

Citizenship Report



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NI Citizenship

National Instruments is committed to being a responsible corporate citizen in communities around the globe and for its four key stakeholders: employees, customers, suppliers, and shareholders. The company achieves this by maintaining a fun and innovative corporate culture, providing tools that inspire and empower engineers and scientists to improve the world, working to reduce its environmental footprint, and giving back to the global community. At the heart of the NI call to citizenship is an effort to inspire today's students to become tomorrow's innovators. By engaging students with technology in a fun, hands-on learning environment, NI arms them with the skills to address the world's Grand Challenges for Engineering and improve the quality of life in the world.

Improving the World Through Technical Literacy

Technology is directly tied to survival and quality of life. It helps engineers and scientists provide sustainable food sources, harvest sources of energy, and deliver life-saving medicines. While technology already has played a significant role in advancing the way we live, there is still much work to be done. The National Academy of Engineering, for example, has identified 14 Grand Challenges for Engineering, including providing access to clean water and improving urban infrastructure, which depend on technology to drive solutions. However, the ability to address these challenges is becoming increasingly difficult because there is not enough innovative and inspiring science, technology, engineering, and math (STEM) curriculum to encourage and prepare students for careers in engineering and science.

NI believes helping to create a more technically literate society will have the greatest impact on improving the quality of life in the world. The path to a more technically literate society begins in the classroom, where there is the opportunity to inspire today's students to become tomorrow's innovators. As a worldwide technology leader, NI is uniquely positioned to help advance technical literacy. The company's software and hardware is used in classrooms worldwide to introduce kids to the wonder and excitement of STEM education. Additionally, partnerships with some of the most recognized academic organizations give NI the opportunity to engage students with technology in a fun, hands-on way.

In 2010, NI took on the challenge of determining how it could help improve the technical literacy of students around the world. The company formed a committee consisting of NI leadership and employees and outlined a plan for how NI can contribute and spread awareness of this challenge. The results of the committee include the 2011 commitments outlined below:

- Supplement and develop lesson plans for elementary school LEGO® MINDSTORMS® NXT robotics programs to make it easier for educators to implement
- Develop a resource kit for parents that can help them become advocates for getting robotics programs started in schools

While NI has made a formal commitment to advancing technical literacy, addressing this challenge requires more than the passion of one company. The solution requires parents advocating for more hands-on learning opportunities; educators teaching innovative STEM curriculum such as robotics; governments increasing funding for STEM education; companies pledging time and money for technical literacy initiatives; and individuals giving their time to mentor today's youth.

NI is fortunate to work with many people who share the company's passion for improving technical literacy throughout the world, and several of those success stories are highlighted in the 2010 NI Citizenship Report. In addition, NI hopes this report serves as a catalyst for those who want to help make a significant impact on creating a more technically literate society.

All NI education initiatives are categorized within two major segments:

- Empowering tomorrow's innovators with technology and training
- Engaging young minds through mentoring

CASE STUDY

Andrea: Sophomore *FIRST* Robotics team member at Eastside Memorial High School, Austin, Texas



The dropout rate at Andrea's school is double that of others in her district, and only 20 percent of her school's graduates are considered college-ready. Eastside is also considered one of the poorest schools in the city of Austin. Students continually struggle against adversity of all types, including economic hardship, social stigma, and academic crises.

However, the robotics program there is inspiring hope in a seemingly hopeless situation by helping students see that they have potential for a bright future.

Andrea is just one example of how *FIRST* (For Inspiration and Recognition of Science and Technology) Robotics is opening a door of possibilities for students who otherwise see themselves as destined for failure.

"Because of the robotics team, I care about my grades now, and I want a better future," says Andrea. "I've learned that I can do things I never knew I could. And my team and I are proof that the program can change lives."

2011 Commitments

- Supplement and develop lesson plans for the elementary grade-level LEGO MINDSTORMS NXT robotics program to make it easier for educators to implement
- Develop a resource kit for parents that can help them become advocates for starting robotics programs in schools

Statement From the CEO



Today, I present our annual citizenship report that outlines our economic, environmental, and social performance as well as our commitments for the future. The 2010 report explains in detail how we continue to work toward the success of our key stakeholders: employees, customers, suppliers, and shareholders.

This year, National Instruments celebrates its 35th anniversary as a company that fosters innovation in a collaborative environment, inspiring and empowering engineers and scientists to improve the world around us. While the last two years have been both challenging and volatile, I am proud that NI successfully navigated one of the worst recessions in history by staying true to our long-term strategy. Our commitment to the long-term view, what we call our 100-year plan, enabled NI to post record revenues and profit while expanding our R&D and global field operations. In 2010, we released 438 new products and services that are creating significant new market opportunities for NI and from which our customers are seeing great value.

As a leading technology company, we strive to empower today's innovators to solve the world's biggest problems with products and services that benefit society. In 2008, the National Academy of Engineering (NAE) outlined 14 grand challenges that serve as a call to action for engineering and science to develop solutions that range from enhancing tools for scientific discovery to engineering better medicine. I am inspired every day by how our customers, who are developing solutions in each of the 14 grand challenge areas, are creating new and smarter life-changing applications involving the environment, renewable energy, medical devices, and the process of restoring and improving urban infrastructure. Our approach strives to create shared value that enhances the economic and social conditions of our communities, much like the impact of Thomas Edison's inventions on the past century. At NI, we are confident that by creating the best possible tools, today's engineers and scientists can successfully address the grand challenges with achievements that will benefit society for years to come.

And as part of this commitment, we believe that grand innovation starts by helping to create a more technically literate society and that by engaging students with technology through mentorship and a fun, hands-on learning environment, future generations will be inspired to solve the problems of tomorrow. This responsibility we feel to the next generation and our commitment to transforming STEM education are at the heart of our citizenship efforts and impact all of our stakeholders.

Beyond our focus on customer success and improving technical literacy, we also made commitments in 2010 to minimize the environmental footprint of our products, our operations, and our facilities. We reduced the amount of unnecessary material included in our product packaging, initiated a power management program on employee computers, and instituted a citizenship survey completed by our suppliers that evaluates their sustainability in the areas of energy and climate, material efficiency, natural resources, people, and community. We look forward to working on even more initiatives in the coming year.

Our desire to have a significant positive impact in our communities and throughout society is driven by the passion and dedication of NI employees throughout the world. I enjoy learning of their efforts as they design and develop valuable tools for our customers and engage in activities to improve education, health, and well-being within their communities. I am particularly proud of the enthusiasm and impact of our employees who work to inspire and engage students in the fields of engineering and science through programs such as *FIRST*.

Finally, we are extremely honored that, in 2010, the Great Place to Work Institute recognized six NI offices as great places to work including NI corporate headquarters which was named to *FORTUNE* magazine's '100 Best Companies to Work For' list for the 12th consecutive year. This landmark achievement illustrates that by maintaining a positive corporate culture, we can influence the world around us.

We hope you'll learn more about NI citizenship and join us on our journey to improve the world. Our complete citizenship report at ni.com/citizenship provides the full scope of our citizenship efforts, and I welcome your [feedback](#).

Best regards,

A handwritten signature in black ink, appearing to read "James Truchard". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Dr. James Truchard

President, Chief Executive Officer, and Cofounder, National Instruments

2010 Performance Summary

This section provides a summary of the results for the 2010 National Instruments citizenship commitments. To learn more about the company's performance and commitments, visit the sections linked from this summary. [A letter from the company's CEO](#), Dr. James Truchard, also summarizes the company's citizenship efforts in 2010, and a summary brochure is available for download.

To locate a specific Global Reporting Initiative (GRI) indicator in this report, refer to the [GRI Index](#).

Area	2010 Commitment	2010 Performance	Status
People and Culture			
Hire and Retain the Best and Brightest	Meet annual recruiting goals by hiring engineering and technical students from the highest rated universities	NI hired 58% of co-ops and interns at corporate headquarters for permanent positions, 8% more than the recruiting goal.	●
	Begin NI Leaders program, a targeted recruiting approach for top engineering and technical students	NI began the NI Leaders program to target two specific universities.	●
	Maintain worldwide employee turnover at 30% lower than the US industry average	The turnover rate for all employees was 9.2%, which is 31.6% lower than the US industry average.	●
Create a Great Place to Work	Ensure surveyed NI employees describe NI as a great place to work at a rate of 75% or greater	At NI offices honored by the Great Place to Work Institute, 81% of surveyed employees described NI as a great place to work.	●
	Ensure at least 90% of U.S. employees receive meaningful feedback through annual performance reviews	NI estimates that 72% of US employees received performance reviews in 2010, an increase of 20% from 2009.	○
	Build a spirited culture of wellness at headquarters by offering targeted learning programs	NI offered several new wellness programs including the NI Nutrition Committee, a smoking cessation program, and a 10k-a-Day step challenge.	●
Provide Superior Employee Development	Offer the NI Management Development Series (MDS) to all supervisors	129 new managers completed the MDS training.	●
	Ensure training resources are available to worldwide employees electronically	NI employees worldwide completed more than 25,000 eLearning courses in 2010.	●
	Establish leadership competency models to ensure effective career development plan	NI established leadership competency models at the executive level and in several other departments.	○

Legend: ● Fulfilled commitment ○ Partially fulfilled or currently in progress ○ No Progress

Area	2010 Commitment	2010 Performance	Status
Inspire and Empower Customers			
Improve Everyday Life	Focus R&D efforts on developing products that take advantage of cutting-edge fiber-optic technologies for structural monitoring applications	NI invested more than 16% of total revenue in R&D, which resulted in the release of 438 new products including the NI optical sensor interrogator and SC Express products to enhance structural health monitoring capabilities for engineers and scientists.	●
	Maintain the company's 2009 level of investment in the NI Medical Device Grant Program	NI granted awards to 20 companies in an effort to provide more focused and individualized support to medical startups.	○
Enable Green Engineering	Develop products that will aid customers in creating smart grid technologies	The company kicked off R&D projects to develop an NI LabVIEW toolkit for smart grid power quality, flicker, and synchrophasor applications. Also released a LabVIEW driver for Distributed Network Protocol 3.0 (DNP3) communication for electrical substation equipment.	●
	Support 25 companies developing clean technologies by providing free software and services through the NI Green Engineering Grant Program	NI awarded nearly \$900,000 USD in software and services to 40 clean-tech companies developing innovative applications in wind energy, biofuels, concentrated solar power, thermal energy storage, and more.	●
	Teach green engineering principles to 5,000 engineers and scientists through on-site and virtual events	NI hosted regional seminars at green engineering events and the first Energy Technology Summit at NIWeek 2010, training more than 2,600 engineers on the benefits and technologies behind solar, wind, and smart grid applications; did not host any on-demand or virtual events, which limited attendance.	○
Empower the Innovators of Tomorrow	Make educational learning platforms more affordable and accessible for educators and students in all regions of the world	The company released NI myDAQ, a portable, low-cost device for engineering labs and curriculum, to allow students to perform hands-on experimentation outside the lab. The device is currently available for students in the United States and Canada for \$175 USD and educators for academic use worldwide.	○
	Enhance the experience of <i>FIRST</i> competitors through product development and support	NI maintained the same level of support for <i>FIRST</i> competitors in 2010; no progress toward developing new products specifically for <i>FIRST</i> competitions.	○
	Increase collaboration in engineering education at the NIWeek Academic Forum by more than doubling the number of submissions to the Student Design Showcase	NI received 83 submissions to the Student Design Showcase, achieving only 42% of the goal due to less global promotion for the contest. To increase submissions and student engagement, the company evolved the showcase to the LabVIEW Student Design Competition.	○

Minimize Our Environmental Impact

Legend: ● Fulfilled commitment ○ Partially fulfilled or currently in progress ○ No Progress

Area	2010 Commitment	2010 Performance	Status
Product Life Cycle	Obtain third-party audit for OHSAS 18001 standard to establish a baseline	After conducting an internal audit to determine readiness for the OHSAS 18001 standard, NI Manufacturing determined that a third-party audit was unnecessary because results showed a high level of readiness. NI is now looking for additional benchmarking sources to continue to drive improvements in its overall product life cycle process.	○
	Reduce overall amount of polyurethane in product packaging by 5%	NI reduced polyurethane foam by 39%.	●
	Implement new citizenship survey for key suppliers	The top 80% of suppliers completed the NI Supplier Citizenship survey as a benchmark.	●
Conserving Resources	Obtain third-party verification of greenhouse gas emissions	NI decided to pursue an assessment instead, and will seek verification in the future.	○
	Implement computer power management system to reduce energy consumption	NI headquarters implemented a program in Q2 and is currently managing power on approximately 1,000 desktop computers. Plans to roll out this system at NI Hungary and NI Costa Rica branches are underway.	●
	Install energy-efficient lighting at headquarters, reducing energy use by the equivalent of 2% of annual consumption	NI replaced metal halide lights in some of the parking garages and buildings at headquarters with compact fluorescent bulbs, saving 427,000 kWh of electricity.	●
Employees Driving Change	Test new tool for managing power settings of employee computers	NI implemented this change at headquarters, although it only affected new computer configurations.	●
	Work with IT to change eligible printers at headquarters to print double-sided by default	NI was able to implement this change at headquarters, although it only affected new computer configurations.	●
	Find groups at headquarters interested in decommissioning indoor perimeter lighting	One floor decommissioned this lighting; NI is continuing the search for other interested groups.	○

World-Class Community Engagement

Legend: ● Fulfilled commitment ○ Partially fulfilled or currently in progress ○ No Progress

Area	2010 Commitment	2010 Performance	Status
Mentoring Young Minds	Increase headquarters employee mentorship by 20% to support increase in <i>FIRST</i> students	Headquarters employee mentorship increased by 8%.	○
	Retain 70% of employee mentors from headquarters	NI retained 54% of employee mentors from headquarters.	○
Employee Philanthropy and Volunteerism	Double reported employee membership on nonprofit organization boards	Employee membership on nonprofit boards increased by 19 people but did not double.	○
	Expand matching gift program to include eligible payroll-deducted donations	The matching gift program does not yet include eligible payroll-deducted donations.	○
	Increase headquarters employee volunteer hours by 20%	Headquarters employee volunteer hours increased by 26%.	●
Corporate Philanthropy and Advocacy	Maintain commitment of donating 1% of pretax profits to nonprofit organizations	2% of pretax profits were donated to nonprofit organizations.	●

Legend: ● Fulfilled commitment ○ Partially fulfilled or currently in progress ○ No Progress

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 simplify development, increase productivity, and dramatically reduce time to market. With this approach, NI empowers customers to more rapidly develop innovative technologies that address many of the Grand Challenges for Engineering facing the world such as making solar energy more economical, restoring and improving urban infrastructure, and engineering better medicines.

NI is also committed to being a responsible citizen to its global communities and stakeholders. The company achieves this by maintaining a fun and innovative corporate culture, providing tools that inspire and empower engineers and scientists to improve the world, working to reduce its environmental footprint, and giving back to the global community.



2010 Awards Highlights

- *FORTUNE* magazine: 100 Best Companies to Work For (12 consecutive years for NI corporate headquarters)
- Great Places to Work Institute: Recognized as a Great Place to Work – NI Japan, NI UK and Ireland (five consecutive years), NI Germany (five consecutive years), NI Italy (four consecutive years), and NI France (three consecutive years)
- *Control Design*: Readers' Choice Awards winner – data acquisition systems, data recorder, data acquisition software, machine vision systems, and PC-based machine control software categories
- *Electronic Design*: Best Electronic Design in the Test & Measurement/Communications Test Category – NI PXIe-5630 vector network analyzer
- *Elektra Online*: Embedded System Product of the Year – NI Single-Board RIO
- *Design News*: Golden Mousetrap Award in the Motion Control/Automation Category – NI wireless sensor networks
- Marketing Leadership Council: B2B Marketing Communications Award from the Corporate Executive Board
- Forrester Groundswell Award: "Embracing" category winner – B2B division, for "Embracing Our Customers for Software Development" – and "Energizing" category finalist – B2B division, for "Energizing Engineers at NIWeek 2010"
- *EDN China*: Innovation Award in the Test and Measurement and Programmable Logic Categories – 6.6 GHz PXI Express vector signal analyzer and vector signal generator as well as NI FlexRIO, respectively

[View a complete list of NI awards.](#)

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
- **Industry diversity:** no industry makes up more than 15% of revenue
- **Growth history:** 32 years of growth in 34-year history
- **Manufacturing:** more than 3,000 different products
- **Employees:** approximately 5,200 worldwide
- **Investment in R&D:** more than 16% of annual revenue

NI Memberships and Associations

NI is a member of the following organizations and standards bodies. For 2010, NI focused on gathering a list of memberships at its corporate headquarters. NI will provide additional global data in future reports as it becomes available.

The Academy of Medicine, Engineering and Science of Texas (TAMEST)

Advanced Telecommunications Computing Architecture

Austin Area Trade Compliance Roundtable

The International Compliance Professionals Association

The Institute of Packaging Professionals (IoPP)

The IPSO Alliance

IVI Foundation

National Association of Purchasing Management

NCSL International

Numerical Math Consortium (NMC)

PCI Industrial Computer Manufacturers Group (PICMG)

PCI-SIG

PXI Systems Alliance (PXISA)

TechAmerica United States and Europe

Technology and Education Executive Council (TEEC)

Test and Measurement Coalition

USB Implementers Forum

Wi-Fi Alliance

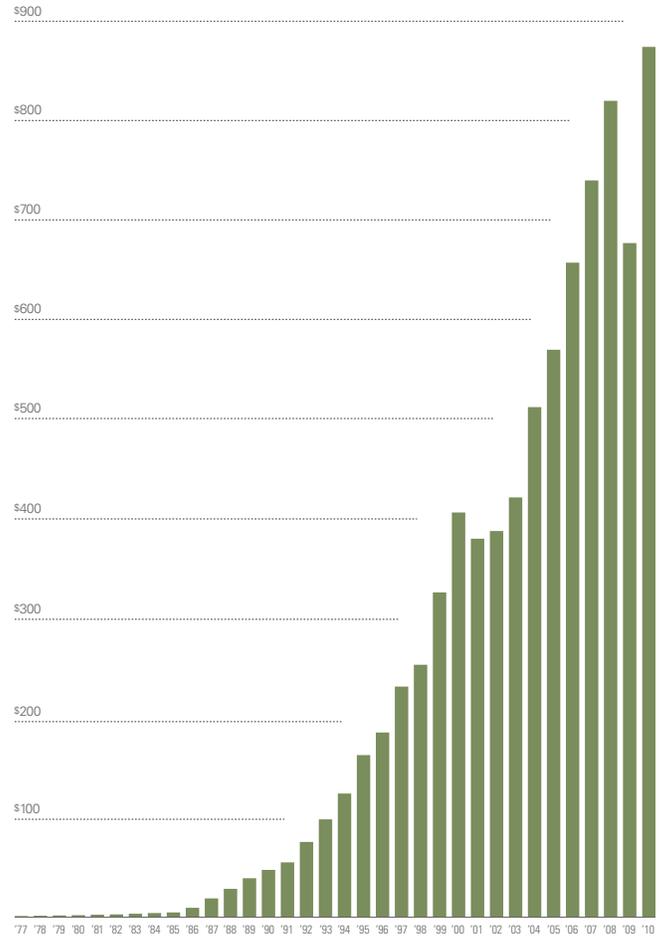
Wireless HD Consortium

Economic Performance

National Instruments has a strong track record of growth and profitability, reporting 32 years of growth in its 34-year history, and has built a reputation as a stable supplier, business partner, employer, and corporate citizen. In 2010, NI demonstrated a rapid recovery in revenue and profitability reporting record annual revenue of \$873 million USD and record annual net income, while making significant investments to strengthen its product portfolio and expand its sales force. The company's quick return to record revenue is a strong testament to the value of the R&D and field sales force investments it made throughout the recession.

The company's 2010 revenue of \$873 million USD represented a 29 percent increase over 2009 with operating expenses of \$544.8 million USD. NI economic value distributed included employee wages and benefits ¹ of \$370.4 million USD; payments to the government ² of \$15 million USD; payments to the providers of capital ³ of \$40.6 million USD; and community investments ⁴ of \$2.47 million USD. NI retained an economic value ⁵ of \$744.5 million USD. For more corporate and financial news, visit ni.com/nati.

Net Revenue in Millions (USD)



¹ Wages and benefits does not include the 2010 company performance bonus, vacation, and other incentives awarded to employees.

² Payments to the government represents income tax expense as reported in the company's annual 10K report.

³ Payments to the providers of capital represents dividends to shareholders as reported in the company's annual 10K report.

⁴ Community investments represents voluntary donations and investments of funds in the broader community where the target beneficiaries are external to the company.

⁵ Retained economic value represents the total stockholders' equity as reported in the company's annual 10K report.

NI Culture and Stakeholder Engagement

The company's long-term view, known as the 100-year plan, looks decades into the future to help ensure the needs of all National Instruments stakeholders – employees, customers, suppliers, and shareholders – are given appropriate consideration. In its 100-year plan, NI believes that its greatest and most sustainable long-term competitive advantage is its culture and employees because this group directly impacts the success of the other stakeholders.

Central to achieving customer success, the NI Vision inspires employees to innovate while also ensuring quality processes and products that respond to customer needs. This balance creates highly differentiated products that also deliver a high value for customers.

To ensure the long-term success of this approach, NI founders identified a set of characteristics, known as the NI Way, which defines how employees work and interact with each other to excel. These characteristics include deriving inspiration through the NI Vision and behaving opportunistically with integrity, iron will, and a lack of bureaucracy.

Also central to the NI 100-year plan are the NI core values that must always be reflected in the decisions and actions of NI employees. These include:

- Constant respect for people
- Uncompromising honesty and integrity
- Dedication to serving customers
- Commitment to innovation and continuous improvement

Building on its 100-year plan and core values, the following statements and tools serve as a way of ensuring the company's performance meets its standards:

Statement	Implementation
Company Mission and Vision Statements	At NI corporate headquarters, the new employee training program and Leadership Development Series cover these core principles. At branch offices, the local leadership is responsible for integrating these principles into their branch organizations.
Citizenship Mission Statement	In 2010, NI corporate headquarters added a new component to the training program for new employees to cover this principle. Branch leadership is responsible for integrating this principle into their organizations.
NI Code of Ethics	Refer to the Work Environment section of this report.
Supplier Code of Conduct	Refer to the Supplier Responsibility, Environmental Management, and Manufacturing Operations section of this report.

[Learn more about the NI culture.](#)



Stakeholder Engagement

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

Stakeholder Group	Tools and Processes	Frequency
Employees	Company meetings	Semiannual
	Employee Appreciation Week	Annual
	Business alignment discussions	Quarterly
	Town hall gatherings	Ongoing
	Performance reviews	Annual
	An open-door management policy known as sneaker management	Ongoing
	Philanthropic funding advisory council	Annual
	Departmental citizenship road shows	Ongoing
	NI Talk internal collaboration tool	Ongoing
	Internal e-newsletter	Weekly
NI Web intranet and wiki	Ongoing	
Customers	NIWeek, the company's customer and technology conference, and regional NIDays held at NI branch offices around the world	Annual
	Online discussion forums and user community	Ongoing
	User group meetings around the world	Ongoing
	Direct sales force	Ongoing
	Contact forms, including technical support, customer service, and product feedback	Ongoing
	Customer loyalty surveys	Semiannual
	Customer advisory boards and regional advisory councils at which NI facilitates discussion with key customers about its products, technologies, and industry trends	Ongoing
	Lead user program to identify opportunities and receive product feedback	Ongoing
Suppliers	Procurement and purchasing resources	Ongoing
	Supplier appreciation event	Annual
	Business reviews with key suppliers	Ongoing
	Business review presentations by suppliers	Quarterly
	Supplier citizenship survey	Annual
Shareholders	Earnings conference call and webcast	Quarterly
	Reports	Quarterly/annual
	NIWeek investor conference	Annual
	Shareholder meeting	Annual
	Financial community event participation	Ongoing
	SEC filings	Annual

Through the various means in which NI engages with its stakeholders, the company's management gains visibility and creates alignment with key citizenship priorities and concerns, as shown in the following examples.

- **Employees** – In an effort to ensure the citizenship reporting process is a vehicle for two-way communication with employees, the cross-functional core NI citizenship team began conducting departmental road shows in 2010. Members of the team attended various department staff meetings to discuss employees' top concerns and discuss the company's citizenship efforts. One of the top concerns employees cited in 2010 was the impact of the rising cost of healthcare. NI leadership held multiple town-hall-style meetings where they openly communicated the company's strategy to manage these expenses.
- **Customers** – This year, NI focused on gathering feedback from attendees at its annual user conference, NIWeek, by conducting two focus groups in addition to its annual NIWeek attendee survey. The goals of the focus groups were to better understand what a company needs to do, from the customer's perspective, to be considered easy to do business with and to gather feedback regarding expectations and perceptions of website support after purchasing products. Overall, NI customers expressed that they value timely and accurate information in all communication channels, from Web to sales, and they are extremely satisfied with how NI delivers in these areas.
- **Suppliers** – In 2010, NI sent citizenship surveys to suppliers and received results in Q3. Through this survey, NI learned that some of its smaller suppliers are concerned because they do not have the resources to devote to getting their sustainability programs off the ground. Thus, in 2011, the NI supply chain group will assist suppliers by sharing best practices gained from NI experience and the knowledge gained during supplier business reviews.
- **Shareholders** – This year NI investors main concerns were focused on the company's strategic investments in R&D and the field sales force, market share gains, and uses of cash. In 2010, NI management addressed these concerns by participating in multiple events including eight investor conferences and four nondeal road shows. The company also hosted its shareholder meeting at its headquarters, quarterly earnings calls, and its annual analyst day as part of the NIWeek global user conference. In addition, NI paid cash dividends equaling \$0.52 USD per share in 2010, which was \$0.04 USD more per share over 2009.

Measuring NI Customer Satisfaction

In 2010, NI conducted multiple research projects to better understand overall customer satisfaction with the company, with certain product lines, and with its annual global user conference. This research included the following:

Survey Type	Purpose	Results
Two U.S. and one global customer satisfaction and loyalty survey	To monitor the level of satisfaction customers have with all aspects of interaction with the company, including the product information provided, sales representatives, the ordering process, product usage, and technical support, as well as the level of customer loyalty	NI customers indicated that they have a high level of satisfaction and loyalty for the company and its products. In 2010, NI made improvements to ni.com navigation and online educational resources based on customer feedback from this survey.
One survey conducted during NIWeek, the company's annual global user conference	To gauge attendee satisfaction with the event	NI continues to see that NIWeek attendees are attracted to the advanced technical content and networking opportunities.
Two focus groups held at NIWeek	To better understand what a company needs to do, from the customer's perspective, to be considered easy to do business with and to gather feedback regarding expectations and perceptions of website support after purchasing products	NI customers value timely and accurate information in all communication channels, from web to sales.

Governance

National Instruments 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.

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

NI believes that a significant portion of its executives' total compensation should be directly linked to achieving specified financial objectives that NI thinks will create stockholder value. Under an annual incentive cash bonus program, executives receive payments based on the achievement of NI business goals approved by the NI board. In addition, all regular full-time and part-time employees, including executives, participate in a company performance bonus program. For employees to receive the maximum payout under this program, NI must achieve predetermined goals for revenue growth and profitability. NI also uses stock-based equity compensation to incentivize a large number of its regular, full-time, and exempt employees, including executives. Refer to the Executive Compensation section of the Proxy Statement for more information about the NI approach toward compensation, as well as specific business goals under the annual incentive program.

Citizenship Challenges and Opportunities

Using a wide range of tools and processes, National Instruments engages with its key stakeholders to identify the issues that impact its citizenship performance. To learn about the company's 2010 performance and 2011 commitments on these issues, visit the sections linked from the following table. The [2010 Performance Summary](#) provides an overview of all 2010 commitments and results.

Area	Challenges and Opportunities
Economic	<p>Achieving growth and profitability</p> <p>Investing in R&D to develop innovative products and technologies</p> <p>Cultivating industry diversity</p>
Environmental	<p>Optimizing the product life cycle</p> <ul style="list-style-type: none"> ▪ Modular products that require less power ▪ Packaging ▪ Reduction of hazardous substances ▪ Supplier responsibility ▪ Manufacturing operations ▪ Product take-back and recycling <p>Conserving resources</p> <ul style="list-style-type: none"> ▪ Energy ▪ Natural gas ▪ Water ▪ Emissions ▪ Habitats ▪ Recycling ▪ Waste reduction <p>Empowering employees to drive change</p>
Social	<p>Transforming education, especially STEM education, through programs that promote:</p> <ul style="list-style-type: none"> ▪ Technical literacy ▪ Technology access ▪ Project-based learning ▪ Competition ▪ Mentoring ▪ Early education ▪ Developing tools for teaching <p>Preserving the competitive advantage of NI culture and employees through:</p> <ul style="list-style-type: none"> ▪ Recruiting and retention ▪ Diversity and inclusion ▪ Health, wellness, and safety ▪ Compensation and benefits ▪ Work environment ▪ Training and development <p>Empowering customers to improve the world through:</p> <ul style="list-style-type: none"> ▪ Bridge and infrastructure monitoring ▪ Green engineering ▪ Supporting engineers in developing countries <p>Engaging in communities through:</p> <ul style="list-style-type: none"> ▪ Employee and corporate philanthropy ▪ Employee volunteerism, including board membership ▪ Corporate advocacy

NI evaluates and prioritizes citizenship issues based on their importance to key stakeholders, as well as their impact on long-term and short-term business success. The company relies on multiple engagement tools, including discussion forums, surveys, direct field sales feedback, and customer and supplier conferences, to gather feedback on issues important to its stakeholders. The NI Board of Directors and NI Citizenship Executive Steering Team then help prioritize the company's efforts. NI identified the following top citizenship challenges and opportunities for 2010:

- **Technical Literacy** – As a worldwide technology leader and partner to some of the most recognized academic organizations, NI, along with its customers, is in a unique position to make a significant impact on the world by helping educators transform STEM education and ultimately ensure that every student is prepared to enter – and contribute to – a technically literate society. NI sees this as core to its citizenship mission, significantly impacting all the company stakeholders and woven throughout NI citizenship efforts.
- **Economic Stability** – NI prides itself on being a stable company and employer, having a record of 32 years of growth in its 34-year history. In the five years between Q4 2005 and Q4 2010, NI revenue has increased 57 percent and nonGAAP net income has increased 84 percent. Since the end of 2005, NI has generated \$646 million in cash from operating activities. Throughout 2010, NI maintained its commitments to each of its four stakeholders by strategically investing in R&D and field sales to support long-term revenue growth, while driving fiscal year 2010 nonGAAP operating margin to 17.3 percent.
- **Health and Well-Being** – Health care costs continue to increase rapidly in the United States, making health and wellness a key focus for both employees and NI. The company takes a proactive approach in partnership with employees to help them achieve healthier lifestyles through wellness and prevention. Some of the programs added in 2010 include Healthy Eating Every Day (HEED), a 20-week course designed to change eating habits and behaviors; smoking cessation; and a walking club. Employees also established the NI Nutrition Committee to assist the company with offering better nutritional options in vending and food services. Additionally, in 2010 more than 50 percent of employees at the corporate headquarters voluntarily used the new NI Health Center. In 2011 the company will continue to try to positively impact the rising cost of health care by offering primary care at the NI Health Center to employees' spouses.
- **Grand Challenges for Engineering** – The National Academy of Engineering Committee on Grand Challenges for Engineering identified 14 areas awaiting engineering solutions in the 21st century. These include the most significant issues facing the world today, such as the need for new medical treatments, access to clean water, and the creation of sustainable energy sources. NI customers are often on the front lines of pioneering solutions for these challenges, and NI is committed to equipping them with innovative tools and approaches to most efficiently and effectively solve them.

Managing Citizenship Performance

NI citizenship is part of the company's 100-year plan. These efforts impact all stakeholders and are aligned with the company's business and operational goals. To drive performance in these areas, NI relies on its board of directors, an executive steering team, a cross-functional committee, and NI employees.

