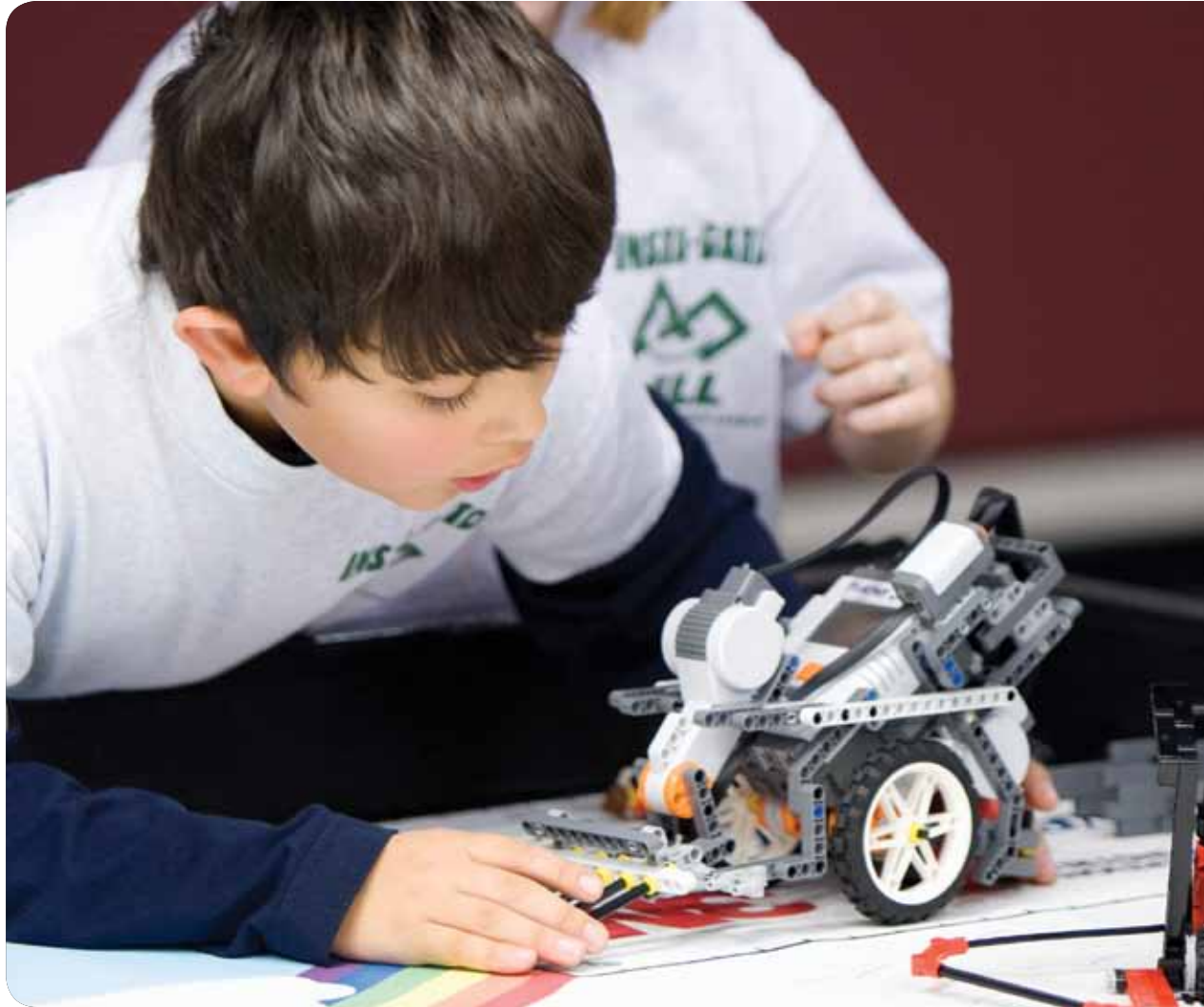
