

2013 Shared Value Report



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National Instruments

Shared Value Overview

NI makes a positive impact by doing what it does best—applying engineering expertise to critical societal issues and equipping engineers with tools that accelerate innovation and discovery. Through its employees, customers, business practices, and mission, NI is changing the way engineers address the biggest challenges we face today. NI works toward the long-term success of its key stakeholders and society through four focus areas of Shared Value: empowering engineers and scientists, inspiring and preparing the innovators of tomorrow, fostering an open and innovative work environment for all employees, and minimizing the company's environmental impact.



Company Profile

NI's mission is to equip engineers and scientists with tools that accelerate productivity, innovation, and discovery. Through its long-term vision of graphical system design and deep commitment to Shared Value, NI fosters the success of its customers, employees, suppliers, and shareholders while making a positive impact on society.

The NI Approach

Graphical system design offers a productive software and reconfigurable hardware platform, along with a rapidly growing ecosystem of IP and applications, to accelerate the development of any system that needs measurement and control.

- Productive LabVIEW software that simplifies systems so engineers and scientists can solve engineering problems instead of spending time learning tools
- Reconfigurable modular hardware designed for high-performance measurement and control
- Use of commercially available technology and IP to inspire continual innovation and decrease software, processing, and measurement component costs
- Diverse community of more than 700 NI Alliance Partners, technology partners, and third-party developers

Company Facts

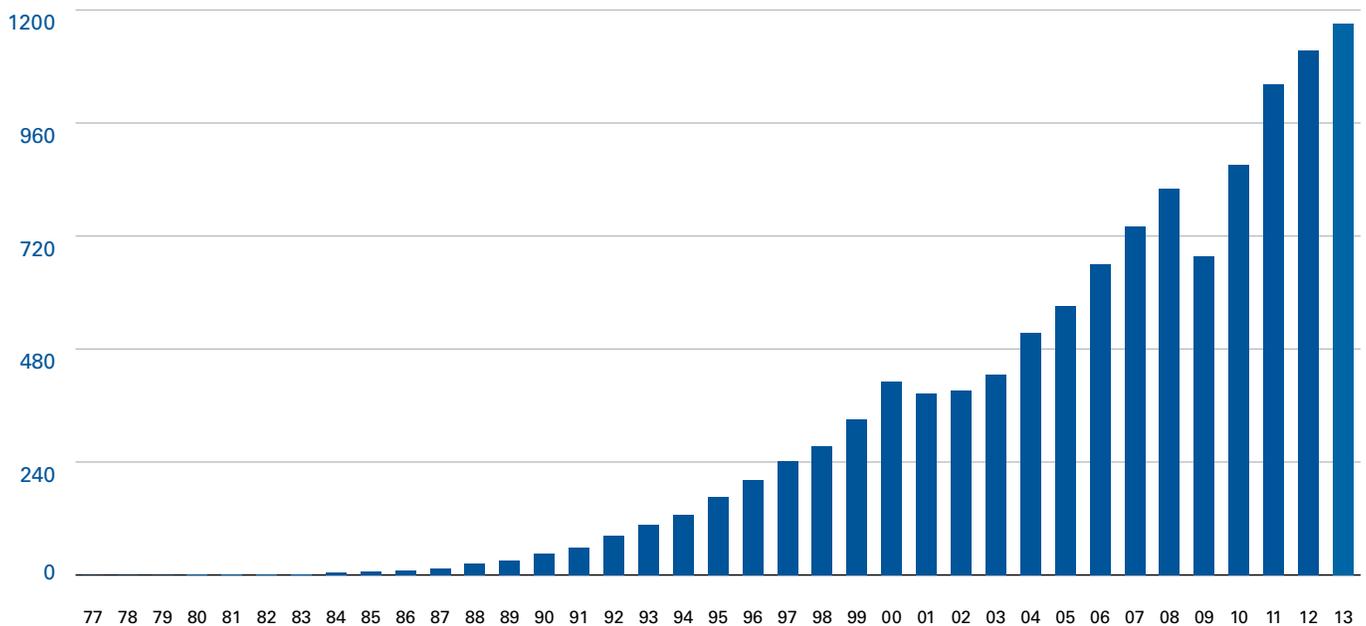
- Headquarters: Austin, Texas
- Established: 1976
- Employees: More than 7,100 employees worldwide
- Global operations: Offices in nearly 50 countries
- R&D investment: Target of 16 percent of annual revenue; 14 R&D centers worldwide
- Customer base: More than 35,000 companies worldwide annually
- Diversity: No industry makes up more than 15 percent of revenue
- 2013 revenue: \$1.17 billion USD