A cross-functional committee oversees corporate citizenship activities across all four pillars of NI citizenship and measures performance throughout the company. In addition, NI employees play an integral role in achieving citizenship goals that range from developing innovative products that improve the world to identifying opportunities to reduce energy use at company facilities. Cross-functional employee teams, such as NI GRAD and the NI Green Team, are crucial for driving success on various aspects of the company's citizenship mission. In 2010, NI corporate headquarters added a component to its training program for new employees to further engage them in NI citizenship efforts.

NI executive leadership reviews citizenship performance and goals throughout the year. The Audit Committee of the NI Board of Directors oversees the company's performance in accounting and financial reporting, as well as compliance with the NI Code of Ethics and financial, environmental, and equal employment opportunity regulations.

About This Report

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

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

Scope

This report describes NI citizenship performance in fiscal year 2010, which ended December 31, 2010. Comprehensive 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 2010 NI citizenship report is available in [Web-based format](#). To print the full report, this PDF, which duplicates the information available in the Web report.

A [summary brochure](#) (PDF) also is available [for download](#).

Reporting Standards

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

Report Assurance

Currently, NI does not seek external assurance for its complete citizenship report.

Previous Reports

Previous citizenship reports (PDF) are available for download:

2009 – [Full report](#) or [summary brochure](#)

2008 – [Full report](#) or [summary brochure](#)

Restatements

The following table details restatements of information provided in previous citizenship reports.

Reporting Year	Information Reported	Updated Information	Reason
2009	NI reported that in 2009, payments to the providers of capital totaled \$20.8 million USD, and community investments totaled \$1.6 million USD.	Payments to the providers of capital totaled \$37.3 million USD, and community investments totaled \$2.2 million USD.	This restatement is due to a clerical error that occurred in the data analysis process.
2009	NI reported that in 2009, philanthropic giving by NI corporate headquarters employees totaled \$711,189 USD.	Philanthropic giving by NI corporate headquarters employees totaled \$715,596 USD.	This restatement is due to a clerical error that occurred in the data analysis process.
2009	NI reported that in 2009, more than 450 NI corporate headquarters employees volunteered a total of 8,858 hours with various nonprofit organizations.	More than 450 NI employees volunteered a total of 10,043 hours.	Employees can report volunteer hours at any time, even for a previous year.
2009	NI reported that in 2009, 161 employee mentors volunteered 9,177 hours in the classroom.	In 2009, 141 employee mentors volunteered 8,037 hours in the classroom.	This restatement is due to a clerical error that occurred in the data analysis process.
2009	The Employees by Region chart reported that the total number of Intern/Co-Op employees for the Americas region in 2009 was 17.	The total number of Intern/Co-Op employees for the Americas region in 2009 was 129.	NI evaluated its data analysis process and uncovered that the process tracked only the number of interns on December 31 of the given year.
2009	The Employee Turnover Rate by Employee Type table reported that the 2008 turnover rate of exempt (professional) employees outside the U.S. was 12.0 percent and the 2008 turnover rate of nonexempt (administrative) employees outside the U.S. was 15.1 percent.	The 2008 turnover rate of both exempt (professional) and nonexempt (administrative) employees outside the U.S. was 11.2 percent.	NI evaluated its data analysis process and uncovered that the 2007 outside U.S. turnover rates were incorrectly reported as the 2008 outside U.S. turnover rates.
2008	The Interns Hired for Permanent Positions chart was reported as showing data for interns in all departments from NI corporate headquarters and Berkeley, California.	This chart shows data only for engineering interns at those offices.	NI evaluated its data analysis process and uncovered that the process tracked only engineering interns.
2008	The 2008 recordable injury/illness rate was reported as 0.21. The 2007 rate was reported as 0.53.	In 2008, the actual rate was 0.20. In 2007, the rate was 0.49.	NI refined its calculation of this metric to be more accurate about number of hours worked.
2008	The 2008 lost workday rate was reported as 0.29. The 2007 rate was reported as 13.36.	In 2008, the actual rate was 0.31. In 2007, the rate was 19.70.	NI refined its calculation of this metric to be more accurate about number of hours worked.
2008	Total purchased electricity at NI corporate headquarters was reported as 18,731,771 kWh.	Actual total purchased electricity was 20,838,000 kWh.	This restatement is due to a clerical error that occurred in the data analysis process.
2008	Estimated trash sent to landfill at NI corporate headquarters was reported as 402,025 kg.	Estimated trash sent to landfill was 361,197 kg.	NI received updated data from its waste vendor after publication of the 2008 report.
2008	NI reported that in 2008, 154 employee mentors volunteered more than 8,700 hours in the classroom, and in 2007, 147 employees volunteered more than 8,000 hours.	In 2008, 141 employee mentors volunteered more than 8,000 hours in the classroom. In 2007, 153 employees volunteered more than 8,700 hours.	NI refined its data analysis process to be more accurate.
2008	NI reported that in 2008, more than 500 NI corporate headquarters employees volunteered a total of 6,700 hours with various nonprofit organizations.	More than 450 NI employees volunteered a total of 6,900 hours.	Two factors contributed to this restatement: <ul style="list-style-type: none"> NI refined its data analysis process to exclude internal events that do not benefit a nonprofit organization. Employees can report volunteer hours at any time, even for a previous year.

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 B.

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

Profile Disclosures

Indicator	Description	2010 Report	Response or Link
Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organization	●	Statement from the CEO
1.2	Description of key impacts, risks, and opportunities	●	Company Profile . For information about financial risk factors, refer to the Risk Factors section in Form 10-K of the Annual Report .
Organizational Profile			
2.1	Name of the organization	●	National Instruments Corporation
2.2	Primary brands, products, and/or services	●	Company Profile , Annual Report
2.3	Operational structure of the organization	●	Company Profile , Annual Report
2.4	Location of organization's headquarters	●	Company Profile
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)	●	About This Report
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	●	Company Profile
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.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	●	NI captures data from its relevant organizational units as well as third parties such as energy providers. Where only estimates of data were available, that fact is noted along with the data.
3.10	Explanation of the effect of any restatements of information provided in earlier reports	●	About This Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	None
3.12	Table identifying the location of the Standard Disclosures in the report	●	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report	●	About This Report
Governance, Commitments, and Engagement			
4.1	Governance structure of the organization	●	Company Profile

Legend: ● Reported ○ Partially reported

Indicator	Description	2010 Report	Response or Link																				
4.2	Indicate whether the chair of the highest governance body is also an executive officer	●	Company Profile																				
4.3	State the number of members of the highest governance body that are independent and/or nonexecutive members	●	Company Profile																				
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	○	Company Profile																				
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	●	Company Profile																				
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	Proxy Statement , Certain Relationships and Related Transactions section																				
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	●	Charter for the Nomination and Governance Committee of the NI Board of Directors; Proxy Statement , Corporate Governance section																				
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	Company Profile																				
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	●	Company Profile																				
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	●	Charter for the Audit Committee of the NI Board of Directors																				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	NI has not explicitly addressed the precautionary approach. However, both of the company's manufacturing facilities are certified to ISO 14001 standards, which NI uses to proactively identify where its activities have an environmental impact.																				
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	<table border="1"> <thead> <tr> <th>External Initiative</th> <th>Year of Adoption</th> <th>Operations Where Applied</th> <th>Key Stakeholders</th> <th>Voluntary or Required</th> </tr> </thead> <tbody> <tr> <td>Clean Air Partners Program</td> <td>2004</td> <td>Corporate headquarters</td> <td>Employees</td> <td>Voluntary</td> </tr> <tr> <td>Electronic Industry Citizenship Coalition (EICC) Code of Conduct</td> <td>2008</td> <td>Worldwide</td> <td>Suppliers</td> <td>Voluntary</td> </tr> <tr> <td>ISO 14001 standards</td> <td>2003</td> <td>Corporate headquarters and NI Hungary</td> <td>Employees</td> <td>Voluntary</td> </tr> </tbody> </table>	External Initiative	Year of Adoption	Operations Where Applied	Key Stakeholders	Voluntary or Required	Clean Air Partners Program	2004	Corporate headquarters	Employees	Voluntary	Electronic Industry Citizenship Coalition (EICC) Code of Conduct	2008	Worldwide	Suppliers	Voluntary	ISO 14001 standards	2003	Corporate headquarters and NI Hungary	Employees	Voluntary
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4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	●	Company Profile																				
4.14	List of stakeholder groups engaged by the organization	●	Company Profile																				
4.15	Basis for identification and selection of stakeholders with whom to engage	○	Company Profile																				
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	Company Profile																				
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●	Company Profile																				

Legend: ● Reported ○ Partially reported

Performance Indicators

Indicator	Description	2010 Report	Response or Section
Economic			
Disclosure on Management Approach	A concise disclosure with reference to the following economic aspects: <ul style="list-style-type: none"> Economic performance Market presence Indirect economic impacts 	●	Management Approach Disclosures
EC1	Economic value generated and distributed	●	Economic Performance
EC3	Coverage of the organization's defined benefit plan obligations	●	Compensation and Benefits
Environmental			
Disclosure on Management Approach	A concise disclosure with reference to the following environmental aspects: <ul style="list-style-type: none"> Materials Energy Water Biodiversity Emissions, effluents, and waste Products and services Compliance Transport Overall 	●	Management Approach Disclosures
EN1	Materials used by weight or volume	○	Optimizing Product Packaging
EN3	Direct energy consumption by primary energy source	●	Conserving Resources
EN4	Indirect energy consumption by primary source	●	Conserving Resources . For purchased electricity, the corresponding primary energy consumed in production is not available.
EN5	Energy saved due to conservation and efficiency improvements	●	Conserving Resources
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	○	Conserving Resources, Employees Driving Change
EN8	Total water withdrawal by source	●	Reducing Natural Gas Usage, Water Usage, and Emissions
EN10	Percentage and total volume of water recycled and reused	●	NI does not recycle or reuse water at its corporate headquarters or NI Hungary.
EN13	Habitats protected or restored	●	Approximately 63%, or 16.6 hectares, of the NI corporate headquarters campus remains in its original state with a healthy functioning ecosystem and is protected from any harm during operational activities. For more information about this campus, refer to the Reducing Natural Gas Usage, Water Usage, and Emissions section of this report.
EN16	Total direct and indirect greenhouse gas emissions by weight	●	Reducing Natural Gas Usage, Water Usage, and Emissions
EN22	Total weight of waste by type and disposal method	○	Recycling and Waste Reduction
EN23	Total number and volume of significant spills	●	No hazardous spills occurred at either NI manufacturing facility.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	Product Life Cycle
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	●	No fines or sanctions incurred for noncompliance with environmental laws and regulations at either NI manufacturing facility.

Legend: ● Reported ○ Partially reported

Indicator	Description	2010 Report	Response or Section																		
Social																					
Labor Practices and Decent Work																					
Disclosure on Management Approach	A concise disclosure with reference to the following labor aspects: <ul style="list-style-type: none"> ▪ Employment ▪ Labor/management relations ▪ Occupational health and safety ▪ Training and education ▪ Diversity and equal opportunity 	●	Management Approach Disclosures																		
LA1	Total workforce by employment type, employment contract, and region	●	Retaining Employees																		
LA2	Total number and rate of employee turnover by age group, gender, and region	○	Retaining Employees																		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	○	Health, Wellness, and Safety																		
LA10	Average hours of training per year per employee by employee category	●	Learning Programs																		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	<p>Provide Superior Employee Development. NI does not offer sabbaticals as an employee benefit. NI offers the following transition assistance programs for employees who are retiring or who have been terminated.</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Offered</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Retirement planning for intended retirees</td> <td>Yes</td> <td>NI offers resources on retirement planning to all employees.</td> </tr> <tr> <td>Retraining for those intending to continue working</td> <td>No</td> <td></td> </tr> <tr> <td>Severance pay</td> <td>Yes</td> <td>NI offers severance pay in some situations. Typically, severance pay takes into account years of service.</td> </tr> <tr> <td>Job placement services</td> <td>Yes</td> <td>NI offers job placement assistance in some situations.</td> </tr> <tr> <td>Assistance on transitioning to a non working life</td> <td>No</td> <td></td> </tr> </tbody> </table>	Program	Offered	Details	Retirement planning for intended retirees	Yes	NI offers resources on retirement planning to all employees.	Retraining for those intending to continue working	No		Severance pay	Yes	NI offers severance pay in some situations. Typically, severance pay takes into account years of service.	Job placement services	Yes	NI offers job placement assistance in some situations.	Assistance on transitioning to a non working life	No	
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Job placement services	Yes	NI offers job placement assistance in some situations.																			
Assistance on transitioning to a non working life	No																				
LA12	Percentage of employees receiving regular performance and career development reviews	●	Developing Employees																		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	○	Diversity and Inclusion																		

Legend: ● Reported ○ Partially reported

Indicator	Description	2010 Report	Response or Section
Human Rights			
Disclosure on Management Approach	A concise disclosure with reference to the following human rights aspects: <ul style="list-style-type: none"> Investment and procurement practices Nondiscrimination Freedom of association and collective bargaining Abolition of child labor Prevention of forced and compulsory labor Complaints and grievance practices Security practices Indigenous rights 	●	Management Approach Disclosures
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	Supplier Responsibility, Environmental Management, 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 has not identified any operations with significant risk for incidents of child labor of young workers exposed to hazardous work. 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 has not identified any operations with significant risk for incidents 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			
Disclosure on Management Approach	A concise disclosure with reference to the following society aspects: <ul style="list-style-type: none"> Community Corruption Public policy Anticompetitive behavior Compliance 	●	Management Approach Disclosures
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	○	Employee Communication and Recognition
Product Responsibility			
Disclosure on Management Approach	A concise disclosure with reference to the following product responsibility aspects: <ul style="list-style-type: none"> Customer health and safety Product and service labeling Marketing communications Customer privacy Compliance 	●	Management Approach Disclosures

Legend: ● Reported ○ Partially reported

Indicator	Description	2010 Report	Response or Section																		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	<p>NI assesses the health and safety impacts of products and services for improvement during the following life cycle stages.</p> <table border="1" data-bbox="1008 310 1531 636"> <thead> <tr> <th data-bbox="1008 310 1328 348">Life Cycle Stage</th> <th data-bbox="1328 310 1531 348">Impacts Assessed</th> </tr> </thead> <tbody> <tr> <td data-bbox="1008 348 1328 386">Development of product concept</td> <td data-bbox="1328 348 1531 386">No</td> </tr> <tr> <td data-bbox="1008 386 1328 424">R&D</td> <td data-bbox="1328 386 1531 424">Yes</td> </tr> <tr> <td data-bbox="1008 424 1328 462">Certification</td> <td data-bbox="1328 424 1531 462">Yes</td> </tr> <tr> <td data-bbox="1008 462 1328 499">Manufacturing and production</td> <td data-bbox="1328 462 1531 499">Yes</td> </tr> <tr> <td data-bbox="1008 499 1328 537">Marketing and promotion</td> <td data-bbox="1328 499 1531 537">No</td> </tr> <tr> <td data-bbox="1008 537 1328 575">Storage distribution and supply</td> <td data-bbox="1328 537 1531 575">Yes</td> </tr> <tr> <td data-bbox="1008 575 1328 613">Use and service</td> <td data-bbox="1328 575 1531 613">Yes</td> </tr> <tr> <td data-bbox="1008 613 1328 636">Disposal, reuse, or recycling</td> <td data-bbox="1328 613 1531 636">Yes</td> </tr> </tbody> </table> <p>Of the significant NI product or service categories, 100% are covered by and assessed for compliance with such procedures.</p>	Life Cycle Stage	Impacts Assessed	Development of product concept	No	R&D	Yes	Certification	Yes	Manufacturing and production	Yes	Marketing and promotion	No	Storage distribution and supply	Yes	Use and service	Yes	Disposal, reuse, or recycling	Yes
Life Cycle Stage	Impacts Assessed																				
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Manufacturing and production	Yes																				
Marketing and promotion	No																				
Storage distribution and supply	Yes																				
Use and service	Yes																				
Disposal, reuse, or recycling	Yes																				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	Company Profile																		

Legend: ● Reported ○ Partially reported

Management Approach Disclosures

The following disclosures provide a brief overview of how National Instruments manages its performance under each Global Reporting Initiative (GRI) indicator category.

To manage the performance of the supply chain, NI requires suppliers to comply with the NI Supplier Code of Conduct for the fair treatment of workers, a healthy and safe work environment, the protection of the environment, and outstanding business ethics. In addition, all new suppliers must complete an NI supplier assessment survey. If the survey process identifies issues, NI conducts regular follow-up with the supplier. For existing key suppliers, NI monitors issues and reviews performance scorecards quarterly to ensure continuous improvement.

Economic

The management approach taken by NI regarding its economic performance, market presence, and indirect economic impacts stems heavily from the company's commitment to upholding solid principles of corporate governance and accountability to all its stakeholders. The company has set long-term goals of investing 16 percent of its total revenue back into R&D while maintaining an 18 percent operating income and 14 percent net income. To view the company's 2010 results, refer to the [Annual Report](#).

NI uses quarterly business discussions and other employee communication tools to raise internal awareness of economic goals and performance. Should issues arise related to the company's economic performance, the NI Board of Directors would address them.

For more information regarding the company's approach to managing economic performance, download Form 10-K of the [Annual Report](#).

Environmental

Refer to the [Minimize Our Environmental Impact](#) section of this report for an overview of NI environmental performance including 2010 successes and challenges as well as 2011 commitments. For information about the NI approach to managing issues related to its products and services, including environmental compliance, refer to the [Product Responsibility](#) section of this report.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Materials	Product Design	NI Environmental Policy NI Supplier Code of Conduct	Vice president, Manufacturing	All NI hardware engineers follow the NI hardware engineering process, which raises awareness of materials issues.	On a quarterly basis, R&D leadership receives a report of conversions to address the European Union Restriction of the Use of Certain Hazardous Substances (RoHS) directive.
Energy, water, emissions, effluents, and waste	Reducing Energy Usage Reducing Natural Gas Usage, Water Usage, and Emissions Recycling and Waste Reduction	NI Environmental Policy Conserving Resources	Vice president, Manufacturing	NI Green Team	NI reviews performance on a quarterly basis and then examines any abnormal fluctuations.
Compliance, as it relates to overall environmental performance	Supplier Responsibility, Environmental Management, and Manufacturing Operations	NI Environmental Policy	Vice president, Manufacturing	Employees responsible for maintaining the NI environmental management system have access to process training.	Supplier Responsibility, Environmental Management, and Manufacturing Operations

For biodiversity and transportation issues, NI does not have a formal policy, nor does it set goals or offer training. Should these issues arise, the vice president of manufacturing would address them.

Labor Practices and Decent Work

Refer to the People and Culture section of this report for an overview of NI performance with regard to labor practices including 2010 successes and challenges as well as 2011 commitments.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Employment	Recruiting Employees Retaining Employees	Hire and Retain the Best and Brightest	Vice president, Worldwide Human Resources	At NI corporate headquarters, the new employee training program covers this aspect. At branch offices, the branch leadership is responsible for training and raising awareness.	The NI Human Resources department monitors these issues.
Occupational health and safety	Health, Wellness, and Safety Supplier Responsibility, Environmental Management, and Manufacturing Operations	Health, Wellness, and Safety Supplier Responsibility, Environmental Management, and Manufacturing Operations	Vice president, Manufacturing	At NI manufacturing facilities, employees receive training on an ongoing basis related to occupational health and safety.	NI is working toward full compliance with the OHSAS 18001 standard, which helps companies control occupational health and safety risks.
Training and education	Provide Superior Employee Development	Provide Superior Employee Development	Vice president, Worldwide Human Resources	Provide Superior Employee Development	The NI Human Resources department monitors these issues.
Diversity and equal opportunity	Diversity and Inclusion	Diversity and Inclusion	Vice president, Worldwide Human Resources	At NI corporate headquarters, the new employee training program covers this aspect. At branch offices, the branch leadership is responsible for training and raising awareness.	The NI Human Resources department monitors these issues.

For labor/management relations issues, NI does not have a formal policy, nor does it set goals or offer training. Should these issues arise, the vice president of Worldwide Human Resources would address them.

Human Rights

In the countries where NI has offices, the company follows applicable legislative standards and is a responsible employer. For information about the NI approach to managing nondiscrimination issues, refer to the Labor Practices and Decent Work section of this page.

NI does not have a formal policy, nor does it set goals or offer training, for the following aspects related to human rights: investment and procurement practices; freedom of association and collective bargaining; complaints and grievance practices; security practices; and indigenous rights. NI does have a policy but does not set goals or offer training for the following aspects:

- Abolition of child labor: Indicator HR6 in the [GRI Index](#)
- Prevention of forced and compulsory labor: Indicator HR7 in the [GRI Index](#)

Should human rights issues arise in the area of employment, the vice president of Worldwide Human Resources would address them in accordance with applicable legislative standards. The NI Board of Directors would address all other human rights issues.

Society

Refer to the [World-Class Community Engagement](#) section of this report for an overview of how NI and its employees serve the communities in which they work and live, including 2010 successes and challenges as well as 2011 commitments.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Corruption	Work Environment	NI Code of Ethics	Audit Committee of the NI Board of Directors	Work Environment	Refer to the charter for the Audit Committee of the NI Board of Directors.

NI does not have a formal policy, nor does it set goals or offer training, for the following aspects related to the impact NI has on the communities in which it operates: community, public policy, and compliance. NI does have the following policy related to anticompetitive behavior but does not set goals or offer training: [National Instruments Corporation Compliance with Antitrust Laws](#). Should issues arise in the areas of community, compliance, or anticompetitive behavior, the NI Board of Directors would address them.

Product Responsibility

Refer to the [Minimize Our Environmental Impact](#) section of this report for an overview of NI performance with regard to product responsibility including 2010 successes and challenges as well as 2011 commitments.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Customer health and safety	NI does not set goals related to this aspect.	Indicator PR1 in the GRI Index	Vice president, Manufacturing	No training or awareness efforts exist.	Should these issues arise, NI would rely on its customer quality escalation process.
Product and service labeling	Product Design Product Take-Back and Recycling	NI Environmental Policy	Vice president, Manufacturing	All NI hardware engineers follow the NI hardware engineering process, which raises awareness of labeling issues.	Regular quality checks during the NI manufacturing process ensure proper labeling.
Customer privacy	NI does not set goals related to this aspect.	NI Privacy Statement	Senior vice president, Sales and Marketing	At NI corporate headquarters, sales and marketing staff receive training on the company's email privacy policy. At branch offices, marketing staff receive this training.	NI continually gathers feedback through customer surveys and comment forms and follows up on issues that arise.
Compliance	Product Design Product Take-Back and Recycling	NI Environmental Policy	Vice president, Manufacturing	Employees involved in the manufacturing process have access to process training.	The NI Compliance Engineering department monitors these issues. NI has processes in place to make sure all components that go into its products are compliant. In addition, on a monthly basis, R&D leadership receives a report of conversions to address the European Union Restriction of the Use of Certain Hazardous Substances (RoHS) directive.

For marketing communications issues, NI does not have a formal policy, nor does it set goals or offer training. Should these issues arise, the senior vice president of Sales and Marketing would address them.

Glossary

EICC: Electronic Industry Citizenship Coalition.

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 the robots, and then enter them in regional, statewide, and even national competitions.

GHG: Greenhouse gas.

GRI: Global Reporting Initiative.

HVAC: Heating, ventilating, and air conditioning.

Jr. FLL: Junior *FIRST* LEGO League. A mentor program that involves engineers and scientists who mentor 6- to 9-year-old students.

kg: Kilogram. Equivalent to 2.2046 lb.

kWh: Kilowatt hour.

LEED: Leadership in Energy and Environmental Design.

m³: Cubic meter. Equivalent to 1,000 liters or 264.1720523 US liquid gallons.

NI GRAD: NI Graduate Acclimation and Development. A program that helps recent graduates working at NI to network socially and professionally, grow accustomed to the NI culture, and get involved in the community.

PAC: Programmable automation controller.

Planet NI: A National Instruments program designed to empower engineers and students in developing countries to achieve economic prosperity and sustainable development by providing access to modern technology and engineering education.

PLC: Programmable logic controller.

PLTW: Project Lead The Way. An organization that promotes STEM-related, project-based learning.

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals.

RoHS: Restriction of the Use of Certain Hazardous Substances.

SED: Superior Employee Development. An NI program that offers employees tools, resources, and opportunities to prepare them for successful careers.

SME: Small and medium enterprises.

STEM education: Science, technology, engineering, and math education.

WEEE: Waste electrical and electronic equipment.

YOY: Year-over-year.

Grand Challenges for Engineering

The 14 Grand Challenges for Engineering, set forth by the National Academy of Engineering, will push current and future generations of engineers to develop newer, smarter, life-changing applications to help address today's most pressing challenges. National Instruments empowers its customers to create devices that will improve the world and meet the following grand engineering challenges.



Make Solar Energy Economical

Solar energy provides less than 1 percent of the world's total energy, but it has the potential to provide much more. Engineers and scientists at Siliken Renewable Energy use NI tools to test their solar panels with greater accuracy, increasing the company's throughput and optimizing solar energy production.



Provide Energy From Fusion

Human-engineered fusion has been demonstrated on a small scale. The challenge is to scale up the process to commercial proportions in an efficient, economical, and environmentally friendly way. NI customers at the Institute of Plasma Physics use LabVIEW and NI PXI modules to develop a measurement system for magnetic confinement and control of nuclear fusion.



Develop Carbon Sequestration Methods

Engineers are working to develop new applications to help capture and store excess carbon dioxide to prevent global warming. NI customers such as EUtech Scientific Engineering strive to meet this challenge using flexible NI hardware and software to help optimize coal combustion efficiency and reduce greenhouse gases.



Manage the Nitrogen Cycle

Engineers can help restore balance to the nitrogen cycle with better fertilization technologies and by capturing and recycling waste. For example, NI technology empowers researchers in the Department of Electrical Engineering at the University of California Los Angeles to develop wireless systems to monitor the earth's conditions in a variety of environments.



Provide Access to Clean Water

The world's water supply is facing new threats; affordable, advanced technologies could make a difference for millions of people around the world. Engineers and scientists at WATERTECTONICS use NI tools to create an environmentally friendly contaminant and filtration water treatment system and reduce their development time by half.



Restore and Improve Urban Infrastructure

Good design and advanced materials can improve transportation, energy, water, and waste systems, as well as create more sustainable urban environments. NI customers at JUST ONE Technology use NI modular instruments and graphical system design to perform real-time monitoring of the structural integrity and response to environmental factors of the Donghai Bridge in China.



Advance Health Informatics

Stronger health information systems improve everyday medical visits and are essential to counter pandemics and biological or chemical attacks. Engineers at InnerVision use NI technology to enhance life sciences research through medical imaging by developing a magnetic resonance control system and multichannel imaging spectrometer.



Engineer Better Medicines

Engineers are developing new systems to use genetic information, sense small changes in the body, assess new drugs, and deliver vaccines. For example, engineers and scientists at Biorep Technologies are working to advance research for chronic diseases, including type 1 diabetes using NI technology to build an automated system to stimulate different cell types.



Reverse-Engineer the Brain

The intersection of engineering and neuroscience promises great advances in health care, manufacturing, and communication. Engineers and scientists at Active Diagnostics use NI tools to quickly prototype training devices that simulate electrical signals from the human nervous system to train neurophysiologists for events that may happen during surgery.



Prevent Nuclear Terror

The need for technologies that can prevent and respond to nuclear attack or accidents is growing. Using NI technology, companies such as VI Control Systems are building better control systems for nuclear test and research reactors to help make nuclear technology safer for energy production.



Secure Cyberspace

In addition to the threat of identity theft, critical systems in banking, national security, and physical infrastructure are at risk every day. With NI technology, customers can build applications to analyze and help secure the radio spectrum by providing the technology to assist in developing spectral monitoring and signal intelligence systems.



Enhance Virtual Reality

True virtual reality creates the illusion of actually being in a different space. It can be used for training, treatment, and communication. NI engineers are building these kinds of life-changing devices, including a device that can detect eye movements to control a gaming system.



Advance Personalized Learning

Instruction can be individualized based on learning styles, speeds, and interests to make learning more reliable. Through the LabVIEW Student Community, students can discuss concepts, share technical how-to resources, download and exchange code, and share feedback and engineering expertise to enhance their engineering education.



Engineer the Tools of Scientific Discovery

In the century ahead, engineers will continue to be partners with scientists in the great quest for acquiring new knowledge about the physical and biological worlds. Engineers and scientists are already working together to study the matter and scientific forces of the universe at CERN by using NI tools to build a motion control system for the world's most powerful particle accelerator, the Large Hadron Collider.

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 other key stakeholders: customers, shareholders, suppliers, and the communities in which they live and work. 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
- Diversity and Inclusion

Create a Great Place to Work

- Health, Wellness, and Safety
- Compensation and Benefits
- Employee Communication and Recognition
- Work Environment

Provide Superior Employee Development

- Learning Programs
- Developing Employees

BY THE NUMBERS

10.05%

of employee earnings awarded for company performance bonus

6

NI offices recognized by the Great Place to Work Institute

100%

of salaries reinstated in February after reductions in 2009

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, for example, can immediately contribute to developing products and technologies that empower NI customers to improve the world.



2010 HIGHLIGHTS

- Recruited candidates at 42 universities in the United States
- Inducted the first 10 members of the NI Quarter Century Club for 25 years of service

2010 CHALLENGES

- Ensuring a diverse workplace with fewer women and minorities in the technology field
- Accelerating worldwide recruiting to meet hiring goals while trying to maintain hiring standards

2011 COMMITMENTS

- Meet hiring goals in order to double the number of employees by 2015
- Expand the NI Leaders program to include 12 additional universities
- Triple the size of the engineering intern program at NI corporate headquarters
- Collaborate with student organizations to tailor recruiting events for women and minorities



“ I am on the University of Texas Mechanical Engineering External Advisory Committee and we recently conducted research on the percentage of female mechanical engineering undergraduates and saw numbers of less than 15 percent with no significant growth for 10 years. With this knowledge, I am eager to help lead NI efforts to further promote women in the technology industry with events like 'Introduce a Girl to Engineering Day' and 'Careers for Women in Engineering' camp.”

–Jeannie Falcon, Chief Product Manager, National Instruments

Recruiting Employees

National Instruments recruiting efforts revolve around an efficient program referred to as the "recruiting machine." By leveraging tools and best practices across teams, recruiters can focus on obtaining the information they need to make a successful hiring decision. NI recruiters also provide candidates with the details necessary to make a knowledgeable employment decision. Candidates have access to all levels of employees during their interview process, giving them experience with the open working environment at NI.

A challenge that recruiters at NI corporate headquarters face is the declining number of US students graduating with technical degrees. To address this challenge as a leading technology provider, NI works to enhance STEM education through classroom mentorship, student events, and collaborations to inspire students to pursue careers in technology.

In 2010, NI focused on hiring engineering and technical students from the highest rated universities and launched the NI Leaders program to recruit top students at two specific universities. The intent of this program is to reach top students through information sessions on leadership and the hiring process for an engineering or technical job. NI promotes these interactive sessions through student organization leaders, students recommended by professors, and university career centers. Starting in 2011, NI has an aggressive hiring goal to double the company's number of employees in five years. To achieve that goal, NI plans to expand the NI Leaders program in 2011 to include 12 additional universities. In addition, NI will collaborate with student organizations at each school to tailor recruiting events for women and minority students.

Co-Op and Intern Program

A robust co-op and intern program is at the core of the company's hiring strategy. Co-ops and interns work on actual projects to solve real problems. This requires tremendous talent and initiative. Some co-ops and interns have even filed patents for their work at NI. Working in this environment, co-ops and interns have the opportunity to hone technical and professional skills as they work with leading-edge technologies. These employees gain valuable experience that helps 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 2010, NI hired 58 percent of co-ops and interns at corporate headquarters for permanent positions, exceeding its hiring goal of 50 percent.