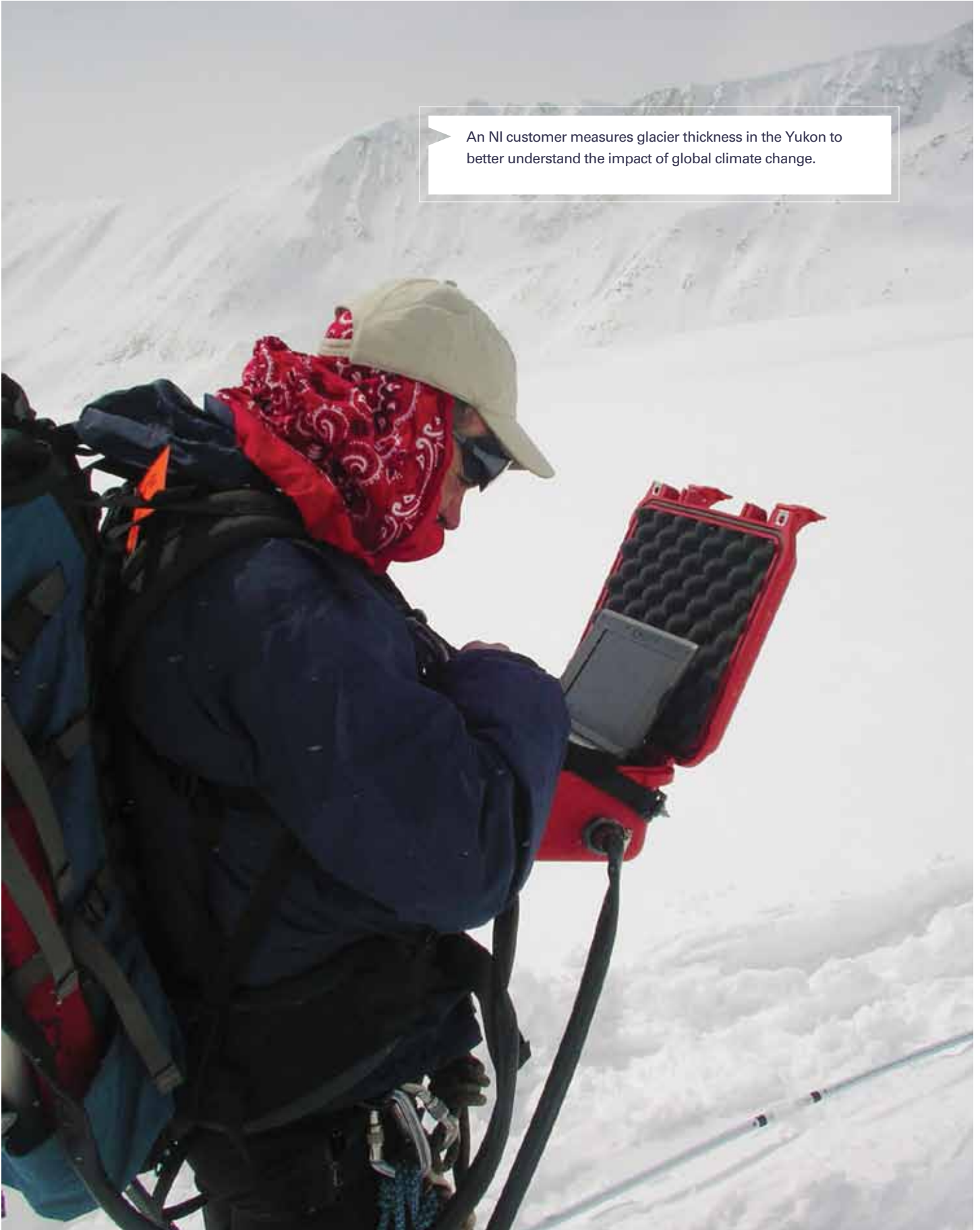