Industries Served

From designing lifesaving medical devices to researching new methods for energy production, the more than 35,000 NI customers worldwide represent a variety of industries ranging from test and measurement to academic and embedded. Customers in aerospace, automotive, communications, education, life sciences, research, and robotics around the globe use NI software and hardware to increase productivity and performance while lowering costs and dramatically reducing time to market. Engineers and scientists using the NI platform continually develop innovative technologies that impact millions of people worldwide.

Financial Information

The company's 2013 revenue of \$1.17 billion USD represented a 3 percent increase over 2012 with operating expenses of \$768.7 million USD. NI economic value distributed included employee wages and benefits¹ of \$529 million USD; payments to the government² of \$16.7 million USD; payments to the providers of capital³ of \$69.7 million USD; and community investments⁴ of \$1.4 million USD. NI retained an economic value⁵ of \$1.02 billion USD. For more corporate and financial news, visit ni.com/nati.



¹ Wages and benefits does not include the 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.

Statement From the CEO



Engineers and scientists play a critical role in improving everyday life and meeting the **engineering grand challenges** we face today and in the future. They create technologies that bring efficiency to our lives, keep us safe, and create a sustainable future. For nearly four decades, NI's mission has been to help engineers and scientists do their jobs more efficiently, so they can develop these solutions faster.

I believe that engineers and scientists are key to making the world a better place, and that we can accomplish more for engineering and science through our one platform than we could by working on any one problem. In thousands of applications in nearly every industry, engineers use NI products to work toward solutions to the most pressing challenges we face today, from creating better medical diagnostic tools to finding renewable sources of energy. I'm proud to be a part of this; I can't think of a higher purpose a company can have than empowering the innovators of the world to do more.

In addition, I strongly believe in the principles of conscious capitalism—higher purpose, conscious leadership, stakeholder orientation, and conscious culture. NI has upheld these principles from the start, and continues to do so today. The most significant impact that we can have on society is through our technology and the amazing work of our customers. We make this impact, and ensure NI's long-term growth, by carefully balancing the needs of each of our key stakeholders—employees, customers, suppliers, and shareholders—in our long-term decision making and business operations. Our goal is to create shared value between each of these key stakeholders and society as a whole.

At NI, we not only work to accelerate innovation and discovery among today's engineers, but for the engineers of tomorrow as well. The projected demand for science, technology, engineering, and math (STEM) professionals far outpaces the number of students graduating with STEM degrees. Inspiring and preparing students to pursue STEM careers is critical to the world we will live in decades from now, and for the future of our business.

We believe the best way to encourage students to become the next generation of innovators is to provide **engaging experiences** with real-world engineering tools. In 2013, we announced two new products to further connect students with real-world engineering tools—the new LEGO® MINDSTORMS® EV3 platform powered by NI software and the roboRIO student robotics controller. Both of these products are built on the same technology we create for professional engineers, which offers students experience they can build on throughout their academic careers and into industry.

Innovators in emerging nations are also critical as these nations are quickly growing into a more significant part of our global economy. Through the Planet NI program, we ensure that engineers in emerging nations also have access to NI technology and training to

effect sustainable change in their communities. In 2013, the Planet NI program began working with the United States Agency for International Development (USAID) to provide technology to researchers in emerging countries working on projects with significant social and environmental impact.

It is our corporate culture and the dedication of our employees to serving a higher purpose that make all of this possible. I am honored NI was named to the Great Place to Work list of the World's Best Multinational Workplaces for the third consecutive year, and I am proud of the culture of innovation we have maintained over the years. Our promise has been, and continues to be, providing the best engineering tools available so engineers and scientists can focus on improving everyday life. I hope you'll learn more about our efforts to create shared value to each of our key stakeholders and how we are ensuring long-term success through innovation at ni.com/company/shared-value. I welcome your [feedback](#).