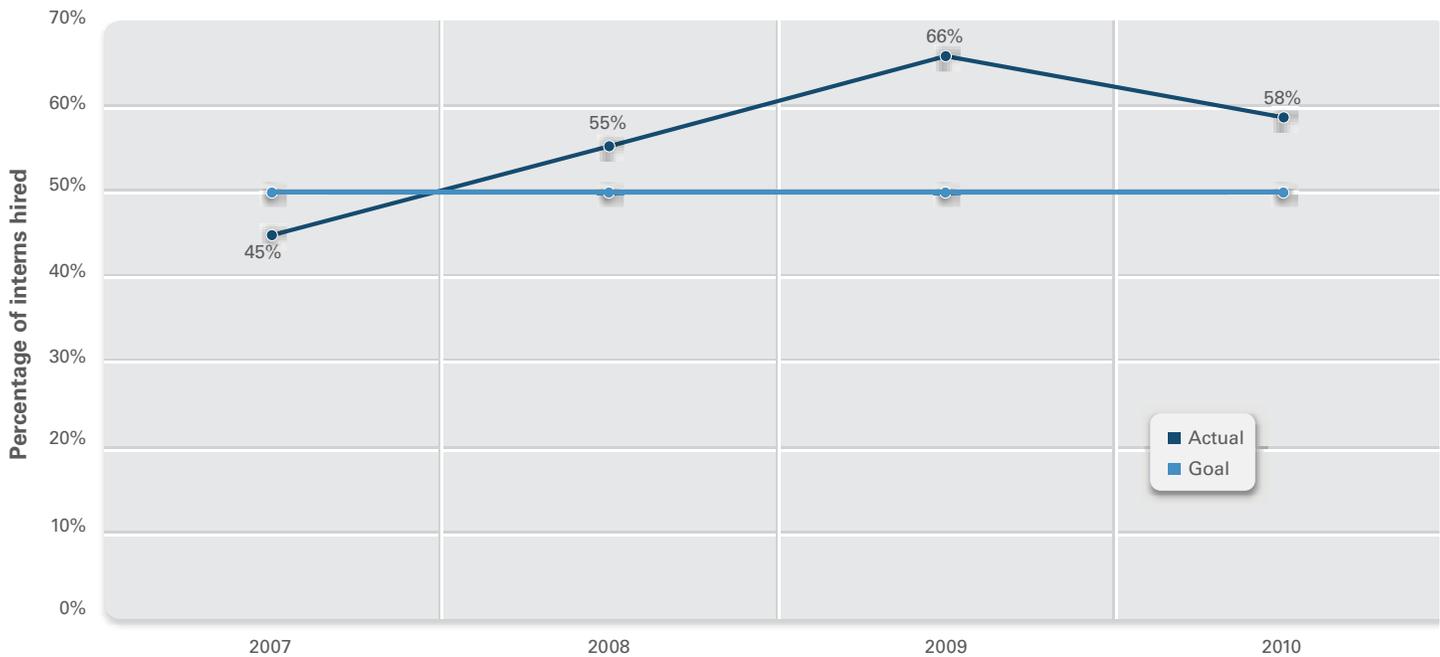
In 2011, NI plans to triple the size of its engineering intern program at corporate headquarters to have a larger number of successful candidates ready to apply for permanent positions upon graduation.



EMPLOYEE PROFILE: JENN GILES

In her second year as a marketing editor for NI, Jenn Giles began supervising her department's interns and discovered her passion for working with college students. She found that she enjoyed ensuring the interns had a positive and worthwhile experience at NI. Subsequently, Jenn moved to the human resources department when a position became available, and she now manages the internship program at NI corporate headquarters. The internship program includes the best and the brightest students working within software and hardware R&D, the Engineering Leadership Program, marketing, IT, and finance. As the company strives to hire at least 50 percent of its interns into full-time positions, Jenn helps ensure that the internship program continually evolves to support these employees' unique needs.

Interns Hired for Permanent Positions*



*Data is for interns hired at NI corporate headquarters and the NI office in Berkeley, California, only.



International Recruiting

In 2009, NI selected a site in Malaysia for a third manufacturing and operations facility. The facility will occupy 17 acres on the island of Penang and eventually employ 1,500 people in manufacturing, R&D, shared services, IT, and finance positions. In 2010, NI named Scott Rust as vice president of R&D for NI Penang. This move is a significant step in increasing the company's global development capability, which is critical to ensuring the continued success of NI in a growing global environment. Rust, who most recently served as the vice president for modular instruments, is responsible for leading the effort to establish NI Penang as a major facility for the design and development of future NI products.

In November 2010, NI announced plans to open a shared operations center in San Jose, Costa Rica, to further optimize global operations to support the company's growth. NI selected Costa Rica because of its competitive business infrastructure, talented workforce, and unique culture that promotes education and continuous learning and empowers its people with a drive to succeed. In January 2011, NI named Giuseppe Cirigioni as general manager of NI Costa Rica. Cirigioni will move from his current position as a manager in the applications engineering department to oversee the opening of the new shared operations center. Scheduled to open in the second quarter of 2011, NI expects to employ 200 people over the next five years in customer relationship management, financial services, IT, and sales operations positions. NI projects a \$700,000 USD investment in the center by the end of 2011.



Retaining Employees

Given all that National Instruments invests in finding and hiring the best and brightest employees who fit well into the company culture, retaining them is essential to the company's success. People stay at NI because of the culture and core values of respect, honesty, dedication to customers, and commitment to innovation.



Recognizing Employees for Years of Service

Throughout the year, NI recognizes employees for serving 5, 10, 15, and 20 years at NI by inviting them to a luncheon with members of NI leadership and presenting them with a monetary award that varies based on the number of years of service. In 2010, the company honored more than 300 employees.

In June 2010, NI honored its first employees to reach 25 years of service for their contributions to advancing the innovative culture that NI is proud to promote. These employees became the inaugural members of the NI Quarter Century Club, along with founders Dr. James Truchard and Jeff Kodosky who have each served more than 30 years at NI. The company invited the 10 employees from NI corporate

headquarters to a dinner where they could share stories and relive their memories through photos on display. Additionally, NI honored one employee for 25 years of service at NI Canada.

CASE STUDY

NI GRAD



The NI Graduate Acclimation and Development (NI GRAD) program helps recent graduates working at NI to network socially and professionally, grow accustomed to the NI culture, and get involved in the community. The program is coordinated by recent graduates for recent graduates. Members of NI GRAD are employees who started at NI in the last three years or who started more than three years ago, yet consider themselves recent graduates at heart.

Throughout 2010, NI GRAD organized events ranging from social activities and early-career oriented brown bag lunches to volunteer activities in Austin and neighboring cities. Some of the activities they organized included decking a roof with Habitat for Humanity, sorting donated books for a nonprofit organization, and hosting a brown bag lunch on first-time home buying.

Employee Turnover Rate

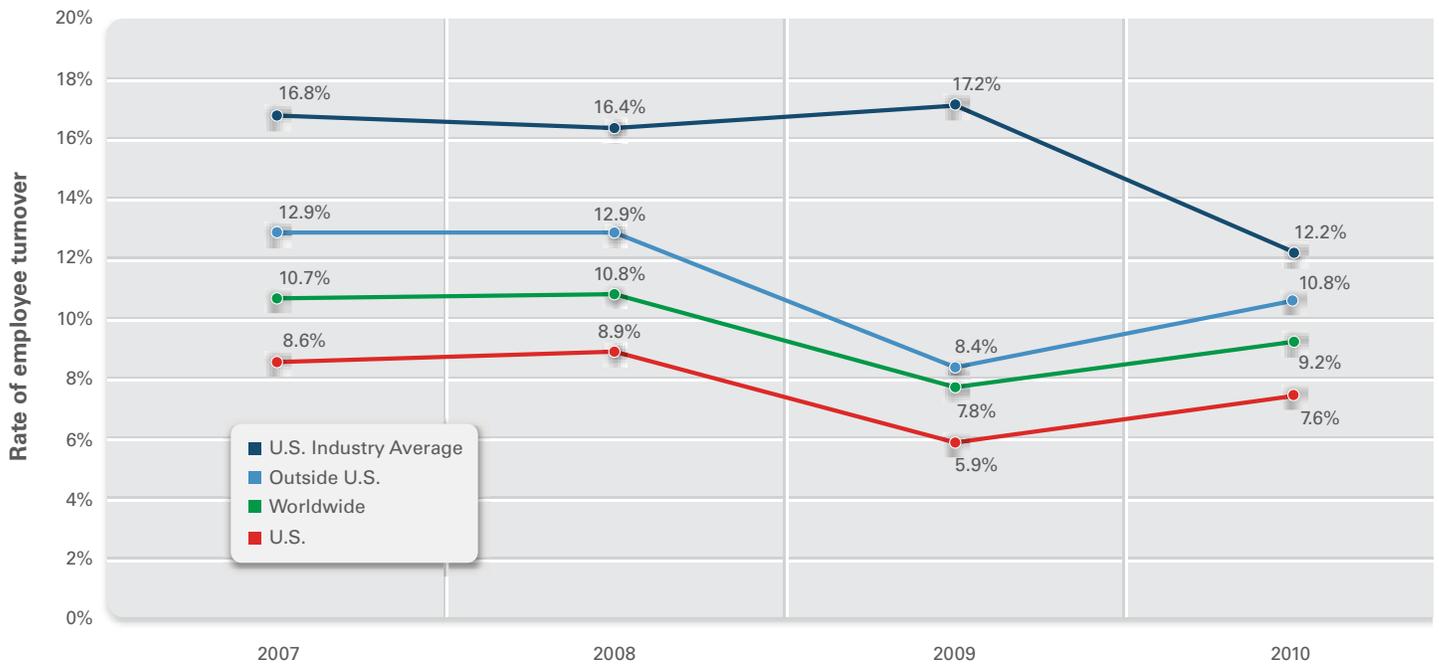
NI prides itself on having a low employee turnover rate. In 2009, the turnover rate for all employees worldwide was 7.8 percent, which is 45 percent lower than the U.S. industry average. The turnover rate for its U.S. employees was 5.9 percent. The company's low turnover rate is a key indication of its great work environment and superior employee development that grows talents and skills.

Employee Turnover Rate by Employee Type

Year	Type of Employee	U.S. (%)	Outside U.S. ¹ (%)	Worldwide (%)
2008	Exempt	8.1	11.2	9.7
	Nonexempt	8.9	11.2	10.3
2009	Exempt	5.6	8.8	7.1
	Nonexempt	7.1	7.3	7.2
2010	Exempt	7.8	11.1	9.3
	Nonexempt	6.9	10.0	8.8

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.

Employee Turnover Rate by Region*



* Industry data is from Radford Surveys and Consulting, which provides biannual turnover data. The 2010 industry data is from July 1, 2010.

Employees by Region

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

Type of Employee	Designation	Category	Americas	Europe ¹	Asia/Rest of World ^{1,4}	Total
Regular	Full-Time	All	2,528	1,475	1,233	5,236
		Exempt	2,093	905	1,088	
		Nonexempt	435	570	145	
	Part-Time	All	37	50	1	88
		Exempt	30	22	1	
		Nonexempt	7	28	0	
Total Regular Employees			2,565	1,525	1,234	5,324
Intern/Co-Op ²	Full-Time	All	51	69	36	156
		Exempt	N/A	N/A	N/A	
		Nonexempt	51	69	36	
	Part-Time	All	48	0	0	48
		Exempt	N/A	N/A	N/A	
		Nonexempt	48	0	0	
Total Intern/Co-op Employees			99	69	36	204
Other Contracts ⁵	Full-Time	All	49	298	45	392
		Exempt	N/A	N/A	N/A	
		Nonexempt	45	252	45	
	Part-Time	Exempt	N/A	N/A	N/A	
		Nonexempt	4	46	0	
		Total Other Contract Employees			49	298
Total by Region 2010³			2,665	1,892	1,315	5,920
Total by Region 2009³			2,619	1,699	1,184	5,502
Total by Region 2008^{3,6}			2,551	1,451	1,155	5,157
Total by Region 2007^{3,6}			2,420	1,268	959	4,647

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

¹In the Europe and Asia/Rest of World (RoW) columns, totals in the Exempt row are for professional employees, and totals in the Nonexempt row are for administrative employees.

²The total for US intern/co-op employees includes all employees of that type hired in 2010.

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

⁴Asia/RoW includes branch offices in Asia as well as Canada, Brazil, and Mexico.

⁵NI does not track the number of all supervised workers. This total includes workers from temporary employment agencies but does not include employees of subcontractors, such as cleaning personnel, working for NI on a long-term basis.

⁶Other contract employees are not included in this total. NI began tracking other contract employees for this report in 2009.

Diversity and Inclusion

Women and minorities are underrepresented in the technology field, creating a challenge for National Instruments in striving for a diverse workplace. Despite this challenge, 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 on the basis of job-related ability and performance, 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 also encourages employees to participate in community organizations that foster social and economic opportunity for all members of the community. There is even a growing number of extracurricular groups at NI corporate headquarters where employees can meet each other and find something in common with their colleagues outside of work. Extracurricular and personal groups include the NI LGBT group, Canadians at NI, the 9% Weight Loss group, and the NI Women's Network.

In addition, NI takes a long-term approach to the challenge of few women and minorities in the technology field by working to enhance STEM education. NI promotes classroom mentorship, student events, and collaborations with organizations such as Girlstart, with the goal of inspiring students to pursue technical careers. NI Germany even offers an annual "Girl's Day" event where students are invited to visit the NI office to learn about jobs in engineering. At the university level, NI has a goal in 2011 to collaborate with student organizations to tailor recruiting events for women and minorities.

NI Women's Network

Beginning in 2009, female employees at NI gathered to form a group with the goal of connecting and empowering women at NI to foster career growth, develop leadership skills, and inspire future generations of women in the community. In 2010, the group selected a steering committee to provide leadership for the network and hosted several events including a discussion about negotiation tactics for women and a presentation from a local female business owner.

NI Board Member Diversity

The percentage of female and minority board members decreased from 2009 to 2010 due to a change in the total number of board members when one board member was added in 2010.

Board Member Diversity

Category	Number	2008 Percent of Board	2009 Percent of Board	2010 Percent of Board
Female	1	12.5%	17.0%	14.3%
Minority Groups	1	12.5%	17.0%	14.3%

Officer Diversity

Category	Number	2008 Percent of Officers	2009 Percent of Officers	2010 Percent of Officers
Female	1	4.0%	4.0%	4.0%
Minority Groups	2	8.0%	7.0%	7.0%



EMPLOYEE PROFILE: ARLEENE PORTERFIELD

As vice president of global information technology, Arleene Porterfield is responsible for budgeting, planning, and managing global IT operations. One of Arleene's most notable accomplishments was her leadership in the company's large-scale migration to the Oracle enterprise resource planning (ERP) systems in the United States, Europe, and Japan – a resource integral to the evolution of NI processes to support the company's worldwide expansion. Arleene has set high standards for hiring and developing careers across the global IT organization including the creation of the IT Leadership Development Program to foster IT staff development. Arleene is the executive sponsor of the NI Women's Network and sits on the board of directors of Girlstart to encourage girls to pursue careers in technology.

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 and professional minds, reinvent their jobs as they develop their skills, and join coworkers at the on-site sports courts at the end of the day. On the heels of a challenging economic climate, NI recognizes that it is more important than ever to maintain the open atmosphere, innovative culture, and dedication of its employees.



NI CORPORATE - 2000-2011
NI FRANCE - 2009-2010
NI GERMANY - 2004-2005, 2008-2010
NI ITALY - 2007-2010
NI JAPAN - 2011
NI UK & IRELAND - 2006-2010

In 2010, 81 percent of surveyed employees described NI as a great place to work, resulting in six offices being recognized by the Great Place to Work Institute including NI corporate headquarters, which was named to FORTUNE magazine's "100 Best Companies to Work For" list for the 12th consecutive year.

2010 HIGHLIGHTS

- Grew investments in R&D, sales, and marketing while successfully navigating the recession
- Completed department surveys to complement the FORTUNE 100 Best Companies to Work For survey
- Promoted the NI Health Center at corporate headquarters, resulting in more than 50% of employees voluntarily using the facility

2010 CHALLENGES

- Health care costs increased, making it challenging to offer competitive benefits packages

2011 COMMITMENTS

- Ensure surveyed employees describe NI as a great place to work at a rate of 75% or greater
- Offer primary care at the NI Health Center to employees' spouses
- Implement a wellness incentive program
- Build a Great Place to Work environment at NI Malaysia and NI Costa Rica, the newest branch



“ NI Germany has proven that in an innovative and respectful culture, business success and fun do not have to be mutually exclusive. They have the creativity and integrity that it takes to make a Great Place to Work and are an inspiration for other companies. I wish NI worldwide ongoing success with its unique culture.”

– Frank Hauser, Great Place to Work Institute

Health, Wellness, and Safety

Wellness is a priority at National Instruments. NI is proud to offer comprehensive medical benefits and programs that encourage and support employees' health and well-being. NI provides a variety of programs to help employees evaluate, maintain, and improve their personal health, as well as the health of their families. The on-site health and fitness centers at corporate headquarters offer a gateway for employees to access and participate in these programs, which include the following:

- Fitness assessments
- Annual flu shots
- Annual wellness fair
- Health risk assessments (HRA)
- On-campus walking trails
- NI sports leagues such as basketball, volleyball, and golf
- Special events such as Bike-to-Work Day, boot camp classes, and on-campus walk/run events

NI Health Center

Health care costs continue to increase rapidly in the United States, making it more challenging to offer competitive benefits packages. With the NI Health Center, opened in 2009 and operated by Take Care Health Services, NI takes a proactive approach in partnership with employees to help them achieve a healthier lifestyle through wellness and prevention. The NI Health Center provides employees with access to convenient, high-quality health care services.

NI employees use the facility for health needs ranging from well visits to biometric screenings to urgent-care visits. Since its grand opening, more than 50 percent of employees have voluntarily visited the NI Health Center. Beginning in 2011, the NI Health Center is offering primary care services to employees and their spouses on the NI benefits plan to positively impact the rising cost of health care.

Wellness Programs

In 2010, NI committed to building a spirited culture of wellness by offering learning programs based on the aggregate data results of an employee health risk assessment conducted in 2009. New health and wellness programs for 2010 included the following:

- Healthy Eating Every Day (HEED) program designed to change eating habits and behaviors over a 20-week lecture and physical activity course
- NI Nutrition Committee to assist NI in offering better nutritional options in vending and food services
- Smoking cessation program to assist employees who want to quit smoking
- NI Walking Club and a 10k-a-Day step challenge to encourage more walking as exercise

Safety

NI pledges to protect workers by providing a comprehensive health and safety program. The company's safety performance in 2010 continued to be world-class with few recorded injuries. NI believes that all workplace injuries are preventable, and NI will continue to focus efforts in 2011 on reinforcing a strong culture of safety.

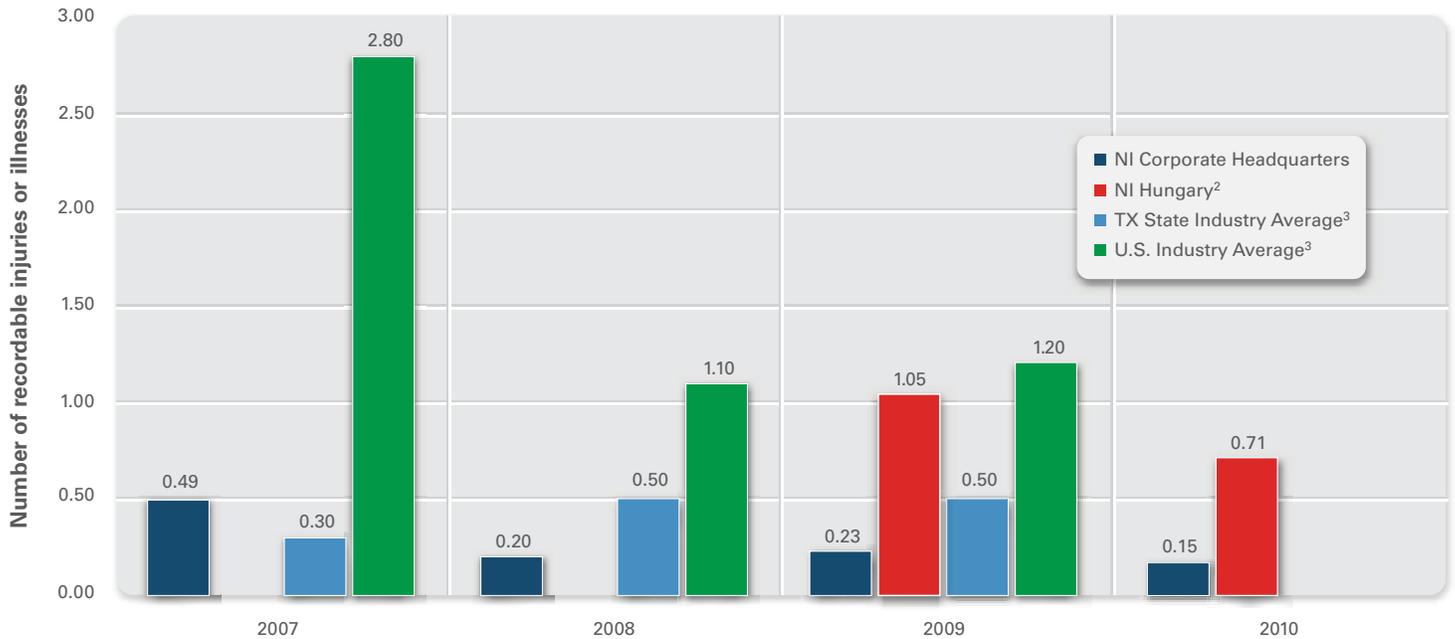


EMPLOYEE PROFILE: ERNEST MARTINEZ

Ernest Martinez is an NI Wellness Champion who has lost 60 lb since February 2010. Upon returning from a business trip, Ernest felt chest pain and was having trouble breathing. He then spent seven days in the hospital with blood clots. This experience led Ernest to realize that he was depressed, stressed, and overweight. Ernest began to eat healthier foods and exercise regularly to feel better both physically and emotionally. He credits losing the weight gradually and at his own pace toward his success. Ernest plans to lose another 60 lb and to continue increasing his active lifestyle.

Recordable Injury/Illness Rate*

The slight decrease in incident rate from 2009 to 2010 is due to the number of individual incidents. In 2010, NI corporate headquarters had four incidents as compared to six in 2009 and NI Hungary recorded only one incident as compared to two in 2009.

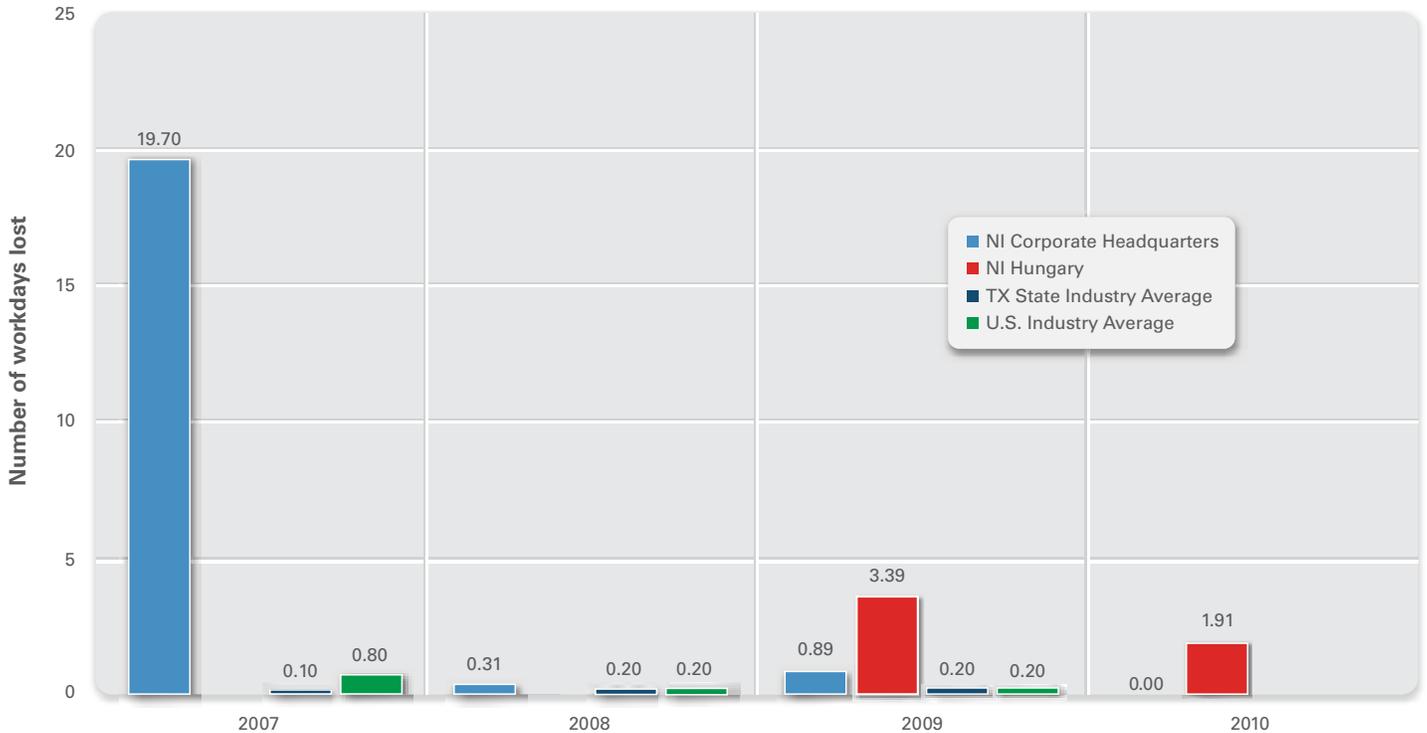


¹Incidents per 100 employees calculated based on the average headcount for the year, using actual hours worked by nonexempt employees and an assumption of 2,080 hours worked for each exempt employee. Data is from NI corporate headquarters and NI Hungary only. US and Texas state industry data for 2010 was not available at the time of report development.

²NI Hungary data is not available for 2007 and 2008.

Lost Workday Rate*

The decrease in lost workday rate from 2009 to 2010 is due to the types of incidents that occurred and the resulting number of days away from work. In 2010 NI corporate headquarters had zero workdays lost and NI Hungary had 12 lost days compared to 19 in 2009.



*Incidents per 100 employees calculated based on the average headcount for the year, using actual hours worked by nonexempt employees and an assumption of 2,080 hours worked for each exempt employee. Data is from NI corporate headquarters only. State and U.S. industry data for 2009 was not available at the time of report development.

Compensation and Benefits

National Instruments 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:

Benefit	Worldwide	U.S.
Competitive salary	●	
Health insurance plans with quality health care coverage	●	
Tuition assistance		●
Group life insurance		●
401(k) retirement plan	●	
Company performance bonus, which is a percentage of eligible earnings based on revenue growth and operating profit, distributed to all eligible employees twice per year		●
Ownership in the company through equity programs	●	
On-site health and fitness centers		●
Monetary matching for employee donations to charitable organizations		●
Employee assistance program (EAP) for health care, legal, and financial help		●
Flexible spending account for medical expenses		●

NI Health Care Coverage

NI medical coverage for US employees offers a two-tiered approach so employees can tailor their medical coverage to suit their needs, either individually or as a family. 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.

Due to strategic negotiations made by NI, health care premiums for employees who completed a health risk assessment in 2009 did not increase in 2010 despite rising health care costs in the United States.

401(k) Retirement Plan

NI offers a voluntary 401(k) plan to help US employees prepare for their retirement. The plan allows employees to contribute up to 80 percent of their pretax income and/or Roth (after tax) contribution within legal limits. Employees may select the appropriate combination for their situation of pretax and Roth contributions. NI will match 50 percent of an employee's pretax contribution up to 6 percent, which makes a total company contribution of 3 percent. For additional information about this program, refer to the [Annual Report](#).

In 2010, 88.5 percent of NI employees in the United States participated in the 401(k) retirement plan, an increase of 4.1 percent over 2009.



EMPLOYEE PROFILE: SUSANTHOMPSON

Susan is passionate about helping people make positive changes in their lives. She began managing the NI Fitness Center in 2001 and immediately knew that NI was a different work experience than she ever had before. Susan found that NI employees were incredibly engaged in fitness and just waiting for an opportunity to get more involved in sports leagues, running, and any other activity the fitness center promoted. In Susan's time at NI, the volleyball league has increased to more than 300 annual participants; group exercise participation has doubled; and the center has added multiple programs including weight management, yoga, and smoking cessation. Susan feels fortunate to work in an environment that supports helping employees make positive changes in their physical well-being.

Employee Communication and Recognition

A key to the strong culture and high level of trust at NI is ensuring timely, honest, and accurate communications with 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. Dr. James Truchard, NI president, CEO, and cofounder, and other NI leadership also 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 believes that talking to people firsthand remains the best way to understand employee concerns and questions.

Other NI employee communication tools include the following:

- A weekly, internal employee-driven e-newsletter
- Quarterly business discussions with NI leadership
- Company meetings for all employees
- Periodic town-hall-style forums for employees to ask NI officers questions directly
- A crisis response team dedicated to preparing communication in the event of a crisis

Quarterly Business Discussions

NI quarterly business discussions (QBDs) are an integral part of the communication plan to keep employees educated and up-to-date on the latest business news. After every quarterly earnings release, NI officers present the QBD to managers, who in turn present the QBD to their employees. The QBD process facilitates a balanced, ongoing discussion covering a variety of topics including financial updates, challenges NI faces, company successes, and employee calls to action. The QBD presentations are held at corporate headquarters and recorded to share with branch employees.



Company Meetings

NI corporate headquarters holds its popular company-wide employee meetings twice a year to review business strategies, report on goals, and have fun celebrating successes with colleagues. For those who cannot attend these meetings in Austin, the meeting is recorded for distribution worldwide and similar gatherings are held internationally at NI branch offices. To assist with company meetings held in regions around the world, NI headquarters sends each branch office online video links, scripts, and other materials to help employees recreate the meetings held in Austin.



EMPLOYEE PROFILE: NIGEL

In 1976, a bald eagle flew off course and joined the company founders as they were brainstorming future products out of Dr. Truchard's garage. Nigel has been with NI ever since and is the official company mascot.

Nigel has recently seen a surge in popularity through his “Ask Nigel” column in the company's weekly employee e-newsletter, answering three to four questions per week submitted directly by NI employees. He answers questions about subjects ranging from the unique 19 mph speed limit on company property to human resources policy. When not writing and researching, Nigel is often seen flying over company buildings, admiring his own reflection in the NI pond, and trying to convince Facilities to build a statue of him somewhere on campus.

NI Code of Ethics

The NI 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 concerns regarding accounting, internal accounting controls, and auditing matters. 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. A list of US and international employees (including those of subsidiaries) who certify compliance once every two years is compiled and updated as necessary.

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 NI Code of Ethics, uphold the standards in day-to-day activities, and comply with the applicable policies. Therefore, employees read and sign the NI Code of Ethics upon entering into employment at NI, and NI leadership reviews and signs the policy every two years.

Number of Employees Who Signed the NI Code of Ethics

Type of Employee	2006	2007	2008	2009	2010
Management	316	N/A ¹	204	N/A ¹	207
Non Management	409	614	580	165	290

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

Work Environment

National Instruments believes in providing a work environment where creativity and innovation flourish. The open cubicle environment at NI, which includes all management, has no closed doors. By maintaining access and communication, employees not only share their input with management but also maintain a consistent view of the company's mission and vision.

Employee Collaboration Tools

In 2010, NI groups across multiple departments upgraded systems to increase collaboration, streamline employee access, and boost company information resources.