National Instruments

2009 Citizenship Summary



An NI customer measures glacier thickness in the Yukon to better understand the impact of global climate change.



NI Citizenship

National Instruments is committed to being a responsible corporate citizen to communities around the globe as well as its four key stakeholders: employees, customers, suppliers, and shareholders. NI consistently innovates to develop new products and services that empower engineers and scientists to improve the world by addressing some of the biggest challenges society faces. In addition, the company works to reduce the environmental footprint of its facilities and product life cycle. NI is proud of its long-standing corporate culture that encourages fun, innovation, and community involvement.

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 skills to improve the quality of life in the world.

Company Profile

NI transforms the way engineers and scientists around the world design, prototype, and deploy systems for test, control, and embedded design applications. Using open graphical programming software and modular hardware from NI, 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 improve the lives of millions of people around the globe – from building a semiautonomous vehicle the visually impaired can drive to creating breakthrough renewable energy technology.



NI citizenship efforts balance the needs of the company's four key stakeholders.

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

Manufacturing: more than 1,000 products

Employees: 5,000 worldwide

R&D Investment: 16% of revenue

Statement from the CEO



More than 30 years ago, I aspired to create a company to foster innovation in a fun and collaborative environment and to empower engineers and scientists to improve the world around us.

Today, I am proud to present this summary of our annual citizenship report, which demonstrates the many ways we are working to achieve the success of our key stakeholders. Our full 2009 report at ni.com/citizenship outlines our environmental, economic, and social performance as well as our commitments for the future.

As a leading technology company, we believe that helping to create a more technically literate society will have the greatest impact on improving the quality of life in our world. By engaging students with technology through mentorship in a fun, hands-on learning environment, we believe future generations will be inspired to solve the problems of tomorrow. To further our endeavor, we have aligned our efforts with leading organizations and programs such as LEGO® Education, *FIRST* (For Inspiration and Recognition of Science and Technology), and Project Lead The Way (PLTW), for which we have committed to provide products, people resources, and financial support. This responsibility we feel to the next generation and our commitment to transforming science, technology, engineering, and math (STEM) education are at the heart of our citizenship efforts and impact all of our stakeholders.

In addition, we seek to empower customers through our unique software-based approach. National Instruments provides products that companies use to dramatically lower the cost of test, control, and design applications while keeping up with the demands of constantly changing features and functionality. With NI products, engineers and scientists are developing innovative technologies that improve the lives of millions of people around the globe and ensure a sustainable future. In our full report online, you can read about many exciting advances such as Ford Motor Company's development of an electronic control unit (ECU) for an automotive fuel cell system; the Monterrey Institute of Technology's portable intelligent greenhouse for alternative cultivation methods; Siemens Wind Power developments to evolve the software used to control wind turbines; and the University of Leeds medical device that aids stroke patients with robot-assisted upper limb therapy.

Beyond our focus on educational outreach and customer success, we realize that being a good corporate citizen extends to how we operate our business. In 2009, we made progress toward minimizing the environmental footprint of our products, our operations, and our facilities. We reduced the physical size of product packaging, dramatically decreased waste sent to landfills, and conserved natural resources on our campuses. Prompted by the employee-led, grassroots NI Green Team, we have developed a plan to further decrease our energy usage in 2010. We look forward to working on this and other initiatives in the coming year.

Finally, we are extremely honored that, in a time when the U.S. went through the most challenging job climate in decades, *FORTUNE* magazine named NI to its 2010 “100 Best Companies to Work For” list for the 11th consecutive year. This landmark achievement illustrates the success of our 100-year plan for being a stable company that balances the long-term NI vision and culture with short-term goals.

Our desire to be a responsible corporate citizen doesn’t happen without the passion and dedication of all NI employees. I am proud of our company’s innovative spirit and collaborative environment that, in our locations around the world, inspire NI employees to help improve education, health, and well-being with their monetary donations, volunteer efforts, and enthusiasm to engage students in engineering and science. We move into the future with the confidence that our attention and commitment to our mission will serve our company and our stakeholders while helping us leave the world in better shape than we found it.



Dr. James Truchard

President, Chief Executive Officer, and Cofounder, National Instruments



The Great Place to Work Institute recognized six NI offices, including the corporate headquarters for the 11th consecutive year.



▶ NI maintains a fun and innovative corporate culture that attracts top talent from around the world.

People and Culture

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. 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.

"I congratulate National Instruments on making the FORTUNE 100 Best Companies to Work For list for 11 years in a row, and I am proud that Texas is home to this successful company. This success can be attributed to the company's leadership, innovative culture, and commitment to fostering a positive work environment for its employees."

– John Cornyn, U.S. Senator (R-TX)

Initiatives

Hire and Retain the Best and Brightest

NI 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.

Create a Great Place to Work

NI strives to create a great place to work. 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 year, NI recognizes that it is more important than ever to maintain the open atmosphere, innovative culture, and dedication of its employees.

Provide Superior Employee Development

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

2009 Highlights

- Six offices recognized by the Great Place to Work Institute
- 11 consecutive years on the *FORTUNE* 100 Best Companies to Work For list in the U.S.
- Opened an onsite health center at corporate headquarters

2009 Challenges

- Women and minorities are underrepresented in the technology field, making it a challenge to ensure a diverse workplace
- Health care costs are increasing, making it a challenge to offer competitive benefit packages
- It is difficult to provide the same development opportunities to all employees in more than 40 branch offices

2010 Commitments

- Begin the NI Leaders program, a targeted recruiting approach for top engineering and technical students
- Build a spirited culture of wellness at corporate headquarters by offering targeted learning programs
- Ensure training resources are available to worldwide employees electronically

Inspire and Empower Customers

NI empowers its customers to improve the world through a user-defined, software-based approach for developing test, control, and embedded applications. NI customers use this approach in a variety of applications such as performing environmental monitoring and making critical advancements in renewable energy technology. In addition, NI is committed to facilitating a pipeline of students who are well-equipped to pursue careers in engineering and science and ultimately develop the next generation of world-improving innovations.