Best regards,



Dr. James Truchard,
President, Chief Executive Officer, and Cofounder, National Instruments



NI's Approach to Shared Value

National Instruments works to create shared value for the company's key stakeholders and society through its Shared Value efforts. NI believes that the company can make the biggest impact by leveraging its engineering expertise to address critical social issues and equipping engineers with tools that accelerate innovation and discovery.

Shared Value is integrated throughout the business at NI—from grassroots, employee-led efforts to cross-organizational, multifaceted programs that span several countries. In many cases, the company's Shared Value goals support its top-level business and operational goals, and in every case, its Shared Value efforts support the company mission and long-term success. Through Shared Value, NI focuses on the issues that impact the company and society the most—meeting the world's most critical engineering challenges, preparing the next generation of engineers, and improving human life and the health of the planet.

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

About This Report

The 2013 Shared Value report describes NI Shared Value performance in fiscal year 2013, which ended December 31, 2013. NI used the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3) to prepare this report, and an index to the disclosures and indicators is available [here](#).

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

Managing Shared Value Performance

Shared Value is part of the company's 100-year plan. To drive performance in these areas, NI relies on its board of directors, a steering team, a cross-functional committee, and NI employees.

A cross-functional committee oversees Shared Value activities and measures performance throughout the company. In addition, employees play an integral role in achieving Shared Value goals that range from developing innovative products to identifying opportunities to reduce energy use at company facilities. Cross-functional employee teams, such as the [NI Green Team](#), are crucial for driving success on various aspects of Shared Value.

NI executive leadership reviews Shared Value 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 the company's compliance with the [NI Code of Ethics](#) and financial, environmental, and equal employment opportunity regulations.

Shared Value Challenges and Opportunities

NI prioritizes Shared Value issues based on their importance to key stakeholders as well as their impact on long-term business success. The company relies on **multiple engagement tools**, including discussion forums, surveys, and customer and supplier conferences, to gather feedback on issues important to its stakeholders. Using these inputs, cross-functional representatives from multiple areas of NI prioritize the company's efforts. NI identified the following top Shared Value challenges and opportunities for 2013:

- **Supporting Education Initiatives**—As a worldwide technology leader and partner to some of the most recognized academic organizations, NI is in a unique position to make a significant impact on the world by helping educators transform science, technology, engineering, and math education to inspire and enable the next generation of scientists and engineers. Specifically, NI contributes in this area by providing interactive, real-world learning experiences; low-cost and free training opportunities; a strong global mentorship program; and technology and funding.
- **Supporting Growth in Emerging Markets**—NI recently created a new geographical organization for Asia to focus specifically on meeting the unique needs of countries in emerging markets. NI plans to broaden and deepen customer relationships in this region by expanding the regional management team as well as the R&D, manufacturing, and sales operations in these areas to better incorporate the design needs of local customers, optimize product delivery, and provide better customer support. Additionally, the company is focusing on empowering engineers in emerging markets to achieve sustainable prosperity through access to NI technology with the Planet NI program.
- **Sustaining the NI Culture**—The company's greatest and most sustainable long-term competitive advantage is its culture and employees who directly influence the continued success of key stakeholders. As NI continues to grow and opens additional employment centers such as the most recent centers in Malaysia and Costa Rica, the company will sustain its culture by surveying employees regularly and through the service of established company leaders who will oversee operations and ensure a commitment to NI culture.
- **Reporting on Global Efforts**—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.
- **Grand Challenges for Engineering**—From the most remote places on Earth to dense metropolitan hubs, there are barriers to achieving healthy, sustainable, and enjoyable life for humanity. In 2009, the National Academy of Engineering identified 14 of these challenges, outlining the key issues awaiting engineering solutions in the 21st century. The challenges compose a visionary beacon that guides current and future engineers and scientists as they work toward the four themes of sustainability, health, security, and the joy of living. NI is committed to addressing one of these challenges—engineering the tools of scientific discovery—while many of our customers are on the front lines pioneering solutions for the other challenges.

To learn about the company’s 2013 performance and 2014 commitments on all issues that impact its Shared Value performance, visit the sections linked from the following table. The [2013 Performance Summaries](#) provides an overview of all 2013 commitments and results.