NI Talk

NI Talk has been extremely successful. In 2010, NI sought to help employees collaborate more efficiently across teams worldwide. At the request of Phil Hester, senior vice president of R&D, several collaboration tools were tested and evaluated. In May, the company selected a tool called Social Business Software from Jive, internally branded as NI Talk.

In the first nine months of use, NI Talk had more than 3,200 users, more than 1,700 groups, 15,589 documents, and 7,119 discussions generating more than 26,000 responses.

NIWeb

NI Talk added collaboration tools to the company's already robust intranet site known as NIWeb. NIWeb houses information about groups across the company such as frequently asked questions, contact names, and processes. Significant facts about NIWeb include the following:

- More than 85,000 unique pages
- Approximately 160,000 visits to NIWeb search each month
- Exactly 339,354 unique page views in just one month
- 21,576 new pages created in 2010

Systems Upgrade to Introduce Employee Self-Service

The Oracle Applications are a set of configurable software applications used at NI to run a large portion of the business. Nearly 3,000 NI employees, including those in marketing, sales, manufacturing, finance, R&D, and support, use the applications. In July 2010, NI upgraded the Oracle Applications system to the newest release. The system upgrade was essential to ensure software and hardware support and increase capacity to enable the company's future business growth.

A significant portion of the upgrade was to the human resources application to enhance employee self-service and introduce manager self-service capabilities. Employees and managers are now able to update their personal information and view work-related information more efficiently. These features are the foundation NI needs to move closer to paperless



operations and provide additional self-service capabilities in the future.

Employee Events

NI offices worldwide celebrate the traits that make NI unique—innovation, generosity, playful spirit, teamwork, and pride—during internal events throughout the year that help employees share successes, mark significant milestones, and just have fun.

Employee Appreciation Week kicks off the year in January at NI corporate headquarters and throughout the spring in other regions of the world including NI United Kingdom & Ireland, NI Germany, and NI Switzerland. These events focus on the NI culture and its employees with events such as external speakers, a health and wellness fair, panel discussions, playful spirit days, and a traditional NI deck party.

Employee Appreciation Week is a great way to celebrate the NI culture and begin a

new year.

NI includes the employee's immediate family in several events to help shape the culture. NI corporate headquarters hosts an annual company picnic for NI employees, friends, and family. In 2010, the picnic was held at Six Flags Fiesta Texas amusement park in San Antonio and NI reserved the entire park exclusively for the enjoyment of the NI community. To keep the event environmentally responsible, the NI Green Team created a website to coordinate carpooling to the park. Also in 2010, NI Hungary held its annual family days event where nearly 1,000 employees and family members enjoyed a variety of games and entertainment.

NI corporate headquarters also offers the biennial “Bring Your Kids to Work Day” event as an opportunity for employees to show their children where they work and give them a glimpse of NI. The day includes science and technology presentations, educational demonstrations, a campus tour, and fun games. A similar event, called Kids Day, is held annually at NI Hungary while NI Germany invites employees' families to the office for a summer party.

Global Employee Engagement

In 2010, NI branch offices in Mexico, Venezuela, and Colombia met in one central location to raise awareness about Planet NI activities in Central and South America. Through the Planet NI program, employees worldwide are helping provide access to technology to thousands of engineers in developing countries to help them achieve economic prosperity and sustainable development. The purpose of the meeting was to ensure all branch offices in this region knew about the Planet NI initiatives and were given a chance to participate.

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 to continually grow their skills, the SED program is a key component in developing people to reach beyond their roles and influence the company's success.



2010 HIGHLIGHTS

- Leadership competency models established for all NI officers
- More than 25,000 online training courses completed
- 239 employees graduated from leadership development courses

2010 CHALLENGES

- Implementing and tracking annual performance reviews worldwide, without a global system
- Distributing training worldwide to an employee audience that continues to grow
- Maintaining employee attendance at career development events with restricted travel budgets

2011 COMMITMENTS

- Ensure at least 90% of US employees receive feedback through annual performance reviews
- Launch the People Development Series (PDS) training for individual contributors
- Expand leadership development through additional resources and opportunities such as eLearning



“The breadth of leadership classes, book groups, and personal development activities at NI provides a strong and continuous foundation for developing leaders. I teach Superior Employee Development classes because sustaining the flow of leadership talent enables positive results; new opportunities for exciting careers; and, most importantly, a challenging, fun culture that is built to last!”

–**Scott Studer, NI IT Section Manager and Member of SED Circle of Excellence**

Learning Programs

In the 2010 FORTUNE "100 Best Companies to Work For" survey, 77 percent of employees reported that National Instruments offers training or development that furthers their careers. NI offers more than 3,500 training courses worldwide, with more than 2,700 in the United States alone. These courses cover a wide range of topics, from technical sales training to project management.

NI employees take an active role in their own professional development. NI 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. In addition, NI corporate headquarters employees can join a group called the NI Graduate Acclimation and Development Program (NI GRAD). This group aims to help recent graduates working at NI develop professionally and become involved at NI and in the community.

Continuing Education

NI highly values education and supports many 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 company and department levels
- Recommended reading, book groups, and a 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
- Tuition assistance for US employees while they pursue a job-related degree or course external to NI
- Toastmasters for employees who want to polish their public speaking skills
- Community board membership for employees who support community organizations through this role

Tuition Assistance From NI

	2007	2008	2009	2010
Number of Participating Employees	85	59	52	43
Percentage of Total U.S. Employees (%)	3.51	2.31	2.04	1.67
Assistance Paid by NI (USD)	\$401,820.55	\$281,617.78	\$250,141.68	\$201,704.77
Average Amount per Employee (USD)	\$4,727.30	\$4,773.18	\$4,810.42	\$4,690.81

e Learning

Over the last few years, NI tackled the challenge of creating a comprehensive electronic learning curriculum for employees to combat the expense of traditional, in-person training courses. NI offers eLearning courses on a variety of topics ranging from product analysis and customer demonstrations to IT processes. In 2010, NI employees completed more than 25,000 eLearning courses.

Book Groups

Book groups help employees understand NI business strategy, evaluate it, and discuss why the company does things the way it does. NI book groups meet regularly to discuss specific business or personal development topics and consist of employees from different roles with varying perspectives that enhance the discussion.

The reading list recommended by NI includes books such as the following:

- *Built to Last: Successful Habits of Visionary Companies* by Jim Collins and Jerry I. Porras
- *Crossing the Chasm* by Geoffrey A. Moore
- *First, Break All the Rules: What the World's Greatest Managers Do Differently* by Marcus Buckingham and Curt Coffman
- *The Innovator's Dilemma: The Revolutionary Book That Will Change the Way You Do Business* by Clayton M. Christensen
- *Leading From the Front: No-Excuse Leadership Tactics for Women* by Courtney Lynch and Angie Morgan

CASE STUDY

Getting Things Done @ NI

Renee Dragoset



Renee Dragoset founded the Getting Things Done @ NI group in March 2010 after she gave a presentation on the book *Getting Things Done* by David Allen at an internal NI conference. Renee was inspired by the positive response from the audience and received requests for more information and support. Getting Things Done (GTD) is an organizational system that gets information out of your head and into a seamless work flow so you can think clearly, feel relaxed, and take control of your work. The mission of the Getting Things Done @ NI group is to help those at NI who are using the GTD system to increase their productivity.

The group has an online space for sharing resources and discussion, as well as monthly lunchtime meetings that include presentations, demos, and group discussion of specific GTD-related topics. Presentation topics include how to pick a task-tracking tool, how to manage projects, and how to review and update your system. Tool demos highlight software such as Tudumo, FreeMind, and Todoist. During group discussions, members ask questions, brainstorm solutions, and share tips to help each other implement and maintain their own versions of David Allen's revolutionary productivity system.

Number of Instructor-Led Training Course Offerings¹

This section covers only instructor-led training courses offered by NI to its employees. NI does not offer paid educational leave. Refer to the Tuition Assistance From NI section on page 53 for information about external training and education provided by NI for its employees.

Region	2008	2009	2010
Worldwide	2,500	3,000	3,500
U.S.	1,700	2,200	2,700

¹All numbers in this table are rounded to the nearest hundred.

Hours of All Instructor-Led Training Completed

Region		Category	2007	2008	2009	2010
Worldwide ¹	Total	All	170,843.55	172,435.50	110,488.00	72,791.57
	Average Employee	All	35	30	20	10
		Exempt ²	†	†	20	15
		Nonexempt ²	†	†	10	5
Headquarters	Total	All	145,819.04	152,719.20	79,497.80	
	Average Employee	All	60	65	30	25
		Exempt	†	†	30	25
		Nonexempt	†	†	20	15

¹NI tracks training hours using an internal database. Some NI branch offices do not use that database, so worldwide totals are not comprehensive.

²All averages in this table are rounded to the nearest five.

³In the Worldwide section, totals in the Exempt row include professional employees outside the United States, and totals in the Nonexempt row include administrative employees outside the United States.

†Averages by employee type are not available for 2007 or 2008.



EMPLOYEE PROFILE: MICHAEL WITT

The tuition assistance program is a true win/win situation for both NI and the employees who take advantage of pursuing an education without incurring the debt that so often follows. From the perspective of a husband, father, and full-time employee, time and financial ability were important considerations for how and when Michael could continue his education. Even though time will always be a factor, tuition assistance from NI alleviates the biggest obstacle in finishing his degree: the cost. The peace of mind Michael has knowing that his tuition will be paid for is huge. This program has been the most significant factor in enabling him to return to school to complete a degree. Michael says he is truly thankful for the opportunities NI provides through this helpful benefit.

Developing Employees

Leadership development includes three levels of training: the Supervisory Development Series (SDS), the Management Development Series (MDS), and the 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, 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 discussions and exercises. 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

In 2010, the company committed to offering MDS training to all managers. Additionally, NI established leadership competency models at the executive level and in several other departments to ensure successful career development plans.

In 2011, NI plans to launch the People Development Series (PDS) for individual contributors at NI corporate headquarters. PDS training was piloted in 2010 with 14 participants and offers similar skills training to those employees who are individual contributors rather than supervisors.

Employees Graduated From Leadership Training Worldwide

Class Type	2008	2009	2010
Supervisory Development	171	123	96
Management Development	191	123	129
People Development	†	†	14
Leadership Development	67	39	28 ¹

† Denotes a class that was piloted in 2010 and did not occur in previous years.

¹The 2010–2011 class was in progress at the time of reporting and had 28 employees enrolled.

Leadership Training Instructors

Leadership training is possible because employees volunteer their time and effort to help their colleagues be more successful and productive at NI. In 2009, NI created the SED Circle of Excellence to annually recognize those individuals who consistently go above and beyond in the areas of training, development, mentoring, and other SED activities. In 2010, 58 employees were awarded the SED Circle of Excellence for their efforts.



EMPLOYEE PROFILE: CARLOS RIOS

After living in Panama throughout his childhood, Carlos sought his master's degree in electrical engineering in the United States. Carlos was recruited by NI corporate headquarters in 1999 and began in the engineering leadership program where he helped support NI customers in Latin America. He then joined the sales force in NI Mexico where he successfully expanded his territory three times and saw the office evolve into a center for training and the academic and sales departments. This experience prepared Carlos for his current challenge as area sales manager for NI Spain. These developments in his career have also been a part of other events in Carlos's life such as meeting his wife in Austin and having their first child in Madrid.

Employee Performance Reviews

Employees meet with their managers individually for a performance review at least annually. It is important that employees receive feedback from their managers to be recognized for their accomplishments and to make improvements as needed. In 2009, NI established standard guidelines and a review form for all US employees and, in 2010, developed these tools for NI branch offices to ensure each employee worldwide receives meaningful, constructive feedback at least on an annual basis.

NI estimates that 72 percent of US employees received performance reviews in 2010, an increase of 20 percent from 2009. NI is working to refine the tracking process to collect data from employees worldwide and currently can track data from the Americas and Europe. In 2011, NI is committed to ensuring at least 90 percent of US employees receive feedback through annual performance reviews.

Percent of Employee Performance Reviews Completed^{1,2}

2009	2010
60%	72%

¹Estimates are calculated based on the number of performance review forms completed by supervisors and submitted to the human resources department.

²Data is from NI corporate headquarters only.

CASE STUDY

NI Rotation Program

Jenny Mojica



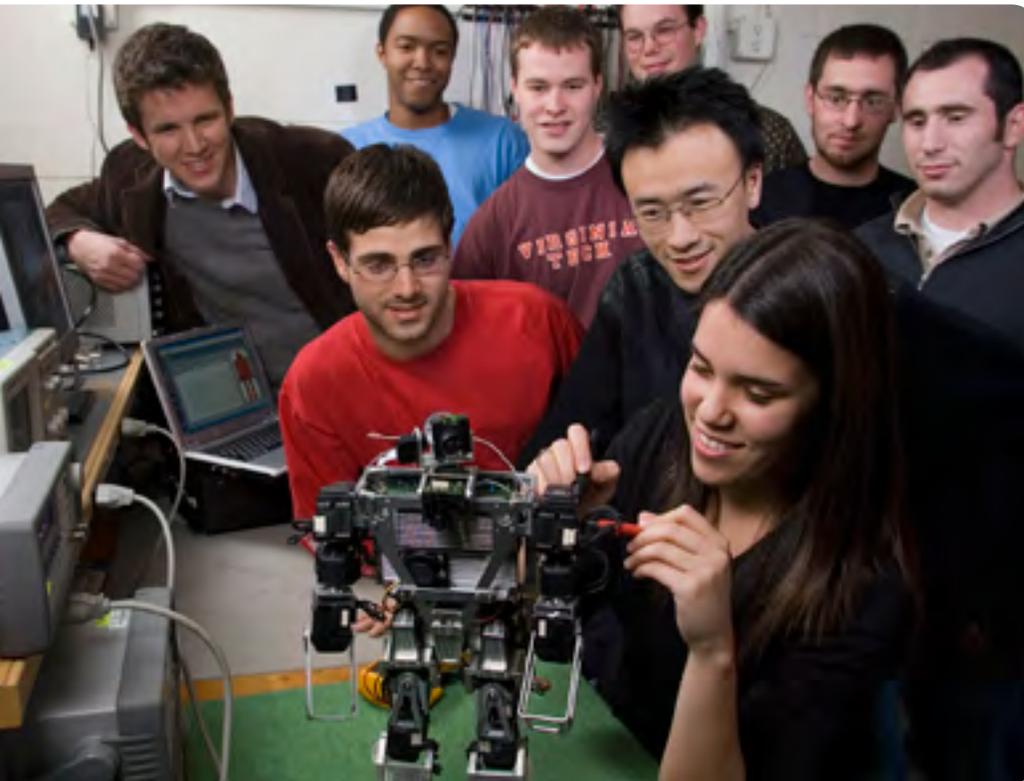
The NI rotation program helps employees further develop skills, knowledge, and perspectives outside of their primary job function. The program allows selected employees to revisit their college internship days by taking a role in another group for several months. The program is designed to facilitate career progression in top-performing employees while meeting business demands.

Jenny Mojica started in the Multimedia group as an intern and continued her full-time career there for three more years. Before starting a rotation, Jenny looked for a group at NI where she could learn new skills but also bring information back to the Multimedia group on how the teams could collaborate to benefit the company. Working with her manager, Jenny quickly selected the Public Relations (PR) group because it gave her access to acquire new skills and increase collaboration between the teams. After a few months of planning, Jenny relocated her desk and focused 100 percent of her time on the new group.

“In the PR group, I learned the process to write a news release, how we interact with external publications, and new ways to earn the trust of project stakeholders. I also learned what multimedia tools are most useful to the PR group and could better understand how to work with them as a client in my Multimedia role. On top of all that, I gained a higher level of visibility to upper management that helped me gain self-confidence.” Participating in the NI rotation program opened a door for Jenny's next career step, working full-time on the PR and Community Relations teams.

Inspire and Empower Customers

National Instruments empowers its customers to create innovative solutions that will improve the world and address some of today's most important engineering challenges through the graphical system design platform. The 14 Grand Challenges for Engineering push current and future generations of engineers to develop new, life-changing products and technologies that address some of the most important issues facing society today. Engineers and scientists use the NI platform to easily design, prototype, and test smarter, more advanced products and technologies, driving innovation and progress to meet these challenges in the areas of renewable energy, medical devices, and urban infrastructure. NI is also 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 who will ultimately develop the next generation of world-improving innovations to take on these challenges.



In This Section:

Improve Everyday Life

Enabling Safer Structure Development

Empowering Engineers in Developing Countries

Supporting Medical Device Innovation

Enable Green Engineering

Recognizing Leading Green Engineers

Teaching Green Engineering Principles

Empowering Innovation

Empower the Innovators of Tomorrow

Supporting Engineering in Education

Inspiring Students to Become Engineers

Developing Tools to Teach Tomorrow's Engineers

BY THE NUMBERS

16%

of revenue invested in R&D, resulting in 438 new products

982

college students prepared for industry jobs through LabVIEW certification program

140

small-to-medium-sized enterprises in India received access to advanced technologies through the Planet NI program

Improve Everyday Life

A mission to improve everyday life has inspired National Instruments to play an important role in enhancing the quality of life for people around the world by providing innovative products and technologies to engineers and scientists. Every year, NI supplies tools to more than 30,000 companies working to solve a myriad of Grand Challenges for Engineering, from monitoring bridge and infrastructure health to engineering better medicines and medical devices that can simplify procedures for doctors. In addition, through the Planet NI program, the company gives engineers and scientists in developing countries, who did not have access to modern engineering technology previously, the ability to achieve economic prosperity and practice sustainable development with NI technologies.



2010 HIGHLIGHTS

- Released products to enhance structural monitoring and test capabilities
- Worked with The University of Texas to develop the first prototype of a wireless sensor node for structural health monitoring
- Gave 140 small-to-medium-sized enterprises in India access to advanced technologies through the Planet NI program

2010 CHALLENGES

- Sponsored 20% fewer start-up companies than committed to through the NI Medical Device Grant Program
- Identified a need to educate engineers on new technologies to maintain and improve urban infrastructure

2011 COMMITMENTS

- Invest 16% of revenue in R&D to further empower engineers and scientists to develop world-improving technologies
- Develop new products that leverage the latest technologies for structural measurements and educate the structural engineering community on their benefits
- Give more engineers in developing countries access to technology by expanding the Planet NI program



“Researchers from The University of Texas at Austin and NI are developing the hardware and sensors needed for economical, long-term monitoring of highway bridges. The project focuses on the bridges that have the highest risk of fatigue and corrosion damage.”

–**Sharon L. Wood, Department Chair and Professor,
The University of Texas at Austin Department of
Architectural and Environmental Engineering**

Enabling Safer Structural Development

Structural test and monitoring are essential to ensuring the stability and integrity of civil and commercial structures. Structural health monitoring (SHM) is emerging as a vital tool to help engineers improve and restore the safety and maintainability of critical structures. By combining a variety of sensing technologies with an embedded measurement controller to capture, log, and analyze real-time data, these systems can reliably monitor and test the health and performance of various structures including bridges, dams, and wind turbines, thereby increasing the safety of these structures and decreasing maintenance costs.



A Prototype for Wireless Monitoring

In 2008, the National Institute of Standards and Technology awarded a multimillion-dollar grant to The University of Texas at Austin (UT), along with National Instruments and Wiss, Janney, Elstner Associates Inc., to conduct a five-year research project to develop a system for monitoring steel bridges in the United States. Initial research conducted in 2009 showed that the NI wireless sensor network (WSN) platform could offer reliable wireless sensor networking and provide insight on optimal antenna placement and configuration.

In 2010, NI and UT completed the first prototype of a new wireless sensor node for SHM as part of continued research and development to produce a reliable, low-power strain measurement system capable of delivering the relatively high-speed measurements needed for fatigue life monitoring while minimizing power consumption to preserve battery life, which was a challenging task. Implementation of a new wireless, real-time bridge monitoring system based on these technologies has the potential to transform bridge inspection and maintenance practices for a safer infrastructure.

A Commitment to Structural Health Monitoring Technology

NI is committed to developing new products for emerging technologies. In addition to creating the first prototype of a WSN node for SHM, NI released an optical sensor interrogator for fiber Bragg grating (FBG) sensors. Taking measurements using electrical sensing technology in harsh environments can often be difficult, dangerous, or impossible. With the new NI optical sensor interrogator, engineers and scientists can safely perform structural measurements in hazardous environments that include power lines, railways, or large bridges.



Also, to meet the measurement needs of the structural engineering community, NI released SC Express, a new family of PXI Express data acquisition modules equipped with integrated signal conditioning for measuring strain gages, bridge-based transducers, thermocouples, and high-voltage analog input signals. Now engineers can achieve better measurement accuracy within higher channel counts without exceeding communication bandwidth.

To ensure structural and civil engineers around the world are equipped for emerging technology and application requirements, NI has committed to continue developing new products that leverage the latest technologies for structural measurements. In addition, NI plans to develop more resources and present at conferences and on-site events in 2011 to educate the structural engineering community on the benefits of SHM and share best practices for real-world applications.

CASE STUDY

Monitoring Wind Turbine Blade Performance

Mark Rumsey – Sandia National Laboratories, New Mexico



Monitoring the structural integrity of a wind turbine blade with electrical sensors often results in noisy measurements due to long copper lead wires. We built and deployed an FBG optical sensing system based on LabVIEW software to monitor wind turbine blades, thereby reducing operating costs and increasing production.

Optical sensing technology combined with LabVIEW resulted in a 94 percent reduction in cable weight and a 90 percent reduction in installation time. In addition, this system increased our measurement capabilities and removed the need for external calibration.

CASE STUDY

Structural Monitoring of Railroad Tracks

Hong Kong Polytechnic Institute, China



To improve safety, reliability, and efficiency of conventional railroad tracks, we needed to develop a system to provide real-time and continuous monitoring of the structural condition of the tracks and to monitor the location, speed, and weight of passing trains.

Using a custom LabVIEW application, we deployed a system that incorporates optical sensing technology to monitor important railway subsystems. The system also provides operational information on the loading and traffic status of the cars, temperature-induced stresses and deformation on rails and carriages, and temperature information in and around the carriage axles and wheel brakes.

Empowering Engineers in Developing Countries

Planet NI is a National Instruments program designed to empower engineers and students in developing countries to achieve economic prosperity and sustainable development by providing access to modern technology and engineering education. Through the Planet NI program, National Instruments is committed to nurturing local innovation by making engineering tools affordable, accessible, and relevant to applicable groups such as academic organizations, entrepreneurs, and small-to-medium enterprises (SMEs).

Planet NI is implemented at NI offices in emerging countries around the world where employees define the best way to meet the unique challenges their regions face. Local Planet NI programs collaborate with groups and individuals that share the Planet NI mission to improve the world through technology. Planet NI currently supports engineers and scientists in more than 10 countries including India, Mexico, and Brazil. In 2011, NI plans to expand the reach of existing Planet NI programs to include more engineers and deploy new programs in Southeast Asia and Africa.

Planet NI Around the World



SME Benefit Program

The SME Benefit Program supports entrepreneurs in India by providing access to modern technology at lower initial investments as well as professional product training and technical support. Through Planet NI, more than 140 SMEs in India received access to NI technology to help start companies that develop life-changing innovations and generate fulfilling jobs for local engineers.

CASE STUDY

Solar Energy Helps Keep Milk Safe in Rural India

Sorin Grama – Prometheus Power Systems, Massachusetts



Every day, dairy processors in India are challenged with transporting milk from millions of individual farms in villages to central processing facilities in distant cities. With the NI graphical system design platform, we built a hybrid solar- and grid-powered refrigeration system to cool and store raw milk at the villages where the milk is produced. The system operates in rural areas where grid power is unreliable.

Our hybrid milk chiller cuts both transportation costs for dairy farmers and lowers chilling costs by half because we use solar energy. Most importantly, cooling the milk at the source results in premium-quality, healthier milk that can be used for higher value products such as cheese and baby formula.

CASE STUDY

Building Mine-Detection Robots in Arabia

United Nations Development Program, Arabia



In South Lebanon and the surrounding region, there are an estimated 450,000 land mines and more than 10,000 unexploded cluster bombs, rendering more than 150 million square meters of land unusable. To raise awareness of the issue and develop a method for detecting and decommissioning these dangerous explosives, NI sponsored a two-year student design competition in Arabia to inspire young engineers to design a mine-detection robot. Teams were tasked with designing an autonomous or semiautonomous robot to detect and identify land mines and cluster bombs in rugged terrain.

NI Arabia has provided access to state-of-the-art hardware and software, which included NI Single-Board RIO modules, NI Smart Cameras, and LabVIEW software, to participating students. The winning robot prototype will be selected in July 2011.

Supporting Medical Device Innovation

National Instruments takes pride in the innovative, life-changing solutions that its customers develop using its products. From a device that helps doctors detect and monitor early tooth decay to robotic arms that doctors can attach to endoscopes to remove digestive tumors, NI customers around the world continue to have a positive impact on the lives of millions of people.

Recognizing Leaders Who Are Improving the World With New Medical Devices

The Graphical System Design Achievement Awards is the company's annual awards ceremony to recognize engineers and scientists worldwide who are making an impact with NI technologies.

At the 2010 ceremony, NI recognized two medical device companies for their efforts in developing applications that exhibit the greatest potential to improve the quality of life through medical device design and development.

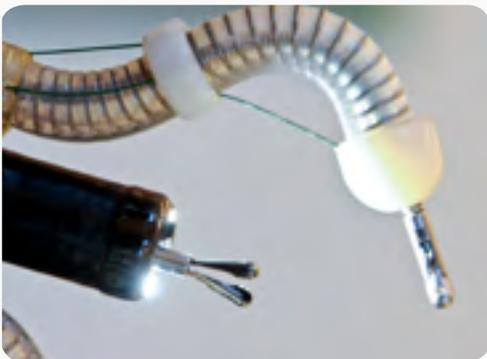
Dr. Koneswaran Sivagurunathan from Quantum Dental Technologies in Canada won the Medical Device Design and Development Award for developing the Canary System, a noninvasive medical imaging device for early detection and monitoring of tooth decay. Using LabVIEW and USB data acquisition modules, Sivagurunathan built a system that could detect risk factors as well as tooth conditions more accurately than current technologies.

Another leader in medical device design, Felipe Echeverri of Biorep Technologies in Miami, Florida, received the Humanitarian of the Year Award. Using NI tools, Echeverri and his team created an automated perfusion system to improve throughput and repeatability in cell secretion analysis, which is routinely conducted with pancreatic islets in type 1 diabetes research. The company used the graphical system design platform to control a complex automated medical instrument and reduce development time from 12 to three months.

CASE STUDY

Removing Digestive Tumors With a Therapeutic Endoscopy Teleoperation Robot

Martin Hiernaux – Endo Tools Therapeutics s.a., Belgium



Based on the need for gastroenterologists to have more degrees of freedom when maneuvering an endoscope, we developed flexible robotized arms anchored on an endoscope to insert into the digestive tract to move independently from the endoscope and enable surgery from within the digestive tract.

Using LabVIEW and NI modular instruments, we now have a safe, reliable, and efficient prototype system. NI products were particularly helpful in meeting regulatory requirements in a cost-effective and scalable manner. In addition, the portability

of the system is helping us manufacture products with the least expensive yet most efficient NI hardware without having to rewrite a single piece of software.

Enable 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 involves the use of advanced measurement and analysis to design, develop, and improve products, technologies, and processes to achieve environmental and economic benefits. NI supports green engineering by providing tools that empower engineers and scientists to meet some of the greatest challenges today, including providing energy from fusion, making solar and wind energy more economical, and capturing and recycling waste.



2010 HIGHLIGHTS

- Hosted the inaugural Energy Technology Summit at NIWeek with 671 attendees
- Kicked off R&D projects to develop a LabVIEW toolkit for smart grid applications
- Provided grants for \$900,000 USD in software and training services to 40 clean-tech start-up companies

2010 CHALLENGES

- Trained 2,400 fewer engineers than anticipated on green engineering principles because of a reduction in online events

2011 COMMITMENTS

- Develop and release innovative products to aid customers in creating smart grid technologies
 - Teach green engineering principles to 5,000 engineers through free virtual and on-site events
 - Create resources on engineering best practices for wind turbine monitoring, inverter technologies, and smart grid development
-



“Our customer manufactures clean-tech systems that capture wasted thermal energy from industrial facilities and then uses that as the primary fuel to generate electricity. The electricity is then used locally at the facilities, reducing the total amount of electricity the consumer requires from local utilities. We used NI products to develop the control system for this complex machine, helping our customer meet the performance requirements and getting their product to market faster.”

—Darryn R. LaZar, Engineer, Wineman Technology Inc.



Recognizing Leading Green Engineers

National Instruments develops innovative tools that engineers and scientists use to acquire and analyze real-world data and then correct any problems they discover. NI customers use these tools for a variety of applications, such as optimizing their current machines and processes, performing environmental and power quality monitoring, and researching and further improving renewable energy technologies.

NI believes that showcasing the innovative technologies customers develop using graphical system design will inspire others to create the next generation of products and technologies that reduce environmental impact. At the 2010 Graphical System Design Achievement Awards, the company's annual awards ceremony recognizing

engineers and scientists worldwide who are making an impact with NI technologies, Darryn R. LaZar from Wineman Technology Inc. received the Green Engineering Award for developing a method to control a waste heat engine using NI hardware and software.

CASE STUDY

Controlling an Echogen Power Systems Waste Heat Engine

Darryn R. LaZar – Wineman Technology Inc., Saginaw, Michigan



The Echogen Power Systems waste heat engine recovers thermal energy, primarily in the form of industrial waste heat. We needed a real-time application to control the waste heat engine and remotely and locally monitor the health and operational data of the system. This technology captures wasted thermal energy from industrial facilities and then uses that as the primary fuel to generate electricity. The electricity is then used locally at the facilities, reducing the total amount of electricity the consumer requires from local utilities.

We needed a control system with tight I/O synchronization and the ability to acquire data from more than 75 sensors and control more than 40 devices. NI CompactRIO provides deterministic system control with multiple proportional-integral-derivative (PID) control loops. Also, by developing a custom LabVIEW application, we can interface with the thermal engine controller and view the current status and acquired signals.

CASE STUDY

Monitoring Electrical Substation Equipment Across the State of Rajasthan

Jaswinder Singh – NexGen Technologies, National Instruments Alliance Partner, India



National Instruments is working with companies around the world to address critical issues and improve the performance of electric grid infrastructures. In India, where more than 30 percent of all generated electricity is lost due to inefficiencies of the national grid, there is a massive focus to monitor and identify the source of these inefficiencies.

We created a solution based on NI products that identifies many of these inefficiencies at electrical substations by identifying poorly performing transformers, automating meter readings at distribution feeders, and wirelessly sending this information back to the central command center for the utility companies. Our solution was chosen by the Rajasthan Utility company and is currently being deployed to more than 2,800 substations across the state of Rajasthan.

Teaching Green Engineering Principles

To provide engineers and scientists access to the latest sustainable technologies and an opportunity to learn from leaders in the energy industry, NI hosted the inaugural Energy Technology Summit at the NIWeek 2010 worldwide graphical system design conference. Approximately 670 engineers attended two days of keynote presentations and technical tutorial sessions to learn techniques and best practices for designing, prototyping, and deploying clean energy systems. In addition, customers had the opportunity to hear from leading experts in the clean energy industry at the NIWeek 2010 Industry Experts Panel. In the interactive panel discussion, experts including Allen Schurr, vice president of strategy for IBM Global Energy and Utilities Industry, and Robert Metcalfe, inventor of Ethernet and founder of 3Com, shared their thoughts on the growing clean energy technology challenge and how engineers and scientists are at the forefront of this innovation.