“Our old system cost about \$450,000 USD, required at least 10 kW of power, and took up about 5 by 8 ft of floor space in a 6 ft rack. It also weighed 4,000 lb. The NI PXI tester costs about \$40,000 USD, requires 600 W maximum, and is a 60 lb, single-height chassis about 18 by 24 in. We are looking into integrating it with the device-handling equipment to make it a zero-footprint tester.”

– Robert Whitehouse, Analog Devices



Siemens Wind Power A/S in Denmark uses NI products to test their wind turbine control system software.

Initiatives

Improve Everyday Life

For decades, a mission to improve everyday life has inspired NI to play an important role in enhancing the quality of life for people around the globe by providing innovative products to engineers and scientists. Every year, NI supplies solutions to more than 30,000 companies working to solve a myriad of challenges, from monitoring bridge and infrastructure health to creating life-changing medical devices.

Enable Green Engineering

Customers are using NI products to make a positive impact on the global ecosystem. Known as green engineering, this approach involves designing, developing, and improving products and processes to achieve environmental and economic benefits. NI enables green engineering through tools that empower engineers and scientists to first quantify and understand real-world data and then correct problems for more environmentally friendly designs.

Empower the Innovators of Tomorrow

The world has no shortage of areas that need further engineering and science innovation. NI believes that today's students must be equipped and prepared to be tomorrow's innovators. The company works closely with educational organizations to deliver the technology necessary to support hands-on, project-based learning that inspires and engages students.

2009 Highlights

- Invested 16 percent of revenue in R&D
- 34 medical device start-ups received more than \$600,000 USD in software and services through the NI Medical Device Grant Program
- 4,500 engineers and scientists were taught how to use green engineering technologies, tools, and principles

2009 Challenges

- Ensuring NI products meet guidelines of international government health agencies to help customers more easily gain certification for their medical devices
- Increasing R&D investment in products for green applications as the global investment in clean technologies slowed in 2009
- Making educational learning platforms more affordable and accessible for educators and students in all regions of the world

2010 Commitments

- Focus R&D efforts on developing products that take advantage of cutting-edge fiber-optic technologies for structural monitoring applications
- Support 25 companies developing clean technologies by providing free software and services through the NI Green Engineering Grant Program
- Create new, more affordable and accessible learning platforms for students worldwide



Minimize Our Environmental Impact

Throughout company facilities and the entire product life cycle, NI 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. At an individual level, NI employees drive grassroots projects that help the company minimize its environmental impact.

“I just wanted to thank NI for using paper as the filler material inside your shipping boxes. It’s much more environmentally sound than using foam, as it can easily be recycled. Thanks!”

– Timothy Sutherland, Navigant Consulting

Initiatives

Product Life Cycle

Reducing the impact NI has on the environment begins with its supply chain and product design. NI continually works to improve product development and manufacturing processes, strives to remove harmful substances from existing products, and prohibits the introduction of known harmful substances into new products. In addition, NI has improved packaging efficiency and offers a product recycling program for customers.

Conserving Resources

NI 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. Some of the many projects to further these efforts include the installation of energy-efficient lighting and motion-sensor lighting and eliminating all disposable polystyrene, paper, and plastic products in the on-site cafeterias.

Employees Driving Change

While NI makes many efforts at the corporate level to minimize environmental impact, countless projects are driven by individual employees. Employee-driven efforts in 2009 included encouraging the pilot of a tool for managing employee computer power settings and working with the Environmental Defense Fund to investigate ways to become more energy efficient. Behind each of these projects is an individual who took the initiative to ask questions and make changes.

2009 Highlights

- 71 percent reduction in physical size of software packaging
- 7 percent reduction in water usage at NI corporate headquarters and 13 percent reduction in energy usage at NI Hungary
- 27 percent increase in waste recycled at headquarters

2009 Challenges

- Evolving environmental legislation continually impacts product development
- NI could not measure the exact amount of waste sent to landfill from headquarters
- Prioritization of efforts by the NI Green Team to effectively implement the most critical projects

2010 Commitments

- Reduce overall amount of polyurethane in product packaging by 5 percent
- Implement computer power management system to reduce energy consumption
- Implement new citizenship survey for key suppliers

World-Class Community Engagement

At corporate headquarters and more than 40 NI branch offices around the world, NI strives to improve the education, health, and well-being of its communities as well as encourage employee philanthropy and volunteerism. Because NI is a technology leader, the cornerstone of its community engagement program is to enhance science, technology, engineering, and math (STEM) education through classroom mentorship and collaborations with nonprofits to inspire students toward greater achievement in technological proficiency.