Area	Challenges and Opportunities
Economic	<ul style="list-style-type: none"> ▪ Consistent growth and profitability ▪ Strong investment in R&D, 16 percent of revenue, to develop innovative products and technologies ▪ Ensuring industry diversity—no one industry makes up more than 15 percent of revenue
Environmental	<ul style="list-style-type: none"> ▪ Optimizing the product life cycle <ul style="list-style-type: none"> ▪ Packaging ▪ Manufacturing operations ▪ Product take-back and recycling ▪ Managing critical substances ▪ Setting expectations with suppliers ▪ Conserving resources <ul style="list-style-type: none"> ▪ Energy ▪ Natural gas ▪ Water ▪ Emissions ▪ Habitats ▪ Recycling ▪ Waste reduction ▪ Empowering employees to drive change
Social	<ul style="list-style-type: none"> ▪ Transforming science, technology, engineering, and math education through initiatives and resources including: <ul style="list-style-type: none"> ▪ Tools for teaching core engineering concepts ▪ Resources and inspiration for primary and secondary school teachers ▪ Courseware ▪ Robotics competitions ▪ Robotics mentoring ▪ Enrichment programs ▪ Preserving the competitive advantage of NI culture and employees through: <ul style="list-style-type: none"> ▪ Recruiting and retaining employees ▪ Health, wellness, and safety ▪ Employee benefits ▪ Training and development ▪ Engaging in communities through: <ul style="list-style-type: none"> ▪ Employee and corporate philanthropy ▪ Employee volunteerism



“We see very clearly that National Instruments is not only a great catalyst of economic activity through its direct business activities, but also that the collective impact of National Instruments’ skilled and generous employee base are a formidable asset to the region.”

— Tamara Hudgins, Executive Director at Girlstart

GRI Index

National Instruments used the GRI Sustainability Reporting Guidelines (G3) to prepare its Shared Value 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.

Legend: ● Reported
○ Partially reported

Standard Profile Disclosures

Indicator	Description	2013 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	●	Our Approach to Shared Value; Performance Summaries ; PDF Report— Shared Value Challenges and Opportunities . 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	●	Flagship NI Products; Annual Report
2.3	Operational structure of the organization	●	Annual Report
2.4	Location of organization's headquarters	●	Austin, Texas, USA
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	●	Awards
Report Parameters			
3.1	Reporting period for information provided	●	Fiscal year 2013, which ended December 31, 2013
3.2	Date of most recent previous report (if any)	●	Fiscal year 2012, which ended December 31, 2012
3.3	Reporting cycle	●	Annual
3.4	Contact point for questions regarding the report or its contents	●	Please submit all questions about this report here .
3.5	Process for defining report content	●	PDF Report— Stakeholder Engagement ; PDF Report— Shared Value Challenges and Opportunities ; NI Approach to Shared Value
3.6	Boundary of the report	●	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.

Indicator	Description	2013 Report	Response or Link
3.7	State any specific limitations on the scope or boundary of the report	●	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.
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	●	PDF Report—Restatements
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	Starting in 2012, NI began tracking environmental data from six additional office locations in Asia, Central America, and Europe.
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	●	NI did not seek external assurance for this report for the 2013 reporting period.
Governance, Commitments, and Engagement			
4.1	Governance structure of the organization	●	Corporate Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	Yes, positions of Chairman, President, and CEO are held by Dr. James Truchard. For more information, please visit Corporate Governance .
4.3	State the number of members of the highest governance body that are independent and/or nonexecutive members	●	Five. For more information, visit Corporate Governance .
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	Code of Ethics ; Proxy Statement ; PDF Report - Stakeholder Engagement
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	●	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.
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