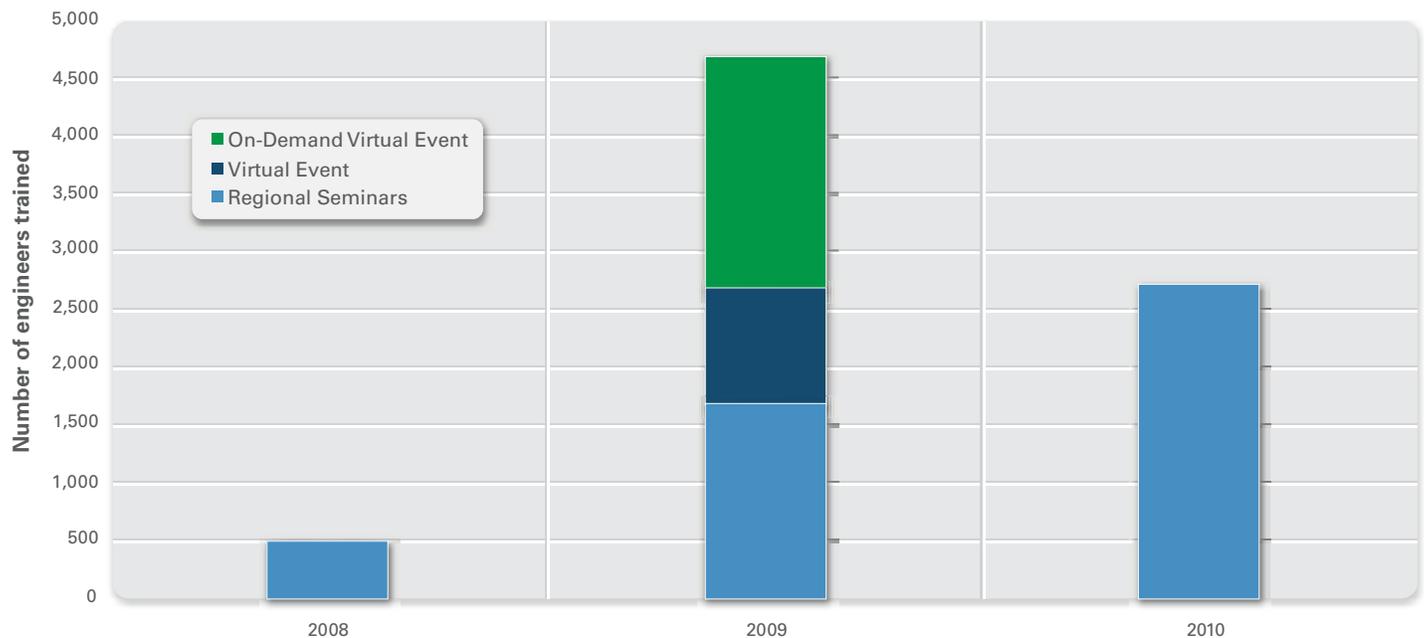
Teaching Green Engineers Around the World

In 2010, NI hosted regional green engineering seminars to inform engineers and scientists worldwide about green engineering and sustainable design practices they can implement using NI technologies. Through these events, more than 2,600 engineers received training on the benefits and technologies behind solar, wind, and smart grid applications.

Since 2008, NI has taught more than 7,800 engineers through on-site seminars as well as on-demand and virtual events, the latter of which has allowed the company to expand its reach to engineers around the world even in the midst of the global economic recession. In 2010, the company focused on teaching at on-site and regional seminars and did not host virtual and on-demand events. For 2011, NI remains committed to its 2010 goal to teach green engineering principles to 5,000 engineers and scientists through these types of events.

In addition, NI plans to develop and share technical resources on engineering best practices for wind turbine monitoring, inverter technologies, and smart grid development to inspire and empower more engineers and scientists to innovate using these technologies.

Trained Green Engineers





Empowering Innovation

With National Instruments products, engineers and scientists can inherently apply green engineering techniques using the graphical system design platform to help meet some of the world's Grand Challenges for Engineering such as making solar power an economical source of renewable energy, capturing and recycling waste to help better manage the nitrogen cycle, and providing energy from fusion.

To further empower customers to develop life-changing applications, NI continues to invest heavily in R&D. Even in the midst of the global economic recession in 2009 and 2010, NI invested more than 16 percent of its total revenue in R&D. As a result, the company released 438 new products in 2010. New NI products released in 2010 that further enable green engineering include NI C Series modules for electrical power analysis applications and an LabVIEW driver for distributed network protocol 3.0 (DNP3) communication for electrical substation equipment.

NI Green Engineering Grant Program

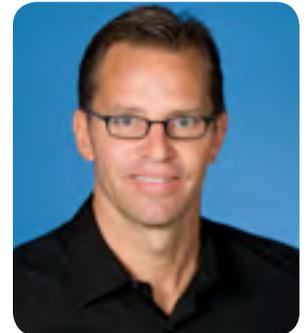
Since its inception in 2009, the NI Green Engineering Grant Program has provided start-up assistance for companies planning to use NI hardware as an embedded component of their renewable energy, energy efficiency, smart grid, or clean-tech products or technologies. NI sponsored one company in 2009 and committed to sponsoring 25 additional companies in 2010. NI surpassed that goal by sponsoring 40 additional companies and awarding grants valued at more than \$900,000 USD in software and training services to help companies develop innovative green engineering devices.

Developing Smart Grid Technology

Energy is the foundation of economic and social development. Meeting increasing demand and reducing environmental impact are two of the largest issues society faces today. Rapid growth in the developing world, which will significantly increase global energy consumption, and the significant impact of fossil fuels on climate change are two issues that will require large advancements in both renewable energy and energy efficiency technology.

In both cases, vast improvements are needed to lower the cost and increase production of cleaner energy-producing technologies. Smart grid technologies are an important area of investment because they will provide the infrastructure improvements necessary to support energy efficiency and renewable energy.

In 2010, NI kicked off R&D projects to develop products specifically aligned with smart grid technologies, including a LabVIEW toolkit for smart grid power quality, flicker, and synchrophasor applications. The company continues to help advance innovations in this area and remains committed to creating new products to aid customers in meeting the challenging demands of the evolving smart grid in 2011.



EMPLOYEE PROFILE: OWEN GOLDEN

As vice president of global energy at National Instruments, Owen Golden is responsible for developing the company's strategy for energy products and services.

"The generation, transmission, and distribution of electricity are the largest, most complex real-time control problems in the world. With the interdigitation of intermittent energy sources, like wind and solar; distributed generation into homes; and the development of electric plug-in vehicles, the complexities of these problems are increasing rapidly. National Instruments is providing the tools for engineers and scientists worldwide to develop a smarter grid – a grid that is needed to get us through the 21st century."

Solutions for Big Physics

Engineers, physicists, and other scientists around the world are working to solve various challenges in areas such as particle physics, fusion, and astronomy. From programming embedded real-time systems based on multicore processors and field-programmable gate arrays (FPGAs) to working with high-speed data acquisition systems requiring advanced timing and synchronization, engineers, scientists, and physicists use NI commercial off-the-shelf (COTS) software and hardware to meet their control and instrumentation needs.

In 2010, NI announced a collaboration with Vitrociset, a leading European technical services provider for complex systems, to offer a complete solution for big physics applications such as particle accelerators and fusion devices. Engineers and physicists working on large control applications can combine NI COTS hardware and software for advanced physics with technical services from Vitrociset to streamline their sophisticated physics projects.

CASE STUDY

Airborne Wind Power

Matt Bennett – WindLift LLC, Kitty Hawk, North Carolina



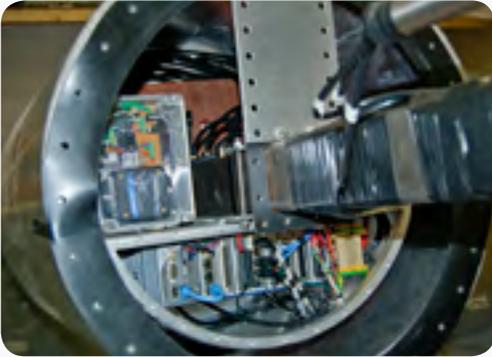
Airborne wind is on track to become a cost-effective, practical, and utility-scale-ready segment of the wind energy industry. We developed a mobile airborne wind turbine that uses free energy in wind to provide up to 12 kW of on-demand power and several days of standby operation when no wind is present. This could potentially replace diesel generators and the fuel convoys that supply them.

With support from NI, we used the graphical system design platform for the control and dynamic monitoring of our prototype systems. The power, flexibility, and functionality of these NI tools helped us seamlessly transition from prototype to production with the same hardware and software. The combination of the strength of the technology for prototype development with this clear path to production made NI the indisputable best choice.

CASE STUDY

Prototyping a Wave Farm Energy Converter

Eugene Doogan – Wavebob, Ireland



Since 1999, we have been developing a prototype wave energy converter (WEC) for deployment in offshore “wave farms” that are similar to wind farms. Our goal was to develop a commercial WEC that can produce significant electrical power for the onshore grid on coastlines with a suitable wave climate.

To control the hydraulic cylinder pumps, which extract power based on wave motion, in extreme sea conditions while maintaining efficient power extraction, the WEC requires a rugged and sophisticated control system. We used LabVIEW,

CompactRIO, and NI Compact FieldPoint due to the tight hardware/software integration, ease of use, and versatility.

Empower the Innovators of Tomorrow

The world has no shortage of areas that need further engineering and science innovation. According to the Grand Challenges for Engineering, producing new methods for generating energy, making advances in neuroscience, and restoring and improving urban infrastructure are only a few areas where future innovation can remarkably impact the way people live. National Instruments believes that helping to create a more technically literate society will have the greatest impact on improving the quality of life in the world. Therefore, the company works closely with educational organizations to deliver the technology solutions necessary to support hands-on, project-based learning that inspires and equips students to be tomorrow's innovators.



2010 HIGHLIGHTS

- Released NI myDAQ – an affordable, student-owned measurement and control tool
- Introduced more than 400 engineering educators and students to modern engineering tools and techniques at NIWeek
- Helped 982 college students become Certified LabVIEW Associate Developers to ensure career readiness and LabVIEW proficiency

2010 CHALLENGES

- Identified a gap in complete curriculum solutions for educators
- Received 58% fewer submissions than anticipated to the LabVIEW Student Design Showcase due to less global promotion for the contest

2011 COMMITMENTS

- Offer complete curriculum solutions for educators to teach key engineering and science objectives
- Promote new student programs to give students the ability to amplify their engineering expertise



“I often ask my students, ‘how many times in your life do you have the opportunity to change the world?’ With NI tools, we continue to work with our students to inspire them to develop new and exciting applications that may one day change the world.”

–Dr. Dennis Hong, Roboticist and Associate Professor, Virginia Polytechnic Institute and State University, College of Engineering

Supporting Engineering in Education

National Instruments provides powerful, industry-standard tools including graphical system design software and low-cost, modular hardware that help eliminate educational barriers such as learning complex programming languages so students can focus their attention on learning problem-solving techniques.

With NI technology, students as young as 7 years old can begin learning graphical programming techniques that they can develop throughout high school and college and eventually take into their careers. Through a number of educational initiatives with other organizations, NI strives to help educators develop a highly skilled, technically literate workforce ready to pursue careers in many fields.

Education Through Competition

Today, nearly 200,000 students worldwide are engaged in *FIRST* programs, which consist of various levels of competition that serve students from grade school through high school. The most advanced level is the *FIRST* Robotics Competition (FRC), a unique "varsity sport of the mind" designed to help young people discover the interesting and rewarding lives of engineers and researchers.

In 2009, FRC began using the CompactRIO platform as the controller, or brain, of the robot control system. For the competition, more than 40,000 students around the world used CompactRIO to build robots that could traverse low-friction surfaces while collecting objects. Additionally, more than 60 percent of the students participating in FRC programmed their robots using LabVIEW software. NI continued to support *FIRST* and FRC teams in 2010 by providing NI hardware and software so students could experiment with modern engineering technologies while building next-generation robot control systems.

Early Engineering Education

NI is committed to investing a portion of its R&D resources into further developing its academic platform to reach more students each year. As a result, in 2010, NI released two major products to enhance hands-on learning of engineering concepts in and out of the classroom.

The first product, LabVIEW Education Edition, is a new software platform that helps high school teachers bring STEM concepts to life through hands-on learning. Later in 2010, NI released NI myDAQ, an affordable, student-owned measurement and control tool that students can use to access and perform experiments anywhere.



Inspiring Students to Become Engineers

Student participation on engineering projects both in and out of the classroom is essential to fostering innovation and inspiring the next generation of engineers. More than 400 students and educators attended the Academic Forum at NIWeek 2010, which is twice the number of attendees in 2009.

During the forum, academic professionals shared best practices in engineering education methodologies, discussed the future of engineering, and networked with colleagues from around the world. At this event, NI also provided a venue for students to network, collaborate, and submit their best engineering projects through the LabVIEW Student Design Showcase. To increase submissions to the contest and provide a platform for students to amplify their engineering expertise, NI evolved the showcase into the LabVIEW Student Design Competition. With this new forum, students see how their peers are using LabVIEW to engineer a better world and vote for their favorite design projects, which span from affordable medical devices to complex underwater autonomous vehicles.

In 2011, the company's goal is to increase participation in the LabVIEW Student Design Competition by receiving 250 submissions to the contest, which is more than twice the number of submissions in 2010.



Students Leading the Way in Graphical System Design

Students continue to find new and exciting ways to engineer a better world and meet the Grand Challenges for Engineering using NI technologies. At the 2010 Graphical System Design Achievement Awards, the annual NI awards ceremony recognizing engineers and scientists worldwide who are making an impact with NI technologies and the graphical system design platform, NI President, Cofounder, and CEO Dr. James Truchard awarded Dr. Dennis Hong, Greg Jannaman, and Kimberly Wenger from Virginia Tech with the 2010 Customer Application of the Year award. Their award-winning application was a semiautonomous vehicle that allows a blind driver to successfully navigate, control speed, and avoid collision through a secure

driving course. Using LabVIEW and NI modular hardware, they developed a prototype for their vehicle that was versatile and easy to adapt to unique and demanding testing environments, changing vehicle platforms, and shifting project objectives.

To further distinguish students who are changing the world through graphical system design, NI recognized students from the University of Colorado as the LabVIEW Student Design Showcase winners for their project in which they developed an acoustic network system capable of relaying and executing mission plans from an operator to an autonomous underwater vehicle (AUV) via underwater transmission.

Ambassadors for Graphical System Design

To encourage participation and collaboration between engineering students with a desire to learn LabVIEW and share that knowledge with their peers, NI created the LabVIEW Student Ambassador program in 2010. LabVIEW Student Ambassadors serve as an important LabVIEW training resource, giving their peers the opportunity to achieve LabVIEW proficiency by hosting presentations and training workshops through their local universities. NI strives to give students a deeper understanding of the technologies and solutions needed to develop modern engineering applications and seeks to help 1,350 college students reach proficiency through LabVIEW Student Ambassador workshops in 2011.

Additionally, the LabVIEW Student Ambassador program is inspiring future engineering innovators to help meet the grand challenges for engineering. Andy Milluzzi, a LabVIEW Student Ambassador at the Rose-Hulman Institute of Technology, shared his thoughts on one of the grand challenges:

"I am really interested in helping develop better medicine. I have several friends and family members who benefited significantly from medical advancement. I think this is a good way to use my skills as an engineer to give back to the world at large. In the last 100 years, medicine has made some great advancements. I want to be part of the advances that happen in the next 100 years."

CASE STUDY

Building an Underwater Buoyant Oceanic Acoustic Network

Dan Ambrosio, Ryan Del Gizzi, Bobby Hodgkinson, Jared Kirkpatrick,
Colin Miller, Julie Price, and Tyler Thomas – University of Colorado



Today's underwater acoustic networks are typically large and very expensive. The objective for our student design project was to develop and demonstrate an acoustic network system that was inexpensive and compact enough to fit into an underwater vehicle less than 6 ft long.

To build a system capable of relaying and executing mission plans from an operator to an AUV via underwater transmission, we used several CompactRIO modules and LabVIEW to interface to multiple sensors, understand the conditions of the submarine, and actuate the vehicle as we wanted it to perform. LabVIEW

simplified our processes from project start to finish. With this software, we were able to quickly code and debug the application in the start phase and also make quick fixes throughout implementation.

CASE STUDY

Designing and Implementing a Control System for an Electric Supercar

Alec de Zegher and Tobias Schulz – Racing Green Endurance, United Kingdom



Battery electric vehicles (EVs) are an alternative for petroleum-based cars. They have the potential to serve as a sustainable mode of transportation without depleting valuable resources. In an attempt to push the boundaries of EV technology and inspire the next generation of engineers and scientists, we built a battery EV in less than nine months that could travel the longest road in the world, the Pan-American Highway.

Using the CompactRIO platform with its onboard real-time controller and FPGA, we implemented a tough, advanced, and safe vehicle control system in less than four months. After 140 days on the road, we became the first group to complete the 26,000 km journey with an EV.



Developing Tools to Teach Tomorrow's Engineers

To meet the needs of professors and educators, NI has committed to developing a platform of teaching solutions that will help teachers create the ideal learning environment for engineering education. In 2010, NI created product solutions for courses based on measurements and instrumentation, circuits and electronics, and controls and mechatronics. These solutions give educators the ability to prepare students for today's engineering challenges through hands-on dynamic learning and real-world examples.

To help educators better prepare tomorrow's engineers through modern engineering concepts, NI collaborated with Ettus Research, a leader in producing software-defined radios, to develop an RF hardware and software teaching solution. The Universal Software Radio Peripheral (USRP) hardware platform from Ettus Research is a family of low-cost, computer-hosted hardware that, when combined with LabVIEW, allows students to experiment with RF and communication applications by processing radio signals for transmission and reception. NI is committed to developing additional solutions for educators to create the ideal learning environment for engineering education in 2011.

Minimize Our Environmental Impact

Throughout company facilities and the entire product life cycle, National Instruments consistently works toward its long-term goal to minimize its environmental footprint. NI aims to maximize the positive effects of its business and improve the world through innovative product design, supplier responsibility, and recycling programs, as well as through efficiencies in its consumption of resources such as water, electricity, and natural gas. At an individual level, NI employees drive grassroots projects that help the company minimize its environmental impact.



In this section:

Product Life Cycle

- Product Design
- Packaging
- Supplier Responsibility, Environmental Management, and Manufacturing Operations
- Product Recycling

Conserving Resources

- Reducing Energy Usage
- Reducing Natural Gas Usage, Water Usage, and Emissions
- Recycling and Waste Reduction

Employees Driving Change

- NI Green Team
- Individual Efforts

BY THE NUMBERS

39%

reduction in polyurethane foam used in packaging per 1,000 units

54

potential tons of CO₂ saved by Green Smackdown competitors over a year

27%

reduction in corrugate material used in packaging per 1,000 units

Product Life Cycle

Reducing the impact National Instruments has on the environment begins with its supply chain and product design. NI continually works to improve product development and manufacturing processes to offer customers more environmentally friendly products. NI also strives to remove harmful substances from existing products and prohibits the introduction of known harmful substances into new products. In addition, NI aims to improve packaging efficiency and has a product recycling program so customers can send their old NI products back to be recycled.



2010 HIGHLIGHTS

- Secured responses from the top 80% of suppliers to the NI Supplier Citizenship survey
- Reduced packaging materials per 1,000 units, including polyurethane foam by 39% and corrugated material by 27%
- Completed internal audit of readiness for certification to the OHSAS 18001 standard for occupational health and safety
- Invested in a system for collecting information on environmentally sensitive materials in NI products

2010 CHALLENGES

- Defining next steps on the broad range of results from the NI Supplier Citizenship survey
- Keeping pace with rapidly evolving environmental regulations as they affect the diverse NI product portfolio and broad supply chain

2011 COMMITMENTS

- Pilot new criteria for a supplier scorecard to measure supplier citizenship
- Identify gaps and implement improvements for OHSAS 18001-capable process
- Reduce polyurethane in product packaging by 30% per unit using eco-friendly materials



“NI and iRex (TyRex Technology Family) share a vertical cultural alignment that defines the circle of business trust between our companies. As long-term responsible corporate residents of our communities, iRex accepts and expects to exceed the NI supplier and citizenship accountabilities.”

—John Bosch, Jr., Principal and Partner, TyRex Group Ltd.

Product Design

National Instruments strives to develop products that minimize the amount of raw materials and energy used, thus decreasing the cost of customer applications. This commitment is evident in the NI approach of offering hardware platforms that reduce waste and energy use over the life of the product, extend product life, and facilitate reuse. Challenges to the product design process include maintaining compliance with evolving environmental legislation and the difficulty in gathering material content information for components. Reasons for the difficulty include suppliers not having the requested data, data confidentiality, and the length of time it takes to move through the supply chain.

Virtual Instrumentation

A key strategy to reduce waste, cost, energy use, and carbon footprint is the NI approach of offering software-defined, modular hardware platforms, also known as virtual instrumentation. With modular hardware platforms, customers can select the exact instruments they need for their applications and define the functionality of the instruments through the software.

This approach greatly reduces the cost and energy consumption of customer applications because all the components share the same chassis and high-performance CPU. This eliminates the need for redundant chassis, processors, displays, and other components. This model ensures that NI platforms can adapt to changing needs and new applications, providing a single platform to last through multiple generations of applications.

Management of Critical Substances

National Instruments is committed to producing environmentally friendly products as part of the NI Hazardous Substance Reduction initiative, a voluntary program modeled after the European Union Restriction of the Use of Certain Hazardous Substances (RoHS) directive. As part of this commitment, in 2010 NI invested in a system for collecting information on environmentally sensitive materials in NI products.

RoHS Compliance

This directive restricts the use of harmful substances such as lead, mercury, and cadmium in products. It applies to 11 categories of electrical and electronic equipment but as of today excludes products in Category 9, Monitoring and Control Instruments, under which NI products fall. NI voluntarily complies with the directive.

NI began offering RoHS-compliant products in September 2005. NI manufacturing and engineering teams continually work to adapt products to use RoHS-compliant components and manufacturing processes.

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. Through continued efforts to better the environment and exceed regulatory requirements, more than 70 percent of NI products met RoHS requirements in 2010. For more information about NI compliance with RoHS, [refer to the RoHS section of this report](#).

Conflict Minerals Trade Act

In 2010 the U.S. Congress passed the Conflict Minerals Trade Act as part of the Dodd-Frank Financial Reform legislation. The law's aim is to curb violence in the Democratic Republic of the Congo and surrounding regions by restricting the use of certain minerals originating in rebel-controlled mines. These substances include the base minerals for gold, tantalum, tin, and tungsten.

Most NI products contain at least one of these substances and fall into the scope of the law's requirements, which state that any U.S. company that uses these minerals for the functionality or production of their product(s) will be required to disclose details on the origin of these substances in their annual report to the SEC. NI is obligated to begin disclosing this information for fiscal year 2012. To meet the law's obligations, NI will work with its supply chain in 2011 and 2012 to understand the origin of these minerals used in NI products.

Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)

In 2006, the European Parliament and the Council passed Regulation (EC) No 1907/2006 on the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH). The primary objectives of the regulation are to protect the environment from harmful substances and to stabilize the European chemical industry.

The scope of the REACH Regulation differs from the European Union RoHS directive in that REACH is not limited to electrical and electronic equipment. With REACH, manufacturers and importers of substances and preparations are required to register the substance or preparation prior to placing it on the market if it meets certain criteria:

- Products imported or manufactured in quantities of 1 tonne annually
- Products intended to be released under normal or reasonably foreseeable conditions of use (for example, printer cartridges)

The Substances of Very High Concern Candidate List and Annex XIV of REACH (the list of substances subject to authorization) drives notification, authorization, and restriction requirements. Once a substance has been added to the Candidate List, requirements for customer notification apply immediately. Once a substance on the Candidate List is selected to be added to Annex XIV, authorization requirements are imposed on that substance. At some point after the list of substances for authorization is published, the included substances may also be restricted.

As a producer of articles (not substances or preparations), NI is not required to register any substances or preparations because NI does not produce or import chemical substances in excess of 1 tonne/year, and NI products do not release any substances into the environment during normal and foreseeable conditions of use.

NI is required to comply with the downstream users' obligations. To accommodate this, NI is working closely with its supply chain as new substances are added to the Candidate List. For additional information on NI REACH initiatives or specific product information related to REACH, contact reach@ni.com.

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Restriction of the Use of Certain Hazardous Substances (RoHS)

The European Union RoHS directive restricts the use of harmful substances such as lead, mercury, and cadmium in products. The National Instruments Hazardous Substance Reduction initiative is a voluntary program modeled after the European Union RoHS directive.

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.

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 2010 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 2010.

View the full text of the RoHS directive. For more information about NI compliance with RoHS, contact rohs@ni.com.

Resources

Refer to the following NI resources to learn more about the RoHS directive.

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

Optimizing Product Packaging

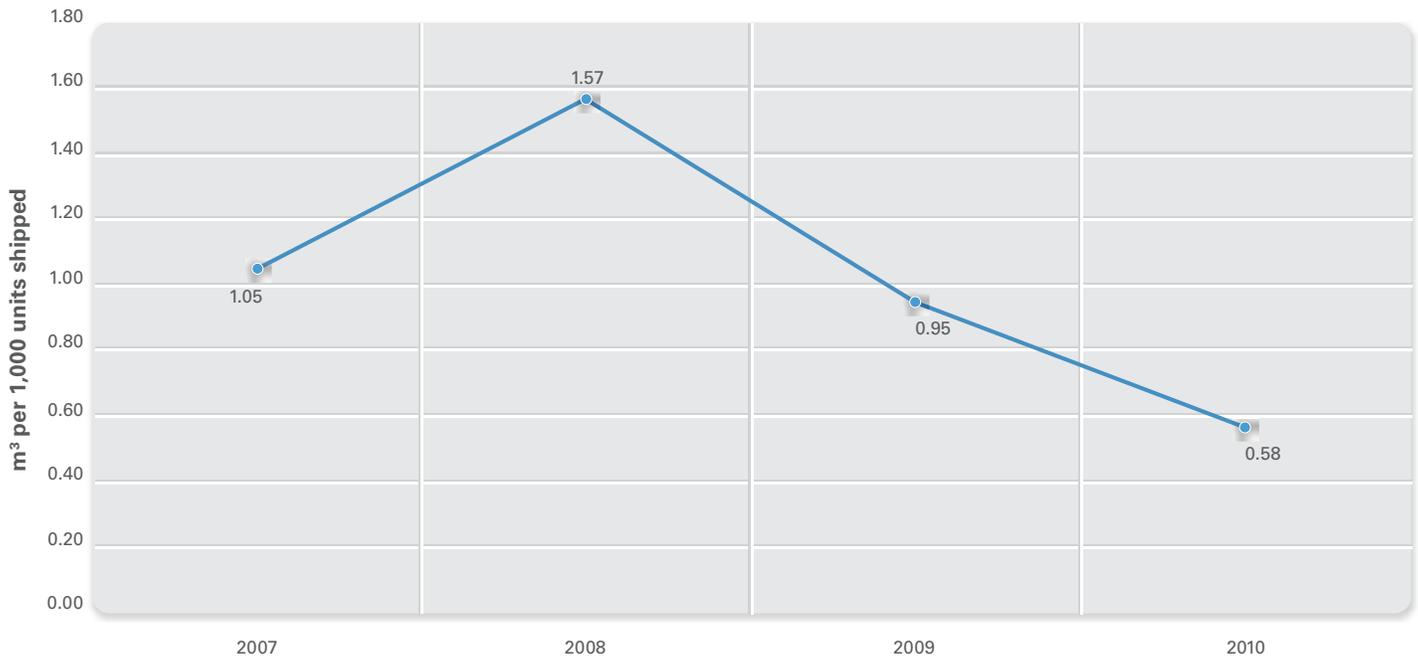
As part of the company's commitment to the environment, NI has made a concerted effort to increase the use of recyclable materials, such as corrugated board. NI has worked diligently with its suppliers to increase the use of paper in packaging design as a replacement for polyurethane foam. Going forward, NI will continue to work with suppliers to ensure that NI packaging designs have a minimal environmental footprint.

In 2010, NI focused on "reduction from within," where employees who worked on the kitting line were trained to look for ways to potentially optimize packaging. Through this process, more than 100 parts were reevaluated for packaging optimization, resulting in 81 packaging changes.

Because of this employee education effort, in 2010, NI reduced the amount of polyurethane foam used in packaging by 39 percent. Additionally, after much research and testing, NI replaced a significant amount of the foam in packaging with a paper-based filler.

The following polyurethane and corrugate usage charts show data from NI Hungary only, which accounts for 98 percent of usage.

Polyurethane Foam Used

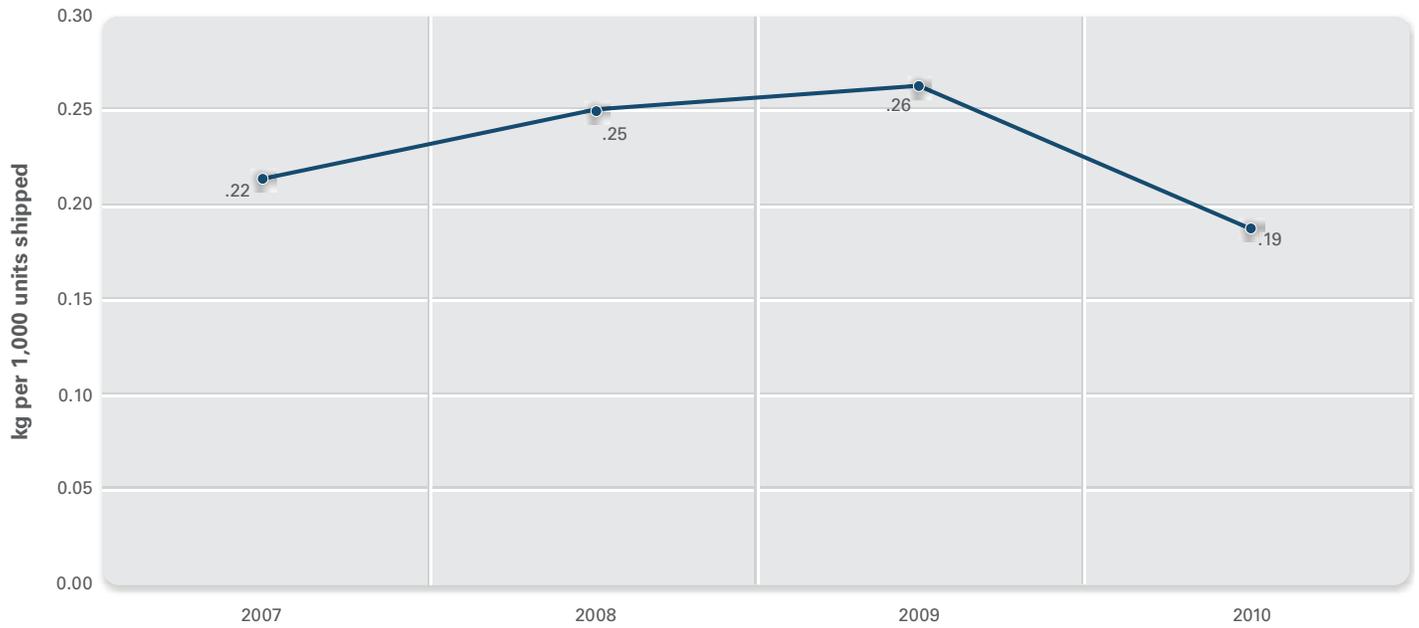


Total Polyurethane Foam Used (m³)

2007	2008	2009	2010
747	1,249	511	463

In 2010, overall corrugate usage increased slightly, by 9 percent, due to an increased production load. However, the average corrugate usage per 1,000 production units was down 27 percent due to employee education and packaging design changes for a popular product.

Corrugated Board Used



Corrugated Board Used (kg)

2007	2008	2009	2010
157,199	200,901	141,907	154,661

Supplier Responsibility, Environmental Management, and Manufacturing Operations

To meet the company's environmental commitments, National Instruments works with suppliers who are equally invested in being responsible corporate citizens. NI also complies with international standards that regulate environmental management and manufacturing operations. No NI contracts with suppliers include criteria or screening on human rights.

