more creative, more inventive, and more competent. We elevate and cherish the child-adult learning relationship. We cultivate a community that embraces the love of learning, the thirst for knowledge, and a respect for questions. In doing so, we play a vital role in equipping future generations and our society for growth, innovation, and collaborative problem solving.”

“It’s truly an honor to be part of an organization that effects positive change for our children.”

Austin Children's Museum

Austin Children's Museum is an essential catalyst in a community that works to become more creative, more inventive, and more competent. Additionally, the organization cultivates a community that embraces the love of learning, the thirst for knowledge, and a respect for questions. In doing so, the museum plays a vital role in equipping future generations and society for growth, innovation, and collaborative problem solving.

The collaboration between the Austin Children's Museum and NI runs deep through the company's employees. NI actively engages employees in volunteer opportunities, company-wide visits, and special museum exhibits that feature NI products and teach engineering concepts geared toward a younger audience.

Board Membership

Board membership is one of the highest levels of personal community involvement. In addition to taking responsibility for a nonprofit organization's legal and ethical obligations to donors, clients, and the government, board members must provide guidance to the organization. They serve as advisers to the executive directors and staff members and often help manage volunteer leadership.

One NI focus is to help develop conversations between passionate employees and nonprofits that need their guidance. In 2008, eight NI employees were members of nonprofit boards. In 2009, NI aims to increase the number of employees who are nonprofit board members by 70 percent year-over-year.

*John Graff,
NI Vice President of Marketing
and Customer Operations
and the President of the
Austin Children's Museum
Board of Directors*



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