“When customers assess NI, they see a company obsessed with engineering – to the point where, as a hobby, NI employees volunteer at [student] robotics competitions. Other scientific companies could try to make that point in an ad; NI lives it.”

– Fast Company magazine, October 2009



National Instruments employees around the world have a passion for introducing children to technology.

Initiatives

Mentoring Young Minds

The engineers of tomorrow will address the world's most challenging issues. STEM education is critical to ensure a robust network of technologically proficient talent in the future. NI believes that engaging children with technology in a fun, hands-on manner 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 children's enthusiasm for technology and support STEM foundations in schools.

Employee Philanthropy and Volunteerism

NI encourages employees to engage in community activities they are passionate about and provides regular opportunities to become involved with organizations by donating time, talent, and resources. NI supports these efforts through its offices around the world with several ongoing initiatives to educate employees about community needs. Around the world, NI employees use their innovative spirit to drive progress on community issues.

Corporate Philanthropy and Advocacy

NI engages in strategic, consistent collaborations with community organizations to deliver positive change and create a steady stream of volunteer opportunities for employees. NI collaborates with organizations that strive to maintain and improve the communities in which NI employees work and live. In addition, the company makes corporate donations, contributions through the NI Foundation, and in-kind gifts.

2009 Highlights

- 1 percent of corporate pretax profits donated to nonprofit organizations
- \$549,000 USD donated through the U.S. employee giving campaign
- 14 percent increase in classroom mentorship by NI corporate headquarters employees; five branch offices started mentor programs

2009 Challenges

- Experienced delays in processing employee donations, resulting in a change of vendor
- Retained only 52 percent of employee mentors from headquarters
- Began tracking philanthropy and volunteerism data for all NI operations worldwide but did not obtain complete 2009 data

2010 Commitments

- Donate 1 percent of pretax profits to nonprofit organizations
- Retain 70 percent of employee mentors from headquarters
- Increase employee volunteer hours from headquarters by 20 percent

NI is a sponsor for EcoCAR, which challenges engineering students to reduce a vehicle's environmental impact while retaining performance.



Photo by Daniel Sequeira

About This Report

This report summary highlights key measures of the company's performance across social, economic, and environmental areas, as well as commitments or goals for the future. The full 2009 NI citizenship report is available on the Web at ni.com/citizenship.

NI used the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3) to prepare the full report. NI self-declares the report at GRI Application Level B. For the full report including a GRI index and a feedback form for questions and comments, visit ni.com/citizenship.

2009 Performance Summary

This section provides a summary of the results for the 2009 National Instruments citizenship commitments. To learn more about the company's performance and commitments, visit the full NI citizenship report.

PILLAR	FOCUS AREA	STATUS
People and Culture	Employee retention	●
	Recruiting top students	●
	Corporate housing benefit for engineering interns and co-ops	○
	Great place to work recognition	●
	Health center opening at NI corporate headquarters	●
	Annual performance reviews	○
	Training for supervisors	●
	Promotion of training and development	●
	Electronic learning tools	●
Inspire and Empower Customers	Grants for medical start-up companies	●
	Product development for world-improving technologies	●
	Infrastructure monitoring technology research	●
	Recognition for customers developing world-improving technologies	●
	Training on NI tools for unemployed engineers	●
	Training on green engineering principles for engineers and scientists	●
	Support for technical education in U.S. classrooms	●
	Support for EcoCAR Challenge, a green automotive engineering competition	●
	Green engineering curricula at universities	●
Minimize Our Environmental Impact	Product packaging waste and printed documentation reduction	●
	Supplier compliance with the NI Supplier Code of Conduct	●
	OHSAS 18001 standard certification	○
	Water and energy usage reduction at NI corporate headquarters	●
	Recycling at headquarters	●
	Measurement of waste sent to a landfill from headquarters	✘
	Assessment of ways to reduce paper use at headquarters	●
	Pretax flexible spending accounts for commuting costs of U.S. employees	✘
	Evaluation of greenhouse gas emission calculations	●
World-Class Community Engagement	Support of robotics competition teams	●
	Employee membership on boards of nonprofit organizations	●
	"Dollars for Doers" volunteer program	✘
	Global tracking mechanism for philanthropy and volunteerism data	○
	Donation of 1% of corporate pretax profits	●
	Employee funding advisory council to maintain philanthropic transparency	●

- Fulfilled commitment
- Partially fulfilled or currently in progress
- ✘ No progress



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