Supplier Citizenship Requirements

To set citizenship expectations with suppliers, NI requires the following from them:

- Compliance 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. Suppliers sign the NI Supplier Code of Conduct, established in 2008, as an acknowledgement of this commitment. 100 percent of key suppliers and 65 percent of the total supplier base have signed the Code of Conduct, and no suppliers declined to sign it.
- Participation in the NI supplier assessment, which is sent to all new suppliers in its global supply base, ensuring they comply with key initiatives such as RoHS, REACH, and the NI Supplier Code of Conduct.
- Completion of a supplier citizenship survey to be used as a baseline for their current program. Citizenship surveys completed by suppliers are meant to evaluate a company's sustainability in the areas of energy and climate, material efficiency, natural resources, people, and community. Supplier progress in these areas is monitored through quarterly business reviews conducted by NI.

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. NI is using Leadership in Energy and Environmental Design (LEED) criteria to investigate effective energy and water saving strategies in the design and development of its new facility in Penang, Malaysia.

Manufacturing Operations

NI is working toward full conformance with the OHSAS 18001 standard, which helps companies control occupational health and safety risks. The standard is part of the OHSAS 18000 international occupational health and safety management system specification.

For the third year in a row, the manufacturing group at NI corporate headquarters has experienced only one recordable injury, and the site as a whole continues to experience injury and illness rates far below the national industry average.

Manufacturing Site Environmental Permits and Registrations

Visit ni.com/environment to read the company's environmental policy regarding manufacturing operations.

- 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

CASE STUDY

Recognizing Extraordinary Community Service

John Bosch, Jr., Principal and Partner, TyRex Group Ltd.



NI and iRex, a member of the TyRex Technology Family, share a vertical cultural alignment that defines the circle of business trust between the companies. As long-term responsible corporate residents of its communities, iRex accepts and expects to exceed the NI supplier and citizenship accountabilities.

The quarterly business review at the annual NI suppliers conference has become a place to network and share corporate responsibility ideas. At the 2010 conference, iRex presented its RecognizeGood Legends program, which helps people publicly acknowledge and illuminate extraordinary community service acts by unassuming and underappreciated individuals. John, the principal and partner

of TyRex Group Ltd., founded the program. In addition, the 2011 RecognizeGood Employee Handbook states that the company will reward employees for their contributions to company good, community good, and fellow employee well-being.

Product Take-Back and Recycling

NI is committed to meeting worldwide take-back requirements for products it sells, including requirements such as European Union directives on waste electrical and electronic equipment, as well as battery recycling. NI keeps up with this rapidly evolving area of legislation with its take-back program and through careful monitoring of regional legislation.

Take-Back Program

Through the NI global take-back program, NI covers all costs of returning its hardware 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. Visit ni.com/recycle to learn more.

WEEE Directive

In 2003, the European Parliament and the Council adopted Directive 2002/96/EC on waste electrical and electronic equipment (WEEE) to encourage reuse, recycling, and recovery of this waste. The regulations apply to all electrical and electronic equipment put on the European Union market after 2005. WEEE products can fall into one of 10 categories according to the WEEE directive. NI products fall under Category 9, Monitoring and Control Instruments. NI is actively working with its branch offices and subsidiaries in Europe to fully comply with these regulations as local legislation passes.

For more information about NI compliance with WEEE, [visit the WEEE and Battery Directive section of this report](#).

EU Battery Directive

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.

NI actively works with branch offices and subsidiaries in Europe to fully comply with these regulations. The directive entails obligations such as labeling, registration, recycling, and restriction of batteries containing cadmium, lead, and mercury.

For more information about NI compliance with the battery directive, [visit the WEEE and Battery Directive section of this report](#).

WEEE Directive and EU Battery Directive

In 2003, the European Parliament and the Council adopted Directive 2002/96/EC on waste electrical and electronic equipment (WEEE) to encourage reuse, recycling, and recovery of this waste. It also aims 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 2005. WEEE products can fall into one of 10 categories according to the WEEE directive. National Instruments products fall under Category 9, Monitoring and Control Instruments. NI is actively working with its branch offices and subsidiaries in Europe to fully comply with these regulations as local legislation passes.

View the full text of the WEEE directive. For more information about NI compliance with WEEE, contact weee@ni.com.

EU Battery Directive

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 US EPA 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.

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

Implementation by EU Member State

Select a member state for the latest information about WEEE and battery directive implementation.

Austria	Estonia	Hungary	Luxembourg	Slovakia
Belgium	Finland	Ireland	Malta	Slovenia
Cyprus	France	Italy	Netherlands	Spain
Czech Republic	Germany	Latvia	Poland	Sweden
Denmark	Greece	Lithuania	Portugal	UK

Conserving Resources

National Instruments continually works to conserve resources through its facilities and IT infrastructure by reducing energy consumption, greenhouse gas emissions, water use, and waste, as well as increasing recycling. In 2011 NI will conduct an audit of its HVAC control systems at headquarters to look for areas of efficiency and utility savings.



2010 HIGHLIGHTS

- Selected to participate in Sustainable Sites Initiative green design program at headquarters
- Implemented PC power management program on 1,000+ desktops at corporate headquarters
- Installed energy-efficient lighting at corporate headquarters saving 427,000 kWh/yr, or 2% of 2010 usage

2010 CHALLENGES

- More employees opted out of the PC power management program than expected

2011 COMMITMENTS

- Implement employee PC power management program at Hungary and Costa Rica branches
- Audit HVAC control systems of each corporate headquarters building for improvements
- Use LEED criteria to investigate effective energy and water saving strategies in the design and development of the new NI facility in Penang, Malaysia
- Optimize waste management costs at Hungary branch



“We are excited to work with companies like National Instruments who have joined us in our initiative to reduce CO₂ emissions by committing to greener computing.”

—George Goodman, Executive Director, Climate Savers Computing International



Reducing Energy Usage

Overall electricity usage at National Instruments corporate headquarters increased slightly by 3 percent in 2010 due to an increased production load as a result of the improving economy. However, per-employee usage decreased by 9 percent, partially due to the following projects NI undertook in 2010 to decrease electricity usage:

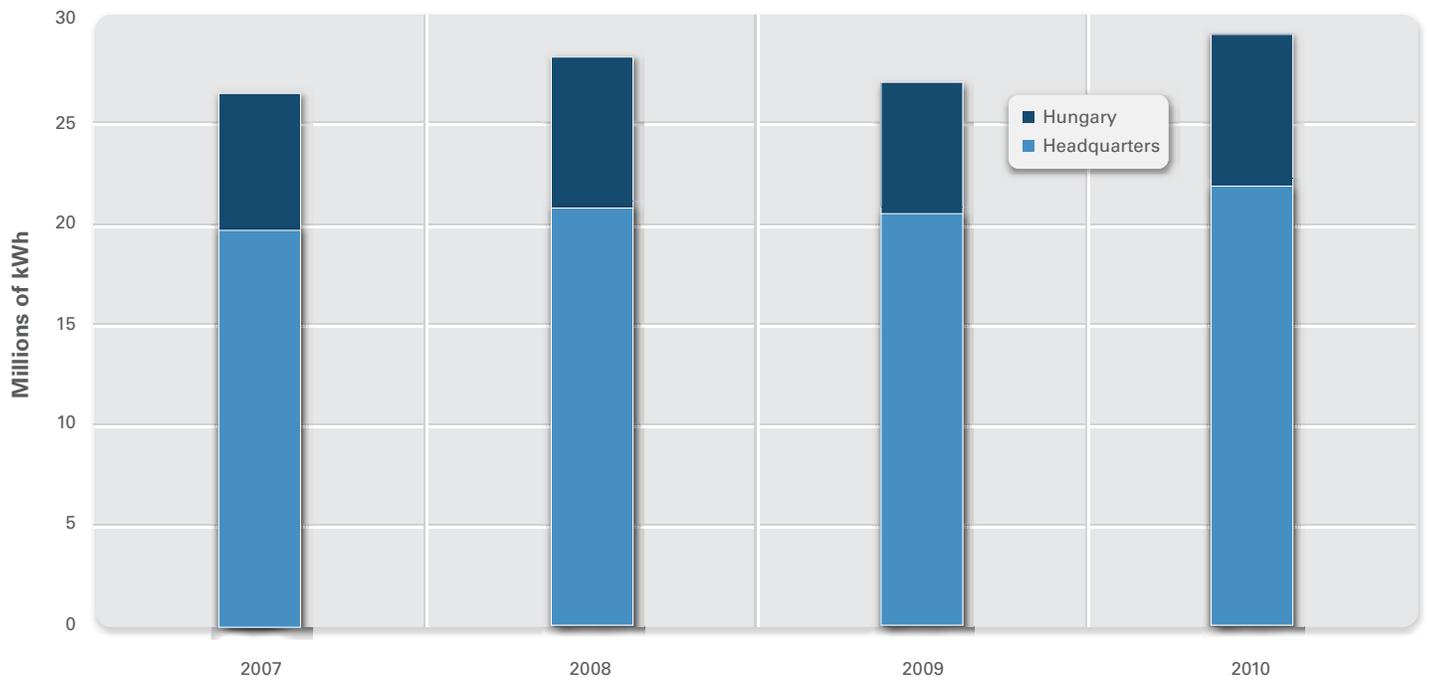
- Implemented software tools through an organization called Climate Savers Computing for managing power settings of employee computers, which saved 0.8% of 2010 electricity use at headquarters
- Replaced metal halide lights in two parking garages and in one of the buildings at headquarters with compact fluorescent bulbs, saving 427,000 kWh
- Transitioned from a nighttime to a daytime cleaning service, which reduced the number of lights left on at night

Overall, these measures saved 2,941 GJ of energy at NI headquarters in 2010. In addition, NI subscribes to Austin Energy GreenChoice, a renewable energy program, to provide 10 percent of the total electricity usage at its headquarters.

At NI Hungary, overall electricity consumption increased by 15 percent, because of an increased production load and headcount.

NI is using LEED green building criteria to investigate effective energy and water saving strategies in the design and development of a new facility in Penang, Malaysia.

Purchased Electricity



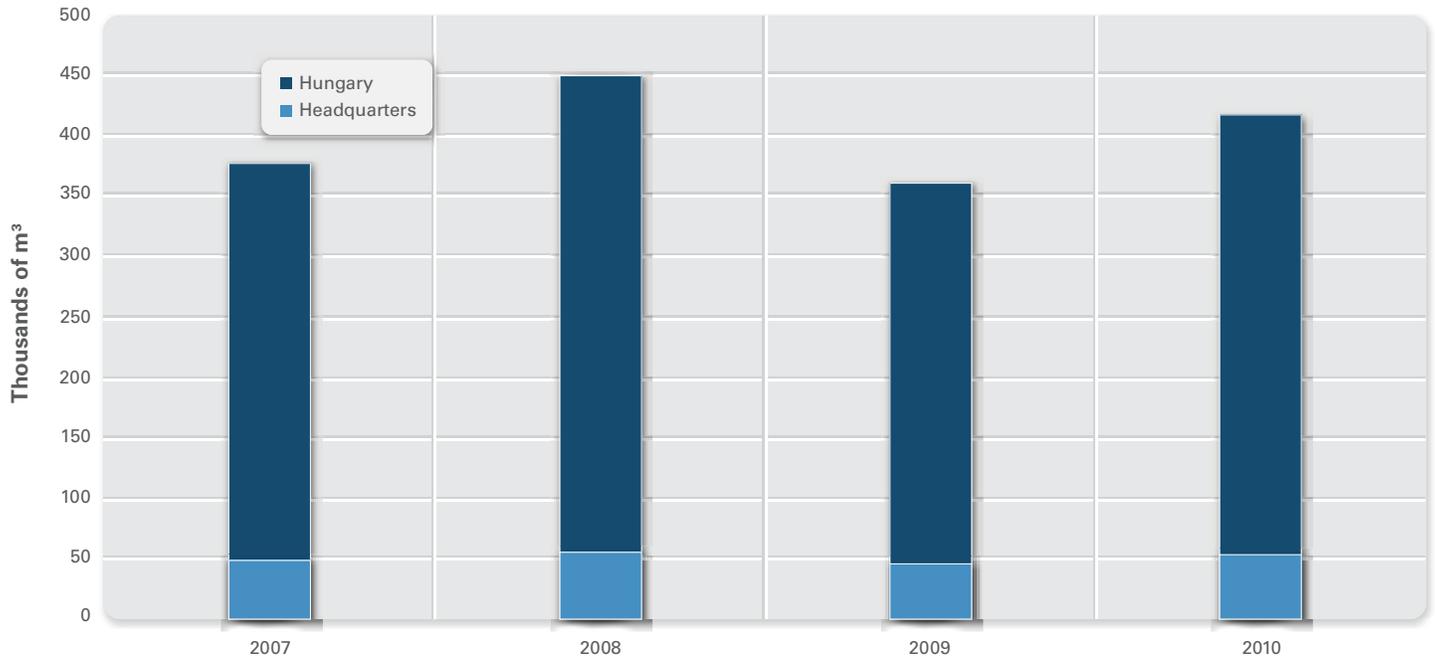
Purchased Electricity (kWh)

Campus	2007	2008	2009	2010
Headquarters	19,699,124	20,838,000	20,640,000	21,258,000
Per employee	9,036	9,096	9,000	8,195
Hungary	6,802,142	7,486,970	6,503,201	7,492,679
Per employee	8,346	7,234	6,992	7,598

Reducing Natural Gas Usage, Water Usage, and Emissions

In 2010, National Instruments saw a rise in natural gas and water usage at headquarters due to increased headcount. Natural gas usage increased at NI Hungary because of an unusually cold winter, but water usage decreased despite the extension of the campus's irrigation system. This was due to a very rainy summer, which decreased the need for irrigation.

Natural Gas Usage



Natural Gas Usage (m³)

Campus	2007	2008	2009	2010
Headquarters	48,835	56,169	48,467	52,568
Per employee	22	25	21	20
Hungary	328,403	395,697	313,054	364,517
Per employee	403	382	337	368

Reducing Emissions

NI is a member of the Clean Air Partners Program (CAPP) of Central Texas, a coalition of industry and civic organizations that encourages businesses to reduce air emissions by 10 percent over three years. 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. By the end of 2009, per-employee emissions at NI corporate headquarters decreased 2.4 percent compared to 2006. The 2010 data is not yet available from the program.

Carbon emissions at NI corporate headquarters and NI Hungary were up slightly in 2010 due to increases in electricity and natural gas usage that were a result of increased headcount. The following tables for both locations present data for only Scope 1 and limited Scope 2 emissions, which include those from natural gas, purchased electricity, and operation of company-owned vehicles. NI planned to hire an external vendor to verify the calculations in 2010, but decided to instead pursue an assessment, which would provide more information about its greenhouse gas emissions. NI will pursue verification in the future.

NI Indirect Carbon Emissions (Tonnes)*

Campus	2007	2008	2009	2010
Headquarters	12,296	13,007	12,884	13,269
Hungary	2,339	2,575	2,237	2,577

**To calculate these emissions, NI used the World Resources Institute (2009) GHG Protocol Tool for Stationary Combustion, version 4.0.*

NI Direct Carbon Emissions (Tonnes)*

Campus	2007	2008	2009	2010
Headquarters	108	133	121	123
Hungary	620	747	591	688

**To calculate these emissions, NI used the World Resources Institute (2009) GHG Protocol Tool for Stationary Combustion, version 4.0.*

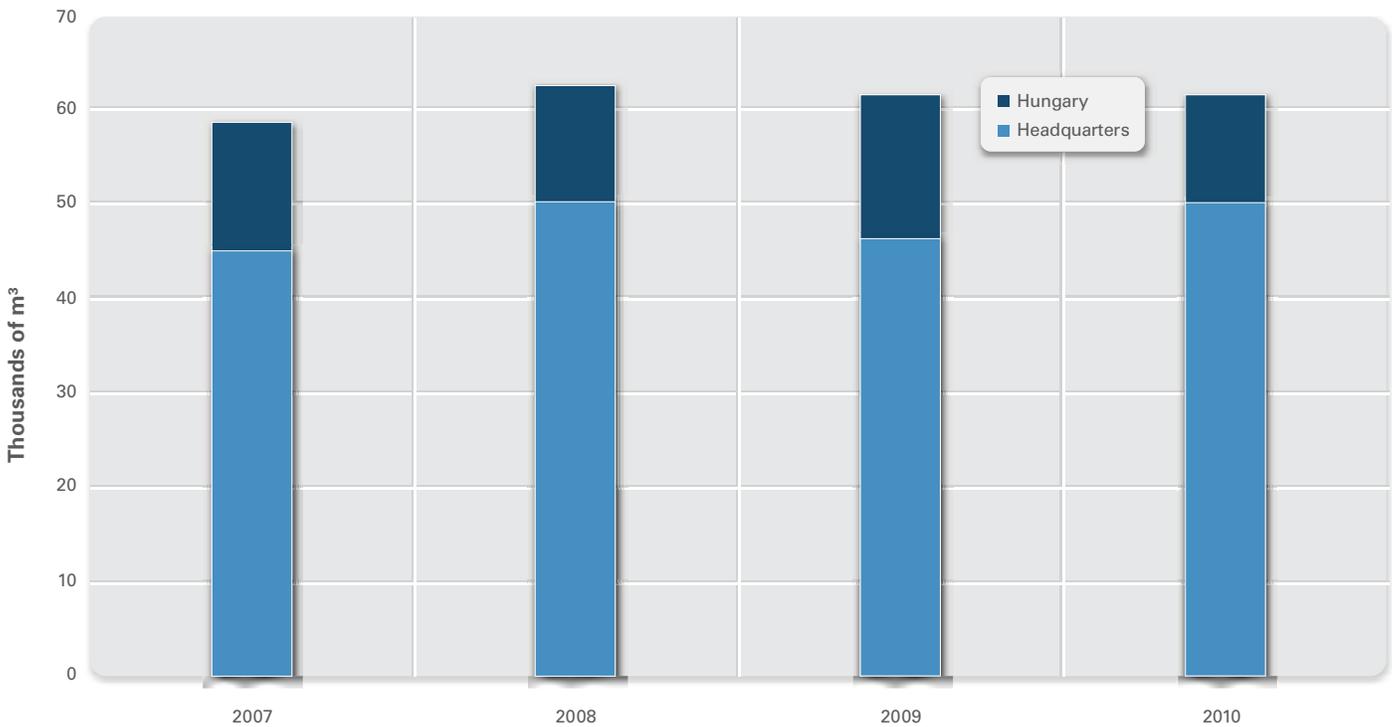
Conserving Water and Nature

Water use at NI headquarters was up in 2010 because of increased headcount. Water use decreased at NI Hungary, however, because of an unusually rainy summer as well as the repair of a broken water line.

To evaluate water use at its headquarters, in 2010 NI installed water flow meters on the HVAC cooling towers. This improved monitoring capability will show differences between general water use and cooling water use so NI can better set future water use goals. In 2011, NI will conduct an audit of its HVAC control systems at headquarters to look for areas where it can save water.

Water at both corporate headquarters and NI Hungary comes from municipal water supplies.

Water Usage



Water Usage (m³)

Campus	2007	2008	2009	2010
Headquarters	45,043	50,037	46,362	50,306
Per employee	21	22	20	19
Hungary	13,728	12,646	15,379	11,155
Per employee	17	12	17	11



Protecting Habitats

Most of the NI corporate headquarters 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. The campus is a wildlife habitat, as certified by the National Wildlife Federation.

NI protects and monitors these features to ensure that storm water runoff from roads and parking lots does not enter them. In addition, the campus is a Texas

Historical Commission Recorded Site for evidence of flint knapping activity, or activity for making tools, by Native Americans.

In 2010, the NI corporate headquarters campus was one of four Austin sites selected as a pilot project for the Sustainable Sites Initiative, a national project testing a rating system for green landscape design, construction, and maintenance.

Recycling and Waste Reduction

In 2009, NI identified an opportunity to reduce waste by examining its printing and copying paper use habits. In 2010, NI worked with the NI Green Team to change all applicable printers at its headquarters capable of printing double-sided to do so by default.

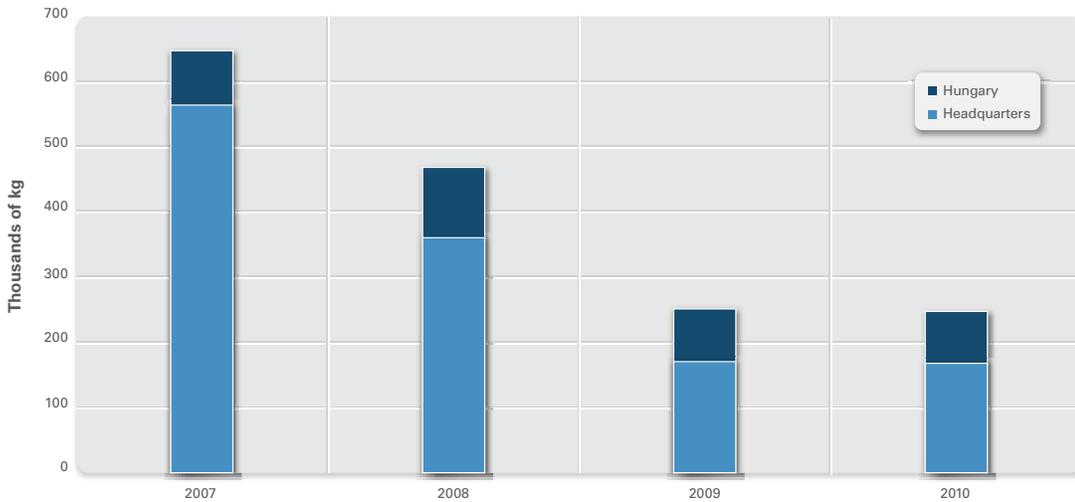
The waste vendor used by NI corporate headquarters through 2009 did not offer a way to measure the exact amount of nonhazardous waste sent to a landfill from the facility. NI evaluated other waste vendors in 2009, and exact measurement of waste was one of the criteria NI used during evaluation. However, the vendor NI contracted with in January 2010 also offers only estimates of waste sent to the landfill. Trash decreased by 5 percent and recycling decreased by 12 percent in 2010, mainly due to increased employee education and awareness about the importance of reuse habits.

In addition to recycling paper, cardboard, and so on, in 2010 NI recycled 16,197 kg of electronic waste. Also, for the past several years, NI headquarters has recycled used batteries by setting up collection points in each building. NI more than doubled the amount of batteries recycled in 2010 compared to 2009. This was due to increased awareness of the program (an effort driven by the NI Green Team), as well as recycling a backlog of batteries from late 2009 when NI was between battery-recycling vendors. In 2011, NI will work with the NI Green Team to evaluate whether electronic waste can be reused in conjunction with the Goodwill recycling program.

Trash sent to landfills increased by only 1 percent at NI Hungary despite a 6 percent increase in headcount. This was partially due to increasing recycling 43 percent over 2009. Recycling increased because of more careful attention paid to separating recyclables from waste, and the addition of solder dross and electronic waste to the list of items recycled.

NI Canada initiated recycling programs for eyeglasses and batteries, and also began composting coffee grounds.

Estimated Trash Sent to Landfills*

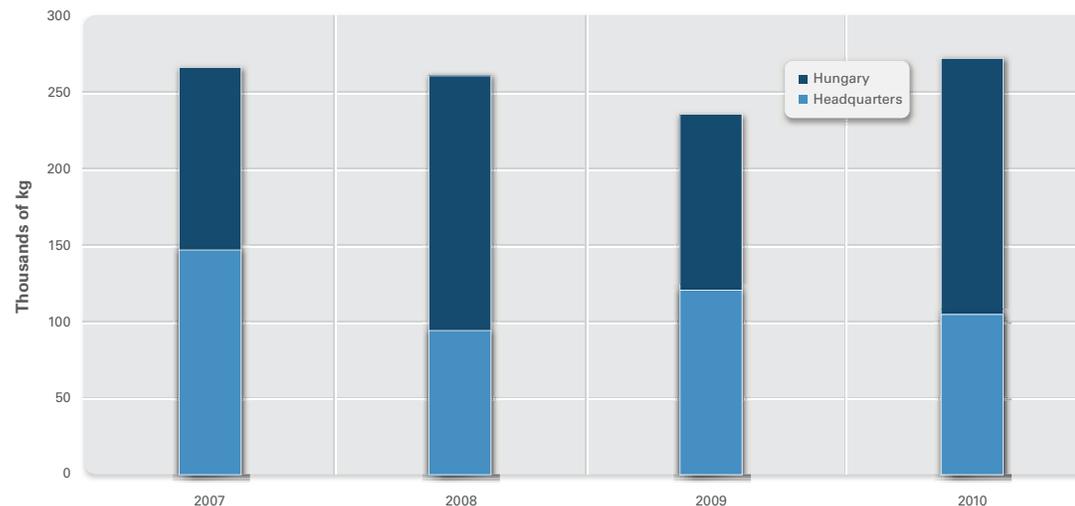


*Trash estimates are calculated based on the size of the containers and how often they are emptied.

Estimated Trash Sent to Landfills (kg)

Campus	2007	2008	2009	2010
Headquarters	564,467	361,197	170,580	162,036
Per employee	259	176	74	62
Hungary	83,540	107,140	81,200	81,700
Per employee	103	104	87	83

Nonhazardous Waste Recycled



Nonhazardous Waste Recycled (kg)

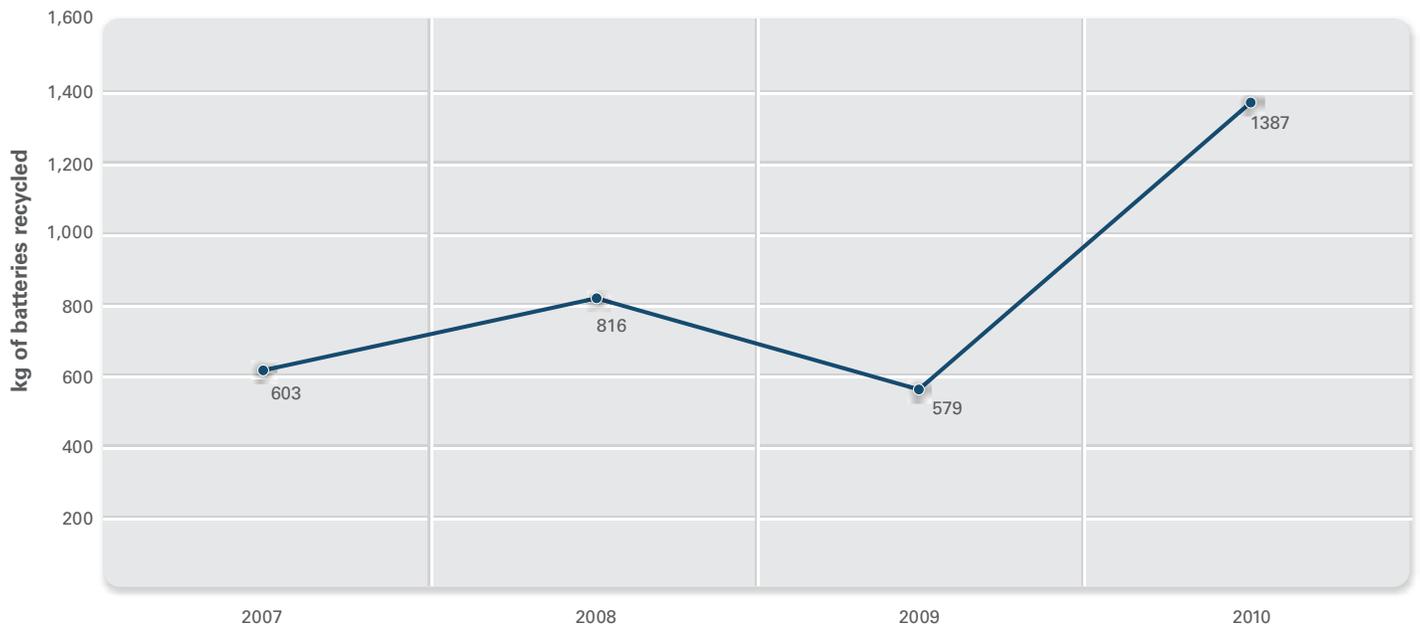
Campus	2007	2008	2009	2010
Headquarters	147,178	95,568	121,404	162,036
Per employee	68	42	53	62
Hungary	119,089	166,277	115,036	81,700
Per employee	146	161	124	83



EMPLOYEE PROFILE: RICHARD MCDONELL

When NI technical marketing director Richard McDonnell moved with his family to a home outside of the City of Austin, he had to come up with a new way to recycle the plastics, aluminum, and other items that the city had always picked up from his house. Initially after the move, he would gather all the recyclables and bring them to the downtown Austin recycling center about once per month. Still, it was tedious, so Richard came up with another solution. He approached the NI facilities team to see if they could provide a place for employees in his situation to drop off their recyclables. Turns out it was just a matter of adding another bin to the area where NI places its recyclables. Now, employees like Richard can avoid a trip downtown. "It bothers me to just throw away things that can be recycled," he says.

Batteries Recycled



Batteries Recycled (kg)

Campus	2007	2008	2009	2010
Headquarters	603	816	579	1,387
Per employee	0.23	0.31	0.22	0.53

Employees Driving Change

While National Instruments makes many efforts to minimize environmental impact, countless projects are driven by individual employees or small groups of employees within the company. Employee-driven efforts in 2010 included establishing an on-site location for employees to pick up fresh produce from a local farm, working with the local transportation authority to make it easier for employees to take public transportation to work, and hosting "Green Bag Lunches" to educate employees about environmental topics. Behind each one of these accomplishments and goals is an individual who took the initiative to ask questions and make changes.



2010 HIGHLIGHTS

- Changed all eligible printers to default to double-sided printing at headquarters
- Implemented a community garden site at headquarters
- Established a connector bus route in conjunction with the local transportation authority to serve headquarters employees using commuter rail

2010 CHALLENGES

- Changing printers to double-sided printing only affected new computer configurations at NI headquarters

2011 COMMITMENTS

- Investigate ways to increase employee ridership of commuter rail
- Evaluate electronic waste to be reused in conjunction with Goodwill recycling program



“My favorite part about participating in the Green Smackdown was going over the top with the greenness...I cuddled with my dog at night to stay warm because we didn't use any heating or electricity.”

—Douglas Farrell, Product Marketing Engineer and Member of Waterloo Labs

NI Green Team

The National Instruments Green Team is an all-volunteer internal organization at NI corporate headquarters working to reduce the ecological footprint of NI and its employees. The fast-growing team, established in 2008, worked on many projects in 2010 that help NI in its commitment to be a responsible citizen to the global community. Several of these projects are highlighted here.



Green Smackdown

The second annual Green Smackdown competition was held between two teams of employees who measured their carbon footprints and pledged to make changes for one week to reduce their footprint. The contenders, Waterloo Labs (a group of recent college graduates) and the Quarter Century Club (a group of NI employees who have been with the company for at least 25 years), recruited teams of followers to join in and cut their own footprints for a week.

The contenders documented their journey using Facebook, Twitter, and blog posts, fostering excitement and a sense of community around trying to reduce carbon footprint. The teams recruited more than 130 people to join them, including two NI

vice presidents, Victor Mieres and Pete Zogas. Each person reviewed a list of possible changes they could make to cut their footprint and pledged to make a change for one week, ranging from eating local food from the farmers market to adjusting their thermostat by just one degree.

By the end of the week, the two teams alone made enough changes to cut their carbon footprint by 54 tons if they sustained their changes for the rest of the year. To put their impact in perspective, the average American's footprint is 27 tons.

NI Bus Route

Capital Metro, the Austin-area transportation authority, collaborated with the Green Team to create a connector bus route dedicated to NI employees and employees of a few other local businesses on the same route. The idea was to make it easier for employees to take advantage of the new MetroRail commuter train, whose closest station to headquarters is less than 2 mi away. The bus drops off just outside the main NI entrance.

Because the bus route and bus stop are relatively new, the Green Team is working on a promotional plan for 2011 to educate employees and encourage more participation. The team is also researching the feasibility of creating a pretax savings plan that employees can use to cover commuting costs.

On-Campus Community-Supported Agriculture Pickup Station

The Green Team worked with Johnson's Backyard Garden, a local, organic farm, located 5 miles from downtown Austin, to establish a community-supported agriculture (CSA) pickup station at NI corporate headquarters. When an employee subscribes to a farm's CSA, they pay a fee to receive regular boxes of goods, usually produced by the farm. The challenge is that subscribers usually must drive to the farm to pick up their box, and the farms aren't always conveniently located.

To make it easier for employees to take advantage of this CSA, NI worked with the farm to establish a pickup station at headquarters. Employees who subscribe can now pick up their produce each Thursday before leaving work.

On-Site Community Garden

In 2010, NI cleared a plot of land at headquarters for employees to use to grow organic produce. The garden was a result of a grassroots effort to give apartment-dwellers or others who had no land of their own a place to garden, and to give anyone interested the opportunity to learn about organic gardening and its nutritional and other health benefits.

The gardeners worked before and after hours to prepare the selected plot of land, removing weeds and grasses and creating raised beds to avoid planting directly in the hard, clay and limestone-filled ground. The garden was ready for planting in the spring of 2010.

Earth Week

The second-annual Earth Week at NI featured events including presentations, markets/fairs, and a nature hike led by an employee who is also a Master Naturalist. More than 320 employees attended the nine scheduled Earth Week events (60 percent more than in 2009), while many others participated in the "On Your Own Schedule" events. Other examples of Earth Week events include the following:

- Collection boxes in each lobby for batteries, cell phones, and e-waste to be recycled
- The kickoff of the Kill-a-Watt lending library, where employees can check out a device that helps them determine which of their electronics and appliances use the most energy
- Smart cars available for employees to test-drive

Employees at headquarters were not the only Earth Week participants. The NI Hungary branch office celebrated by planting flowers inside their building, and NI Canada participated in Toronto's 20-minute makeover, where they helped clean up the city's streets.



EMPLOYEE PROFILE: NORM KIRCHNER

When Norm Kirchner, an NI senior systems engineer, was asked by a friend to participate in the NI Green Smackdown, he enthusiastically accepted the invitation. Norm joined the Quarter Century Club, a group of NI employees who have been with the company at least 25 years, in their efforts to reduce their carbon footprints for a week (and make long-term sustainable changes).

He already eschewed the use of air conditioning in his apartment, which is no small matter considering that Austin summer temperatures regularly climb above 100 degrees. He began biking to work each day, even when late evenings meant he would be riding home in the dark. Because he didn't have a bike lock, he took the bike up to his desk at work. And because he was lowering his carbon footprint, he didn't use the elevator and hauled the bike up and down eight flights of stairs each day. "That was harder than the actual ride to work," he said. In the end, though, it was worth it. The Quarter Century Club reigned victorious, beating out competitor Waterloo Labs. "I'm proud to have been part of the winning team," said Norm.

Individual Efforts

The following are just three of the many stories of individual employee involvement that helped National Instruments with its environmental and sustainability efforts in 2010.

CASE STUDY

Organic Gardening at Work

Brittany Wilson, Corporate Content Specialist



Brittany initially joined the NI community garden effort in purely a support role after hearing a few apartment-dwelling coworkers talk about the long waitlists at community gardens around Austin. “I had no intention of doing any actual gardening based on a failed backyard experiment with a Topsy Turvy tomato planter,” she says.

However, after two months of helping to prepare the garden site, including manual labor such as transplanting native grasses and obliterating non-native invasive grasses from the garden site, she found herself extremely invested in the NI community garden endeavor and planted her first plot of summer vegetables and herbs.

She says that while she hasn’t seen any bumper crops or lowered her grocery bill, she’s more active and feels healthier because of the labor she puts into maintaining the garden.

“I’m excited to keep working in the garden because I know that as the collective knowledge of the NI gardeners increases, the community aspect and the output of the garden will really start to thrive,” says Brittany.

CASE STUDY

Educating Employees About Solar Panels

Rodger Schorr, Senior Software Engineer



Rodger Schorr had always thought that solar energy was too expensive for the average homeowner to consider. But after noticing the price go down, partially because of government tax breaks and utility company rebates, he decided to research the idea a bit further.

After several months of research, Rodger installed a solar panel system in his home. He thought a few of his fellow employees might want to learn from his experience, so he and Mike Jablin, another NI employee and solar panel user, decided to host a Green Bag Lunch session to share their knowledge. These regular sessions are held at corporate headquarters and cover a wide range of

topics about green living. All employees are invited to attend.

It turns out that more than a few employees were interested – 103 people attended the session, approximately triple the normal number of attendees for a lunchtime presentation event at headquarters. Following the session, Rodger created a website, agreentexas.net, to share more details about the research he conducted, frequently asked questions about solar panels, and information about his home system.

“I have come to discover that we can balance out the need to maintain a robust and growing economy and to take care of our planet,” says Rodger. “The key is investing in research to discover and build economical solutions, such as solar panels, that improve life and help care for the planet.”

CASE STUDY

Promoting Environmental Stewardship

Barry Dawson, NI Trade Compliance/Facilitation Analyst and Kevin Abrameit, NI Senior Program Manager



Keep Austin Beautiful (KAB) is a nonprofit organization in Austin, Texas, that provides resources and education to inspire people to clean, beautify, and protect the environment. The organization focuses on litter prevention, beautification, waste reduction, and resource conservation initiatives to ensure that Austin's beauty is maintained and preserved.

Barry Dawson, NI trade compliance/facilitation analyst, and Kevin Abrameit, NI senior program manager, serve on the KAB board of directors. They spend an average of five to 10 hours each month on various board responsibilities such as providing guidance on KAB projects, overseeing the organization's finances, and soliciting donations. As individuals passionate about KAB and its mission, they also participate in KAB cleanup projects such as the Annual Clean Sweep, Lake Travis Underwater Cleanup, and Lady Bird Lake Cleanup.

For Barry, being a KAB board member helps him feel more of a connection to his passion than what he would experience as an event volunteer. "As a board member, you have a direct impact on what the organization does and can see some of those ideas come to fruition," he says.

World-Class Community Engagement

National Instruments and its employees are passionate about serving the communities in which they work and live. At corporate headquarters and 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 STEM education through classroom mentorship, robotics competitions, and collaborations with nonprofits to inspire students toward greater achievement in technological proficiency.



In this section:

Mentoring Young Minds

In-Classroom Mentoring
After-School Mentoring and Robotics Competitions

Employee Philanthropy and Volunteerism

Employee Philanthropy
Employee Volunteerism
Board Membership

Corporate Philanthropy and Advocacy

Corporate Philanthropy
Corporate Advocacy

BY THE NUMBERS

2%

of corporate pretax profits donated

\$699,612

USD donated through the US employee giving campaign

10

countries where NI robotics mentors support students and teachers

Mentoring Young Minds

The world's most challenging issues, from providing access to clean water to advancing health informatics, will be addressed by tomorrow's engineers. STEM education is critical to ensure a robust network of technologically proficient talent in the future. National Instruments believes engaging young people with technology in a fun, hands-on way will inspire today's students to become tomorrow's innovators. To engage young minds, NI educational initiatives include a variety of K–12 programs that foster students' enthusiasm in technology and science and support STEM education in schools.

For detailed information on all NI academic programs, visit the [Improving the World Through Technical Literacy](#) section of this report.



2010 HIGHLIGHTS

- Recognized by Austin and Del Valle Independent School Districts for outstanding community efforts in Central Texas
- Deployed first LEGO Education WeDo™ training in Cambodia
- Collaborated with the Texas School for the Deaf to start a robotics program
- Started LEGO MINDSTORMS NXT mentor programs in areas served by NI Hungary and NI Malaysia

2010 CHALLENGES

- Employee robotics mentorship program did not meet growth or retention goals
- Mentoring activities completed by branch employees continue to be difficult to track

2011 COMMITMENTS

- Create additional training and resources for robotics mentors
- Retain at least 60% of robotics mentors at corporate headquarters
- Increase number of robotics mentors in underserved schools by 10%
- Expand robotics mentorship programs to five branch offices



“Hands-on learning is the way we need to get people interested in science and engineering. Rather than sticking their nose in a book, they get to apply the things [they have learned] and have great fun with it.”

—Dr. Alfred Gilman, Regental Professor at The University of Texas Southwestern Medical Center and 1994 Nobel Prize Winner in Physiology or Medicine

In-Classroom Mentoring

National Instruments employees around the world have a passion for introducing children to technology. Through mentoring, employees show children that science and technology are fun and teach children basic skills that could ultimately help them improve the world. NI collaborates with several successful nonprofit organizations that share this commitment to fostering children's enthusiasm for technology and science through mentoring and hands-on STEM education in schools.

LEGO MINDSTORMS NXT In-Classroom Mentoring

Through the LEGO MINDSTORMS NXT program, technically trained NI employees serve as engineering mentors to second-through eighth-grade students who are involved in basic LEGO robotics experimentation as part of their STEM coursework. NI employees spend an average of three hours a week during the school year engaging students' interest in the concepts of robotics technology and providing guidance in building and programming the LEGO MINDSTORMS NXT robot using NXT software, which is based on LabVIEW.

At NI corporate headquarters, employees spent an average of 10 percent more hours mentoring in classrooms in 2010. Nearly 7 percent of employees volunteered as mentors. In 2011, NI aims to focus on retaining more of its employee mentors at its corporate headquarters as well as increasing the number of mentors that work with underserved populations in Central Texas.

Mentoring Participation at Corporate Headquarters

	2007	2008	2009	2010
Number of Mentors	153	141	161	156
Hours Volunteered*	8,721	8,037	9,177	8,835
Mentors Retained (YOY)	62%	44%	52%	54%
Mentorship Growth (YOY)	53%	-7%	14%	11%

**This total is an estimate based on the number of mentors, the number of weeks volunteered during a typical academic year, and the number of hours that mentors typically volunteer per week.*

NI branch offices also are implementing in-classroom robotics mentoring programs in their regions. In 2010, 10 employees from NI Hungary and 15 employees from NI Malaysia mentored local students through the LEGO MINDSTORMS NXT program. Mentoring has proven to be popular among employees, with 25 percent of NI Malaysia employees currently serving as mentors while NI Hungary has a goal to double the amount of employees in their mentorship program in 2011.

To learn about how the technology NI develops helps empower future innovators, [visit the Empower the Innovators of Tomorrow section of this report.](#)

After-School Mentoring and Robotics Competitions

For National Instruments employees, science, technology, engineering, and math are not just job skills. These are life skills that impact the future of society. For this reason, NI employees share a passion for inspiring children of all ages to pursue science and engineering through fun, hands-on, project-based learning.

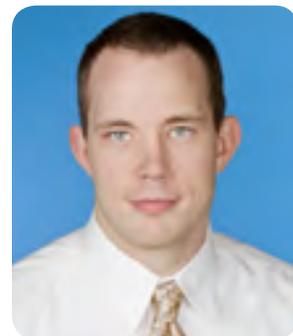
Robotics Competitions

Through its collaboration with *FIRST* and the LEGO Group, NI provides employees opportunities to volunteer in after-school robotics programs and competitions that engage students with fun, technology-centric activities. Hundreds of NI employees serve as team mentors, spending an average of five to 15 hours per week serving as technical consultants and helping students cultivate business skills such as presenting and fund raising. Many other employees volunteer as judges for the competitions.

In 2010, employees from NI headquarters, NI Belgium/Netherlands, NI China, NI Germany, NI Hungary, NI Malaysia, NI Mexico, and NI Singapore volunteered in *FIRST* after-school robotics programs and competitions. Below are the different, age-specific *FIRST* programs in which NI employees participate:

- **Elementary School** –The Jr. FLL is the first in a continuum of age-specific extracurricular programs designed to inspire children's interest in STEM concepts. NI employees volunteer with Jr. FLL to provide 6- to 9-year-old students with basic robotics-oriented instruction.
- **Middle School** – NI employees volunteer with the FLL after-school mentor program to work with 8- to 14-year-old students. By teaching students basic programming skills and helping troubleshoot their robotic creations, NI employee mentors encourage children to interact with technology.
- **Junior Varsity** –The FTC is a robotics contest geared toward 14- to 18-year-old junior-varsity students who are interested in designing, building, and programming robots for competition. NI volunteers teach students how to combine LEGO robotics with more technically advanced robotics systems for competition.
- **Varsity** –Through the FRC, which *FIRST* calls "varsity sports for the mind," teams of 14- to 18-year-old students and their mentors spend six weeks building robots from an unassembled kit of parts; programming those robots using LabVIEW software or other tools; and entering them in regional, statewide, and national competitions. NI volunteers serve as FRC mentors, competition judges, referees, and other event coordinators. NI also provides technology, such as LabVIEW and NI hardware devices, that FRC teams use to control their robots.

NI employees also provide their technical expertise to robotics competitions not associated with *FIRST*. Two examples are NI Germany's support of RoboCup, an international competition that promotes robotics and artificial intelligence research, and NI Switzerland's participation in EuroBot 2010, a three-day student competition that honors Europe's best robotics builders and programmers.



EMPLOYEE PROFILE JOE DAILY

Joe, an NI engineer, volunteers as the head robotics mentor for Eastside Memorial High School, an underserved school in Central Texas. In addition to mentoring students on robotics technology, he tutors them in math and science and helps them with their preparations for college. He also mentors students on how to stay focused on school and out of trouble. "Volunteering is important for the students as it gives them a role model," Joe says. "A lot of the students do not have good role models, making it easier for them to stray."

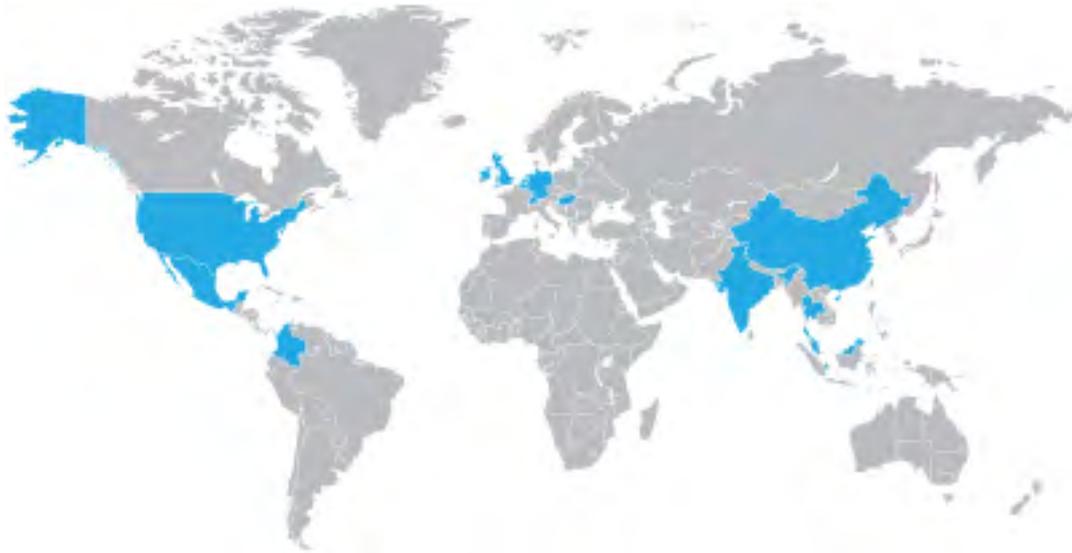
Other Hands-On Learning With Robotics

In addition to competitions, NI employees work with students and teachers to introduce them to the benefits of hands-on learning through robotics. Several NI headquarters employees volunteer at local schools to support robotics clubs, helping them build robots and learn essential technology skills that will help in their pursuit of STEM education. In other parts of the world, NI branches are hosting special events that give students an opportunity to interact with robotics. Examples include the following:

- NI Germany – hosted twenty-five 13- to 15-year-old girls at its Munich office to teach them how to program LEGO MINDSTORMS NXT robots
- NI Hungary – facilitated one-day LEGO MINDSTORMS NXT summit for teachers and mentors to share experiences, best practices, and lessons learned
- NI India – held an embedded system design contest in which 13 teams of college students from across India showcased systems they designed and built for mobile, networked, or stand-alone applications
- NI Mexico – delivered robotics workshops and participated in technology conferences that served more than 470 students in 2010

NI United Kingdom and Ireland – taught LEGO MINDSTORMS NXT programming at several local schools and events such as Engineer Your Future, an event that introduces 14- to 17-year-olds to technology

Robotics Mentoring Around the World



EMPLOYEE PROFILE CHENCHEN ZHOU

Chenchen, an NI China software engineer, volunteers at Livingston American School in Shanghai, where he provides technical support to students in the robotics club. In addition to training the students on how to use LabVIEW for their robotics applications, he helps them identify their interest areas and how they can use their passions to better the team. "It was an amazing experience to assist a team of young kids," Chenchen says. "They had inspirational ideas, the desire to gain knowledge, and celebrated any small progress on the project. I felt proud when they finally found their way and worked together as a team to accomplish the goals."

NI Office	Mentoring Activity
NI Belgium/Netherlands	Mentored <i>FIRST</i> team
NI China	Mentored <i>FIRST</i> team
NI Corporate Headquarters	Mentored <i>FIRST</i> teams and after-school robotics clubs
NI Germany	Mentored <i>FIRST</i> team, supported a robotics competition, and taught young girls robotics programming
NI Hungary	Mentored <i>FIRST</i> team and facilitated LEGO MINDSTORMS NXT summit for teachers and mentors
NI India	Hosted embedded system design contest to showcase college student teams' applications
NI Malaysia	Mentored <i>FIRST</i> team
NI Mexico	Mentored <i>FIRST</i> team and delivered robotics workshops
NI Singapore	Mentored <i>FIRST</i> team
NI Switzerland	Participated in robotics competition
NI Thailand	Served as technical judges for <i>FIRST</i> robotics competition
NI United Kingdom and Ireland	Taught robotics programming at local schools and events

CASE STUDY

Robotics Training in Cambodia



National Instruments is passionate about inspiring children to get excited about science and engineering. To achieve this, NI donates LEGO MINDSTORMS NXT robotics kits to classrooms around the world, and NI employees volunteer thousands of hours mentoring students on robotics technology.

In 2010, NI expanded its mentoring efforts to deploy its first LEGO Education WeDo training in an underdeveloped country. The company donated 10 LEGO Education WeDo kits to Protect the Earth Protect Yourself (PEPY), a non-governmental agency (NGO) in Cambodia that aids rural communities in improving their standards

of living, with a focus on increased access to quality education.

Nicole Richard, an NI software group manager, traveled to the village of Chanleas Dai, Siem Reap, in Cambodia to deliver the kits to a school run by PEPY. She spent two days training the teachers on how to use LEGO Education WeDo in the classroom, teach engineering concepts, and develop solutions to engineering problems. She then spent a third day introducing the LEGO Education WeDo kits to the students. Although the students had never seen LEGOs before, they quickly discovered how to build models, think critically about systems, and persevere through problems.

“It was amazing to see these kids go from never having seen LEGOs to building and programming their own designs in a matter of a few hours,” Richard said. “They were able to expand on simple concepts and build creations of their own with no guided instructions.”

PEPY hopes that through these engineering training initiatives, students and villagers can develop skills to solve problems locally and retain a sense of ownership over the solutions.

Employee Philanthropy and Volunteerism

National Instruments is committed to improving the communities in which its employees work and live. The company encourages employees to engage in community activities they care about and donate their time, talent, and resources to organizations dedicated to their passions. NI supports these efforts through its offices around the world with several ongoing initiatives to educate employees about community needs and volunteer opportunities. Around the world, NI employees use their innovative spirit to drive progress on community issues.



2010 HIGHLIGHTS

- More than half of headquarters employees donated through the NI GIVES fall giving campaign
- NI corporate headquarters employees volunteered 11,617 hours with nonprofit organizations
- Reported employee membership on boards of nonprofit organizations increased by 63%
- Seven branch offices have established formal employee volunteer programs

2010 CHALLENGES

- The matching gifts program is not available for headquarters employees who use payroll deduction
- Worldwide gift matching for employees is pending formal program development and implementation
- Branch offices do not have a system to promote and track volunteer activity

2011 COMMITMENTS

- Increase NI corporate headquarters employee volunteer hours by 30%
- Track and report NI branch philanthropic and volunteer activities
- Match gifts for employees at corporate headquarters who use payroll deduction
- Engage five existing branch office volunteer programs in using the NIVolunteer.com system



“Connecting to different issues with a multifaceted approach is the quickest way to see positive growth in our community. In manufacturing, giving back to our local community means monthly in-kind donation drives, quarterly paid volunteer time off, and supporting charities with financial gifts. I'm a big proponent of our employees giving back in ways that are most comfortable for them.”

—Rob Porterfield, NI Vice President of Manufacturing

Employee Philanthropy

National Instruments is proud of the individual impact employees make with their personal philanthropy. In 2010, NI employees donated a record amount of funds to their communities through the annual corporate giving campaign, which was an increase of 27 percent over the previous year.

NI GIVES Fall Giving Campaign and Matching Gifts

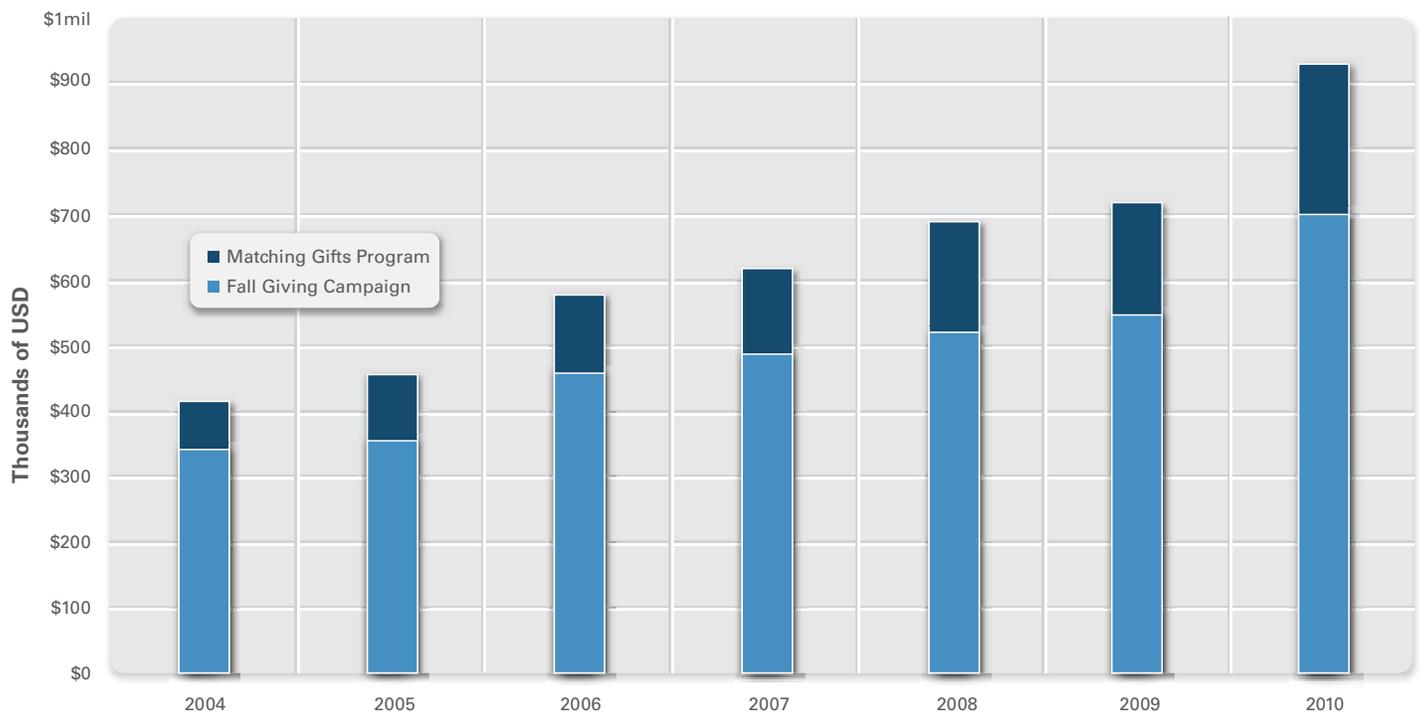
In 2010, NI held its 15th annual NI GIVES fall giving campaign, the internal giving campaign for US employees. NI employees have the opportunity to make donations through a variety of channels, including payroll deductions, check, or credit and debit card payments, making it easy for employees to donate to the charities of their choice.

Employee donations through this campaign in 2010 totaled more than \$699,600 USD, with an average of \$608 USD given per donor.

In addition to the annual fall giving campaign, throughout the year, US employees can request that NI match a donation they have given to a qualified nonprofit organization. NI matches an employee's donation of up to \$1,000 USD per year, increasing the impact of the employee's contribution on the community¹. In 2010, total employee donations through the matching gifts program exceeded \$221,000 USD, bringing the total donations for both the fall giving campaign and the matching gifts program to more than \$921,000 USD.

¹ After acquiring the operating assets of Measurement Computing Corporation, NI preserved the existing matching gift policy for that site and continues to match employee donations of up to \$2,000 USD per year.

NI Headquarters Employee Philanthropy



Employee Philanthropy (USD)

Program	2004	2005	2006	2007	2008	2009	2010
Fall Giving Campaign*	\$342,539	\$356,612	\$450,748	\$495,500	\$510,000	\$549,407	\$699,612
Matching Gifts	\$72,788	\$100,000	\$129,973	\$120,923	\$180,142	\$166,189	\$221,619
Total Donations	\$415,327	\$456,612	\$580,721	\$616,423	\$690,142	\$715,596	\$921,231

*The total amount donated through the fall giving campaign includes matching gifts requested during that time frame.

Although the NI GIVES fall giving campaign is a US-based effort, some NI branches have adopted the fundraising campaign to help facilitate employee giving. One example is with NI United Kingdom and Ireland, whose employees donated approximately £5,000 to their favorite charities in 2010. NI United Kingdom and Ireland also matches an employee's donation of up to £500 per year.

NI Leaders in Giving

NI Leaders in Giving are US-based employees who donate \$1,000 USD or more throughout the year to nonprofit organizations using NI giving tools. Each quarter, members of NI Leaders in Giving meet to network with other like-minded employees and learn about opportunities to give their time, talent, and resources to the community. In 2010, the program attracted 318 participants, representing approximately 12 percent of the US employee base.

NI Sharing Tree

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

2010 Accomplishments Through the NI Sharing Tree

	2007	2008	2009	2010
Children sponsored through Salvation Army Angel Tree program	233	205	184	206
Families sponsored through Communities in Schools and LifeWorks programs	15	14	10	8
Holiday cards for Meals on Wheels delivery to homebound elders	490	244	723	253 ¹
Shoes donated to underprivileged students through Shoes for Austin Holly Days program	71	40	38	64

¹ Meals on Wheels required less holiday cards than previous years.

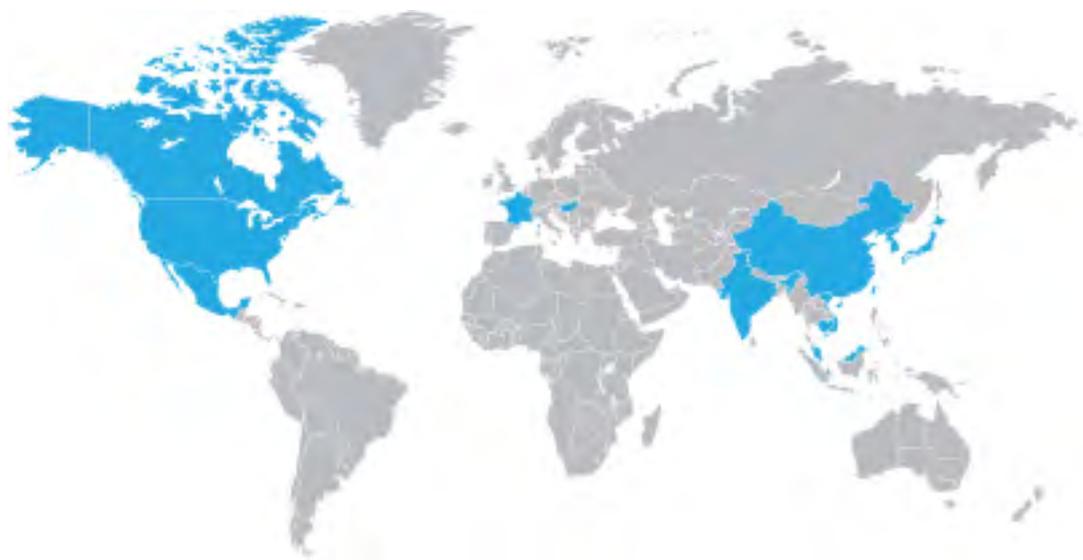
Global Giving for Disaster Relief in Haiti

NI employee philanthropy is not limited to the annual fall giving campaign. While NI provides an avenue for employees to donate to the causes they are passionate about, it is oftentimes the employees who drive philanthropic efforts. Additionally, employees not only get involved with initiatives that benefit the communities in which they live but they often extend their compassion to individuals outside of their country or region who are in need.

When a catastrophic earthquake hit Haiti in January 2010, NI employees around the world responded with significant financial contributions to aid relief efforts. NI corporate headquarters employees donated \$19,727 USD to the American Red Cross Haiti Relief & International Relief Fund while NI China employees raised approximately \$3,600 USD for the Red Cross Society of China and NI United Kingdom and Ireland employees donated approximately £2,000 for relief efforts. To support its employees and help those in need, NI matched the nearly \$20,000 USD contribution from headquarters employees and made a significant corporate donation to the Red Cross. In addition, the NI United Kingdom and Ireland branch office matched donations of up to £500 per employee to Haiti relief efforts.

Additionally, NI employees felt compelled to do more than just provide financial contributions. NI Netherlands donated hundreds of balsa wood toy planes in the hopes of bringing smiles to the faces of Haitian children. The branch also donated notebooks and pens to help efforts to rebuild schools. One employee from NI corporate headquarters felt so moved by the situation in Haiti that he traveled to the devastated country for a 10-day stay to help local rebuilding efforts.

NI Employee Philanthropy Efforts Around the World



EMPLOYEE PROFILE TONY AND DENISE IGLESIAS

Tony, an NI R&D senior software engineer, and Denise, an NI R&D section manager, had different views on philanthropy. Denise started participating in the NI GIVES campaign as a young engineer out of college, while Tony felt strongly about holding onto his money. It was not until he married Denise and found his passion for *FIRST* that Tony changed his mind about personal philanthropy. "I made it my goal to contribute enough money over a few years to my alma mater to at least cover one year of schooling for one student," Tony says. "Someone gave me that opportunity, and it only seemed right that I should create that opportunity for someone else." Now, Tony and Denise are dedicated philanthropists and served as the cochairs for the record-breaking 2010 NI GIVES fall giving campaign.

Below is a sample of the many ways NI employees are giving back to those less fortunate. *

NI Office	Mentoring Activity
NI ASEAN	Donated \$5,000 USD to Thai Red Cross for flood disaster relief
NI Canada	Raised CAD \$2,100 for the Heart and Stroke Foundation and for prostate cancer awareness
NI China	Contributed \$3,600 USD for Haiti earthquake relief efforts and \$5,600 USD to help people impacted by the earthquake that struck China's Qinghai Province
NI Corporate Headquarters	Donated \$699,600 USD to nonprofit organizations through the NI GIVES fall giving campaign and \$19,700 for Haiti earthquake relief efforts
NI France	Raised €3,100 to help Action Contre la Faim combat hunger in low-income countries
NI Hungary	Donated money to aid disaster relief efforts in Haiti and Hungary
NI India	Contributed INR 518,000 to provide scholarships to low-income students, INR 73,000 monthly to several welfare organizations such as Aspire Foundation and New Hope, and INR 35,000 to fund microbusinesses in rural areas
NI Japan	Raised funds for the UNICEF Foreign Coin Collection initiative to help children in Africa
NI Korea	Contributed \$800 USD per month to Save the Children, donated 5,000 coal briquettes to the poor, and raised \$2,000 USD for social welfare agencies
NI Mexico	Donated to several child welfare-related organizations
NI Thailand	Contributed \$5,000 USD to the Thai Red Cross to assist with flood relief efforts NI United Kingdom and Ireland
NI United Kingdom and Ireland	Raised £2,000 for Haiti earthquake relief efforts and £200 for cancer research through 5K Relay for Life

* All totals in this table are rounded to the nearest hundred.

CASE STUDY

Supporting *FIRST* LEGO League Back Home



When the coordinator of the FLL in Colombia made it known there were schools in the country that could not afford to participate in the robotics competition, a group of NI corporate headquarters employees from South America made a commitment to provide five LEGO MINDSTORMS NXT kits to support the schools.

The five employees – Aashish Mehta, Claudia Lorente, Patricia Villagomez, Daniel Domene, and Matt Komenan – took on the challenge of raising the money to purchase the robotics

kits because they wanted to support the educational prosperity of the region of their birth. Through their fundraising efforts, the employees secured monetary donations from 158 of their coworkers at NI headquarters and purchased six robotics kits – one more than their goal. Additionally, NI and the robotics kit distributor in Colombia were so impressed by the fundraising efforts that they provided an additional seven kits.

Because of the efforts of five NI employees, 13 LEGO MINDSTORMS NXT kits were donated to underprivileged schools in Colombia. Now, those schools have the chance to increase their competencies in science and technology and participate in the FLL competition.

Employee Volunteerism

Last year marked another record year for employee volunteerism at National Instruments corporate headquarters. More than 400 volunteers reported 11,617 hours of service to various nonprofit organizations, representing a nearly 14 percent increase in volunteer hours.

NI increases awareness of community needs through NIVolunteer.com, a website where employees can post and register for volunteer opportunities. The website also gives nonprofits the option to post opportunities for NI employees, a function that provides employees a greater variety and frequency of volunteering choices. Currently, NIVolunteer.com is available only to US employees, but NI is committed to expanding the website to at least five branch offices in 2011.

Spring Volunteer Campaign

In 2010, the third annual Spring Volunteer Campaign at NI corporate headquarters helped educate employees about ways to connect with local nonprofit organizations.

During the three-week campaign, more than 48 volunteer opportunities were available to NI employees. The campaign attracted 241 NI volunteers who gave a total of more than 920 hours of service back to the community through multiple projects hosted by several area nonprofits.

NI employees participated in the following Spring Volunteer Campaign activities this year in Austin, Texas:

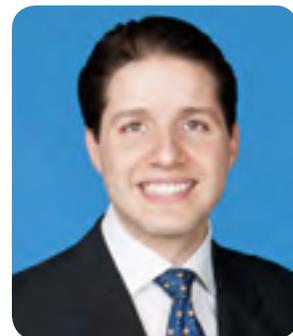
- Creating meals for families staying at the Ronald McDonald House
- Participating in a Habitat for Humanity deconstruction
- Sorting and distributing food for the Capital Area Food Bank
- Cleaning up creeks and other public spaces for Keep Austin Beautiful

NI Leaders in Service

The NI Leaders in Service program recognizes NI employees at corporate headquarters who volunteer more than 55 hours of their time to the community during the year. NI Leaders in Service members receive a certificate of appreciation signed by members of NI leadership and can participate in quarterly networking events. In 2010, NI recognized 54 individuals as NI Leaders in Service, a 35 percent increase from the previous year.

Community Relations Department Driver Team

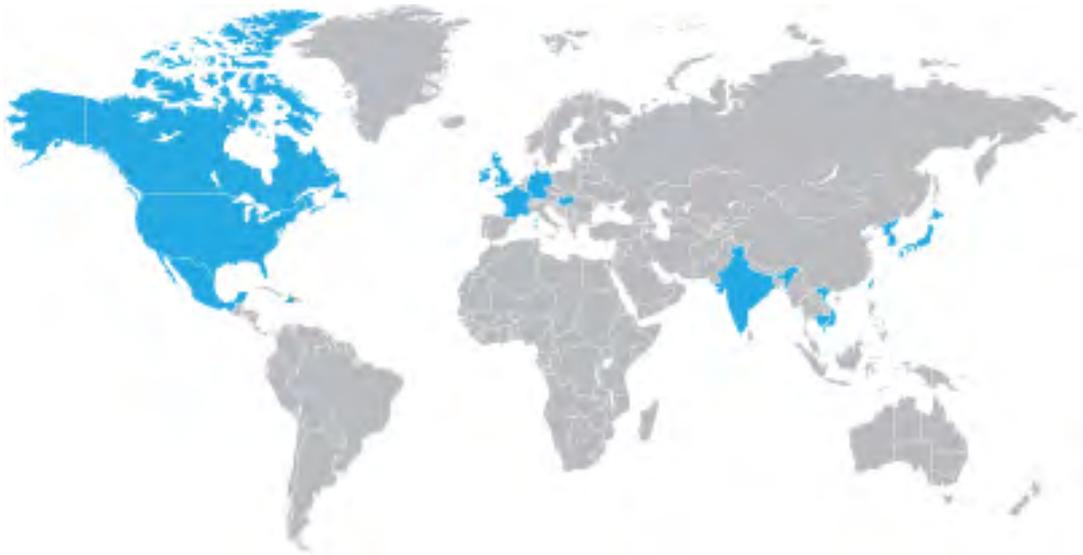
One key to the tremendous success of NI employee engagement in the community is the Community Relations Department Driver Team. This unique team includes volunteers from each of the major departments at NI corporate headquarters who are responsible for executing community engagement campaigns and strategy throughout the year. In 2010, 56 active department drivers inspired employees to engage in personal philanthropy and volunteerism. Additionally, NI is committed to expanding the Community Relations Department Driver Team initiative to the branch offices in 2011.



EMPLOYEE PROFILE: SANTIAGO DELGADO

Santiago, an NI senior product manager, volunteers with the Workers Defense Project, an organization that empowers low-income workers to achieve fair employment through education, direct services, organizing, and strategic partnerships. In addition to providing general assistance as, what he calls, a “Swiss-army-knife volunteer,” he helped create and deliver a training class for Hispanic small-business owners on improving business practices and becoming more responsible employers. As a Colombian, he originally chose to volunteer with this organization as a way to give back to other Latin American immigrants but has continued because of the positive effect he was having on others. “Volunteering is important because it helps combine people’s passions and strengths with other’s challenges and needs,” Santiago says.

NI Employee Volunteer Efforts Around the World



Below is a sample of the many ways NI employees are volunteering their time to improve the communities in which they work and live:

NI Office	Mentoring Activity
NI Canada	Employees participated in the 20-Minute Toronto Makeover, cleaning up trash in the local community, and delivered hot lunches to the homeless as part of the annual Pay It Forward initiative
NI Corporate Headquarters	More than 100 employees participated in the MS-150, a two-day bike ride from Houston to Austin, Texas, that raises money for the National Multiple Sclerosis Society
NI France	14 employees ran in a humanitarian race and raised more than \$4,000 USD for a nonprofit organization that helps combat hunger in low-income countries
NI Germany	Two female software developers hosted eight high school girls at the Aachen office and gave them an introduction to engineering
NI Hungary	Employees volunteered for projects ranging from visiting refugees at a camp in Debrecen to teaching classes at local high schools and universities to give students insight into real-world business skills
NI India	Employees conducted computer training classes for an organization for the mentally challenged and organized events such as blood drives to raise money for charity
NI Japan	Employees adopted a street near their office, working one day a month to pick up trash from the street, and planted flowers in a community garden to help beautify their neighborhood
NI Korea	Employees volunteer once a month at a community for the disabled to cook and socialize with the residents
NI Mexico	Employees organized a toy drive to help bring smiles to low-income kids
NI Taiwan	Employees helped families and children in need with activities such as rebuilding two houses and escorting kids in protective care to a theme park
NI United Kingdom and Ireland	Employees took part in several events such as the 5K Relay for Life, Alps Cycling Challenge, London Marathon, Edinburgh Moon Walk, Reading Half Marathon, Children in Need, and The Newbury Santa Jog to raise awareness and money for charity



EMPLOYEE PROFILE: KHOATO

Khoa, an NI staff software engineer, volunteers for Hope for Viet Orphans, a collaborative effort with VNHelp that aims to provide long-term financial support to orphanages in Vietnam. In addition to providing for the orphans' daily needs, the project provides vocational training and grants for higher education so the orphans can become self-reliant. "The children that get help today could be the ones that grow up to make a significant impact in the future," said Khoa. "To me, helping children is not only about making their lives a bit better today but also about making a better tomorrow."

CASE STUDY

Advocating for a Child's Welfare



Maria Adame, NI regional marketing communications manager, was looking for volunteer work that gave her the opportunity to really make a difference. She discovered CASA (Court Appointed Special Advocates), a nonprofit organization that promotes and protects the best interest of children who have been abused or neglected. CASA is the only nonprofit organization with volunteers sworn in by a judge to make recommendations to the court on a child's behalf.

After completing 30 hours of intensive training, Maria became a court appointed volunteer for CASA. She is responsible for monitoring each child's educational, therapeutic, legal, and medical progress as well as their placement into new homes. She is often the only guiding presence involved from beginning to end during a child's case. On average, Maria volunteers 20 hours a month to the service of one child or sibling group for a minimum of one year.

"Volunteering for CASA has been the most rewarding volunteer experience for me," Maria says. "Every time CASA calls me about taking on a new case, I can't say no! I know that there is a need, and CASA would not call unless they needed help advocating for a child in my community."

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.

In 2010, National Instruments had 49 headquarters employees volunteering their service to the board of directors for nonprofit organizations. There were 19 new board memberships reported in 2010, the most reported in a single year in NI history. The variety of nonprofits these board members serve illustrates the wide impact NI employees have on the global community. The nonprofit boards served by NI employees range from American YouthWorks and Bikers Against Child Abuse to Poverty Stops Here.

Board Member Development at NI

With the increase of employee board members, NI has developed an informal program at corporate headquarters to help provide the skill set necessary to deliver oversight and guidance to a nonprofit organization. NI employees serving on nonprofit boards meet quarterly to network, discuss challenges, and share best practices about their experiences.

Leadership Austin

One way NI supports employee board members is through its sponsorship of Leadership Austin, which offers programming that serves the broad continuum of experience and interests at every stage in an individual's career. NI assists Leadership Austin by providing on-campus hosting services to the organization so it can effectively carry out its programs for many people at one time.

Greenlights for Nonprofit Success

NI also develops employee board members by paying for their attendance to events hosted by Greenlights for Nonprofit Success, an organization that aims to strengthen nonprofit excellence by providing free or low-cost services and resources. Interested employees have participated in the annual Greenlights Board Summit to find opportunities to serve on boards or the Board Essentials workshops to learn key skills such as financial management, policymaking, and fundraising.



EMPLOYEE PROFILE: JEFF MEISEL

Jeff, an NI senior product marketing manager, serves on the board of directors for Poverty Stops Here (PSH), a nonprofit organization founded by NI Field Sales Engineer Efosa Ojomo. PSH focuses on combating extreme poverty in Nigeria through water/sanitation projects and microlending to support economic development. As a board member, Jeff works on a variety of tasks such as overseeing day-to-day operations, forming partnerships with Nigerian organizations to help implement projects, and building awareness about PSH. Although he had no prior board experience, Jeff's leadership and the contributions of supporters have grown PSH from a small pilot project to an organization sponsoring five villages in Nigeria.

Corporate Philanthropy and Advocacy

National Instruments is committed to improving the education, health, and well-being of the people in communities where NI employees work and live. NI collaborates with nonprofit organizations to deliver positive change and helps employees learn about these organizations so they can support community growth and development through volunteering and financial assistance. NI also works with government agencies to advocate for the advancement of STEM education and hands-on learning in schools. In addition, the company makes corporate donations, contributions through the NI Foundation, and in-kind gifts.



2010 HIGHLIGHTS

- NI founders honored with the Woodrow Wilson Award for Corporate Citizenship
- 2% of pretax profits donated to nonprofits

2010 CHALLENGES

- Unable to support many other worthy organizations in addition to the ones already supported by NI
- NI Matching Gifts program is not available to headquarters employees who use payroll deduction
- NI Matching Gifts program is not fully supported by all branches

2011 COMMITMENTS

- Maintain commitment of donating at least 1% of pretax profits
- Dedicate 70% of corporate philanthropy to STEM-related efforts
- Implement additional global tracking of branch outreach initiatives



“Exposing young Texans to science, technology, engineering, and math and continuing to emphasize these core subjects in our schools will help accelerate the pace of our high-tech education in Texas – an investment that will strengthen our state's future workforce.”

–Rick Perry, Texas Governor

Corporate Philanthropy

National Instruments collaborates with numerous nonprofit organizations through volunteer initiatives and monetary donations to ensure thriving communities. The majority of spending is focused on STEM education initiatives. The remaining portion of NI corporate philanthropy is directed toward broader initiatives such as meeting the basic needs of the less fortunate, improving the environment, and supporting the arts.

NI corporate headquarters has an employee-based funding advisory council that helps maintain transparency in all philanthropic efforts and works to ensure that at least 1 percent of NI pretax profits are donated to the most worthy causes. In 2010, NI donated 2 percent of pretax profits. Refer to the NI corporate giving guidelines for information about the grant request process. The following sections detail the collaborative efforts NI corporate headquarters participated in during 2010.

Education

Austin Pre-freshman Engineering Program: The Austin Pre-freshman Engineering Program (AusPrEP) at Huston-Tillotson University helps prepare high-achieving middle and high school students for college engineering and science studies. The AusPrEP program has provided more than 600 minority and underserved students with an eight-week summer camp focused on enhancing math, computer science, logic, and problem-solving skills. With in-kind donations from NI, AusPrEP integrated robotics into their summer curriculum.

Breakthrough Austin: Breakthrough Austin provides a path to college for low-income students who will be first-generation college graduates. With the help of NI donations, the program admits students as sixth graders and makes a six-year commitment to help them graduate from high school and enter college.

Girlstart: Girlstart provides hands-on learning to empower young girls in STEM education. The organization's unique programs include nationally recognized Saturday workshops, summer camps, and after-school programs to engage girls in STEM activities and to introduce them to female role models, including NI engineers. In 2010, NI Vice President of Global Information Technology Arleene Porterfield joined the Girlstart Board of Directors.

Basic Needs

Capital Area Food Bank: The Capital Area Food Bank provides food and groceries to hungry children and adults in Central Texas. The NI collaboration with the food bank includes regular volunteer opportunities during which employees sort and process thousands of pounds of food each visit. In 2010, NI employees volunteered nearly 300 hours at the food bank.

Shoes for Austin: NI has contributed to Shoes for Austin for many years to support its mission of motivating children to achieve physical fitness goals by providing an incentive of new athletic shoes. In 2010, NI employees at corporate headquarters bought 64 pairs of shoes as holiday gifts for underprivileged students.

United Way Capital Area: The company's 15-year relationship with the United Way Capital Area has been a consistent collaboration that supports the nonprofit organization's strong emphasis on education, health, and financial stability. The United Way is the top nonprofit to which NI employees donate, both by number of employees and amount donated.

Arts and the Environment

Austin Children's Museum: Austin Children's Museum cultivates a community of children that embraces learning, knowledge, and questions. NI and the museum collaborate by engaging employees in volunteer opportunities, company-wide visits, and special museum exhibits that feature NI products and teach engineering concepts to a young audience. In 2010, NI Vice President of Sales and Marketing for the Americas John Graff served as the immediate past president and secretary.

Keep Austin Beautiful: Keep Austin Beautiful (KAB) inspires and educates the community on greater environmental stewardship. The organization's goal is to clean and beautify the Central Texas environment through physical improvements and hands-on education. In 2010, NI continued its KAB Adopt-a-Street responsibility with its adoption of a road portion near an Austin elementary school. Additionally, two NI employees served on the KAB board in 2010.

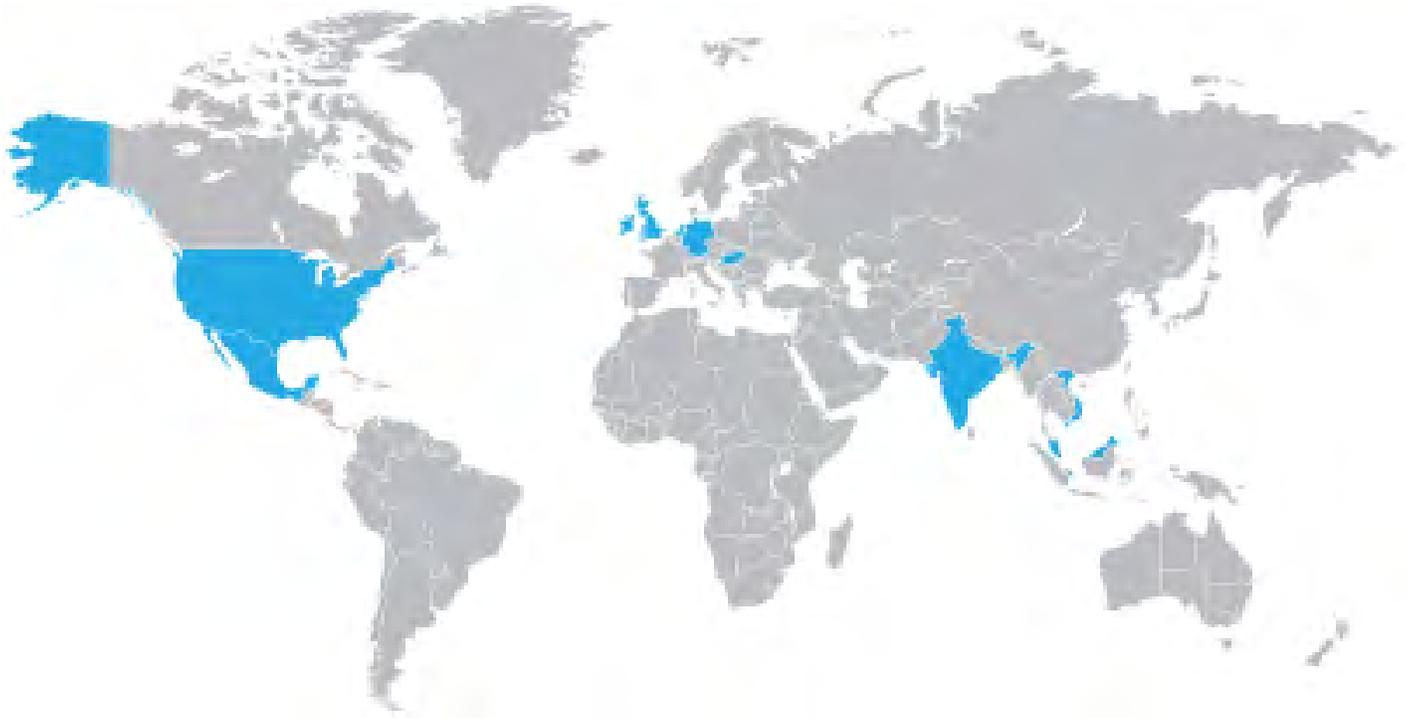
Texas Performing Arts: The NI collaboration with the Texas Performing Arts (TPA) Center strengthens the company's relationship with The University of Texas at Austin and supports the arts. By sponsoring the TPA Pop Ed 101 educational outreach program, NI helps support the education of underprivileged students about the value of music.

Additional Philanthropic Efforts

Sometimes the greatest need for corporate philanthropy comes from unforeseen events. When a catastrophic earthquake hit Haiti in January 2010, NI and its employees organized fundraising initiatives to support relief efforts. NI corporate headquarters made a significant donation to the Red Cross and, along with select branch offices, matched employee donations of more than \$20,000 USD to help support the basic needs of Haitians in crisis.

In addition, not all corporate philanthropy is driven by NI headquarters. Often times, NI branch offices will donate money and resources to worthy causes in their regions. Last year, for example, NI Singapore donated more than \$7,000 USD to a nonprofit organization that trains youth in science and technology skills; NI Hungary provided funding for three students to pursue degrees in engineering; and NI Vietnam donated \$10,000 USD to the Sunflower Mission, a nonprofit organization that delivers education assistance programs. NI Germany opened a training center in their Munich office specifically for training K-12 teachers on STEM subjects while NI Malaysia contributed \$1,600 USD to sponsor a robotics team. Other branches, such as NI Hungary, NI Malaysia, NI Mexico, and NI United Kingdom and Ireland, donated NI products and other technology including LEGO MINDSTORMS NXT robotics kits to nonprofit organizations.

Corporate Philanthropy Efforts Around the World



CASE STUDY

Helping Feed the Hungry



The Capital Area Food Bank of Texas (CAFB) plays an important role in combating hunger in Central Texas. According to the most recent census data, one in six Texans has difficulty meeting basic nutritional needs, so CAFB works with more than 355 partner agencies to provide healthy food, nutritional program assistance, and education to those in need. Last year, CAFB distributed more than 25 million pounds of food to 300,000 people.

National Instruments has been a long-time supporter of CAFB because the company believes the nonprofit organization meets a critical community need. Additionally, NI supports nonprofit organizations its employees are passionate about, and the CAFB ranks as NI headquarters employees' number one choice for volunteering and number two choice for employee donations.

To help maximize the impact of the CAFB in the community, NI significantly increased its corporate donation to the nonprofit organization in 2010 and has committed to increase its contribution even more in 2011. NI also has initiated a commitment of providing volunteers to serve each week in 2011 at the food bank's newest location in the St. John's neighborhood in Austin, Texas. In addition, NI provides leadership and guidance to the CAFB through the inclusion of Heidi Baschnagel, NI director of marketing communications for the Americas, on the food bank's board of directors. By supporting CAFB in these ways, NI believes it can help ensure that no one in Central Texas goes hungry.

Education Initiatives

As a worldwide technology leader, National Instruments is inspiring the next generation of innovators through STEM education, from grade school through graduate school. NI contributes through key programs and collaborations, product development, and donations as well as by engaging students through mentoring.

Today's efforts help ensure a strong network of technically proficient talent for addressing tomorrow's problems through scientific and technological innovation. The following sections summarize the major K-12 and university initiatives to which NI contributes.

K-12 STEM Initiatives

FIRST

FIRST and NI collaborate to inspire students to build their science, engineering, and technology skills. NI participates in the following *FIRST* programs.

***FIRST* Robotics Competition**

The FRC is a unique varsity sport of the mind designed to help high school students discover how interesting and rewarding the life of an engineer or researcher can be. It challenges teams of young people and their mentors to solve a common problem in six weeks using a standard kit of parts and a shared set of rules. Teams build robots from the parts, program them with LabVIEW software or other tools, and enter them in regional and statewide competitions.

Additionally, the *FIRST* Robotics Community provides an online forum for discussing all things related to *FIRST*, robotics, and the many ways in which NI contributes to the FRC.

***FIRST* Tech Challenge**

The FTC is a mid-level robotics competition for high school students. It offers the traditional challenge of the FRC but with a smaller and more affordable robotics kit. The FTC robot can also be programmed with LabVIEW or NXT-G software.

The ultimate goal of FTC is to reach more young people through an accessible opportunity to discover the excitement and rewards of science, technology, engineering, and math.

***FIRST* LEGO League**

FLL is a global program created to get children excited about science and technology. Geared for students aged 9-14 (up to 16 outside of the United States and Canada), FLL uses theme-based challenges to engage students in research, problem solving, and engineering. The cornerstones of the program emphasize contributions of others, friendly sportsmanship, learning, and community involvement.

The program uses the LEGO MINDSTORMS NXT robotics system, which is powered by LabVIEW. At the end of each school semester, teams of students gather and put their robots to the test in FLL tournaments. NI contributes to FLL in a variety of ways, including supplying LabVIEW technology, providing volunteers at events, and contributing in other collaborative efforts.

Junior *FIRST* LEGO League

The Jr. FLL is an exciting opportunity for budding scientists who are six to nine years old. It encompasses the core concepts of all *FIRST* programs to inspire, excite, and introduce children to the wonders of science, technology, and engineering. The Jr. FLL goal is to provide an experience that captures children's inherent curiosity and creativity and directs it toward discovering the possibilities of improving the world through understanding, planning, and technology.

LEGO MINDSTORMS NXT In-Classroom Mentoring

LEGO MINDSTORMS is a leading hands-on robotics learning system that educators worldwide use to introduce STEM concepts in a fun and innovative way.

Design Technology Engineering for All Children

The LEGO MINDSTORMS NXT mentor program matches technically trained engineering mentors with second- through eighth-grade teachers who seek to enhance their STEM curriculum. All teachers in the program receive training from Design Technology Engineering for All Children (DTEACH), a program established by the Cockrell School of Engineering at The University of Texas at Austin that provides a teaching model for classrooms from kindergarten through graduate school. Teachers follow the DTEACH curriculum to direct the students' work while mentors provide the guidance students need to build and program within the NXT environment.

Project LeadThe Way

NI believes that project-based learning is key to addressing disconnects between classroom theory and real-world practice, and Project LeadThe Way, Inc. (PLTW) is a leader in expanding the adoption of STEM-related, project-based learning.

NI serves as an advocate and technology provider for PLTW, a national program that forms partnerships among public schools, higher education institutions, and the private sector to increase the quantity and quality of graduating engineers and engineering technologists.

In addition to providing LabVIEW for the core of all PLTW programs, NI collaborates closely with PLTW to provide communities with thought leadership to enhance existing educational initiatives.

The Infinity Project

NI is a dedicated corporate provider for The Infinity Project, which delivers national middle school, high school, and early college engineering curriculums. This math- and science-based engineering and technology education initiative helps educators deliver a maximum of engineering exposure with a minimum of training, expense, and time.

NI provides a variety of services to The Infinity Project, including advocacy efforts, knowledge sharing, and the supply of leading-edge technology for improving STEM education.

University Initiatives

ASEE

NI is a premier corporate member of the American Society for Engineering Education (ASEE). Founded in 1893, the ASEE is a nonprofit organization of individuals and institutions committed to furthering education in engineering and engineering technology. The 12,000+ members of ASEE include government representatives, industry professionals from all disciplines of engineering, and university students, faculty members, department heads, and deans.

EcoCAR Challenge

NI is a platinum sponsor for EcoCAR: The NeXt Challenge, which is a three-year collegiate advanced vehicle technology engineering competition established by the United States Department of Energy (DOE) and General Motors (GM). The competition challenges 17 North American universities to reduce a vehicle's environmental impact by minimizing its fuel consumption and reducing its emissions while retaining performance, safety, and consumer appeal. Students use a real-world engineering process to design and integrate their advanced technology solutions into a 2009 Saturn VUE vehicle.

In 2009, as a platinum sponsor, NI donated engineering hardware and software – including LabVIEW, CompactRIO in-vehicle embedded control systems, and PXI modular simulation systems – to student teams. With these tools, teams design, prototype, and deploy their vehicles and tackle the unique algorithm engineering challenges associated with developing advanced hybrid vehicles.

EPICS

NI is a national sponsor for Engineering Projects in Community Service (EPICS), providing support for furthering the experience of engineering students. EPICS was founded at Purdue University in 1995. Program creators combined university student work with the needs of local community service organizations in a way that could benefit all involved. Teams that comprise multiyear, multidisciplinary students enter their communities and solve engineering and technology-based problems for various organizations.

LabVIEW Academy

The LabVIEW Academy program provides classroom curriculum and hands-on exercises to community colleges, two-year colleges, and four-year universities, giving students the opportunity to validate their knowledge and skills at a professional level with certification. After completing the program, students have the knowledge and tools to confidently attempt the Certified LabVIEW Associate Developer (CLAD) exam. The program's goal is to improve students' career opportunities around the world by providing experience and certification in LabVIEW.

CASE STUDY

Expanding STEM Education for Underserved Populations



Del Valle Independent School District (DVISD) in Travis County, Texas teaches a large portion of the county's underserved students, with 81 percent of the students considered economically disadvantaged and 63 percent determined to be "at risk" for academic failure. The district historically had limited resources to provide learning opportunities beyond the core curriculum, so students had little access to enhanced STEM education.

Through the aid of several grants, DVISD invested in STEM education for their students by adding new robotics programs at the elementary and middle school grade levels. In 2010, National Instruments and The University of Texas' DTEACH program partnered with the district to ensure the success of the robotics programs. DTEACH provided the teachers with formal training and support for the district's *FIRST* Lego League team, and NI contributed LEGO MINDSTORMS NXT kits and NI mentors who are working with students participating in the programs.

Dr. Richard Crawford of DTEACH believes the new robotics program will succeed because of the commitment of all involved. "DVISD is breaking new ground in educating America's youth for careers in science, technology, engineering, and mathematics," says Dr. Crawford. "Indeed, it takes scholars from across colleges and community business partners, and the willingness, dedication, and collaboration with DVISD students, teachers, administrators, and community members to work towards improving engineering education that truly goes beyond blackboards."



Giving Guidelines

National Instruments engages in strategic, consistent collaborations with community organizations to help affect positive change in the global community. Each year, NI contributes more than 1 percent of pretax profits to nonprofit organizations. The company also donates in-kind gifts such as software and hardware to nonprofit organizations.

Most giving is initiated through a once-a-year grant request application process that allows NI to focus its corporate philanthropy and maximize relationships with long-standing community nonprofit partners. Unsolicited proposals are seldom funded.

However, if your organization meets the eligibility and program guidelines and is focused

on one of the giving areas listed below, you can submit an application by no later than June 1.

To apply for funding from National Instruments, please complete the grant request application and submit it by e-mail to Community.Connections@ni.com.

Giving Focus Areas

K-12 Education

- Increasing student interest and achievement in STEM
- Advancing academic excellence in science, engineering, and business
- Increasing participation and retention of underserved students in these disciplines

Health and Human Services

Providing basic needs, humanitarian aid, and disaster relief

Arts and Culture

Enhancing the quality of cultural life through education and community outreach programs

Organizations Not Eligible for Support

- Individuals
- For-profit organizations
- Disease-related organizations
- Treatment centers or hospice programs
- Government agencies
- Individual K-12 schools
- Religious, fraternal, or social organizations
- Athletic institutions

NI strives to align company giving with the passions and interests of NI employees.

Corporate Advocacy

National Instruments established a government relations program at corporate headquarters to advocate for the advancement of STEM education and other efforts that help ensure the participation of today's students in tomorrow's innovations. By building relationships with government officials and agencies, NI is better equipped to fulfill its commitment to customers, shareholders, suppliers, and employees by advocating for policies that reflect NI core values.

Through NI advocacy efforts for STEM education, the state of Texas awarded a \$1 million USD grant to *FIRST* in Texas to help advance student proficiency in technology through involvement in robotics competitions.

Texas Robotics Grant Deliverables

	Grant Goal
Number of new teams	230
Number of participating students	2,900
Number of participating volunteers	300
Number of participating mentors	200
Number of new statewide or regional robotics competitions	13

Additionally, NI is a member of TechAmerica, a trade association representing nearly 1,200 companies from the high-tech industry. Through its membership with TechAmerica, NI provides input on a number of public policies ranging from STEM education to funding high-tech startups.

The NI government relations program remains focused on supporting government policies that help achieve business goals, promote growth, protect the interests of NI and its stakeholders, and make a positive impact on the communities in which NI operates.



EMPLOYEE PROFILE: RAY ALMGREN

Ray, NI vice president of marketing for core platforms, is one of the company's biggest advocates for advancing STEM education in classrooms around the world. Under his leadership, NI has developed strategic partnerships with LEGO and *FIRST* and provided millions of dollars worth of NI technology to tomorrow's scientists and engineers. Ray also has been instrumental in promoting the increase of hands-on learning in K-12 classrooms as well as in colleges and universities to better prepare students for STEM-related careers.



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