Indicator	Description	2013 Report	Response or Link																				
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	●	PDF Report—NI Culture and Stakeholder Engagement																				
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	●	PDF Report—Shared Value Challenges and Opportunities ; PDF Report—Management Approach Disclosures ; NI Approach to Shared Value																				
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, two of the three NI manufacturing facilities—one in Austin, Texas, and one in Debrecen, Hungary—are certified to ISO 14001 standards , which NI uses to proactively identify where its activities have an environmental impact. In 2014, NI will pursue conformance with the ISO 14001 standard for the newest NI manufacturing facility in Penang, Malaysia, by completing internal audits.																				
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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Indicator	Description	2013 Report	Response or Link
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	●	<p>NI is a member of the following organizations and standards bodies. For 2013, 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.</p> <ul style="list-style-type: none"> ▪ The Academy of Medicine, Engineering and Science of Texas (TAMEST) ▪ Advanced Telecommunications Computing Architecture ▪ Austin Area Trade Compliance Roundtable ▪ Austin Chamber of Commerce ▪ Boston College Center for Corporate Citizenship ▪ Central Texas Technology and Education Executive Council (TEEC) IVI Foundation ▪ NCSL International ▪ PCI Industrial Computer Manufacturers Group (PICMG) ▪ PCI-SIG ▪ PXI Systems Alliance (PXISA) ▪ Test and Measurement Coalition ▪ USB Implementers Forum ▪ Wi-Fi Alliance
4.14	List of stakeholder groups engaged by the organization	●	NI Culture and Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage	●	NI has four key stakeholders, employees, shareholders, suppliers, and customers, that they have identified as critical to the success of the company that are taken into consideration when making decisions. Learn more in the NI Culture and Stakeholder Engagement section.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	PDF Report – Stakeholder Engagement
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	●	NI Culture and Stakeholder Engagement

Performance Indicators

Indicator	Description	2013 Report	Response or Link
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 	●	PDF Report— Management Approach Disclosures
EC1	Economic value generated and distributed	●	PDF Report— Financial Information
EC3	Coverage of the organization's defined benefit plan obligations	●	Employee 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 	●	PDF Report— Management Approach Disclosures
EN1	Materials used by weight or volume	○	Product Design and Packaging
EN3	Direct energy consumption by primary energy source	●	Electricity, Natural Gas, and Emissions
EN4	Indirect energy consumption by primary source	●	Electricity, Natural Gas, and Emissions . For purchased electricity, the corresponding primary energy consumed in production is not available.
EN5	Energy saved due to conservation and efficiency improvements	●	Electricity, Natural Gas, and Emissions ; Employees Driving Change
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	○	Electricity, Natural Gas, and Emissions ; Employees Driving Change
EN8	Total water withdrawal by source	●	At NI corporate headquarters and NI Hungary, the water comes from municipal water supplies. For information about total water usage, refer to the Water Usage, Recycling, and Waste Reduction section of this report.
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 percent, 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 Water Usage, Recycling, and Waste Reduction section of this report.
EN16	Total direct and indirect greenhouse gas emissions by weight	●	Electricity, Natural Gas, and Emissions
EN22	Total weight of waste by type and disposal method	○	Water Usage, 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

Indicator	Description	2013 Report	Response or Link																		
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	●	No fines or sanctions were incurred for noncompliance with environmental laws and regulations at either NI manufacturing facility.																		
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 	●	PDF Report— Management Approach Disclosures																		
LA1	Total workforce by employment type, employment contract, and region	●	Recruit and Retain Employees																		
LA2	Total number and rate of employee turnover by age group, gender, and region	○	Recruit and Retain Employees																		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	○	Employee Benefits																		
LA10	Average hours of training per year per employee by employee category	●	Develop Rewarding Careers																		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	<p>Develop Rewarding Careers NI does not offer paid educational leave or 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 nonworking 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 nonworking life	No	
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LA12	Percentage of employees receiving regular performance and career development reviews	●	Develop Rewarding Careers																		

Indicator	Description	2013 Report	Response or Link
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	○	Recruit and Retain Employees
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 	●	PDF Report— Management Approach Disclosures
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	●	77 percent of suppliers have undergone this screening, and no actions have resulted from the screening. For more information about supplier screening, refer to the Operations and Product Recycling section of this report.
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 or 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 	●	PDF Report— Management Approach Disclosures
SO3	Percentage of employees trained in organization’s anticorruption policies and procedures	●	Employee Communications

Indicator	Description	2013 Report	Response or Link																		
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 	●	PDF Report— Management Approach Disclosures																		
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"> <thead> <tr> <th>Life Cycle Stage</th> <th>Impacts Assessed</th> </tr> </thead> <tbody> <tr> <td>Development of product concept</td> <td>No</td> </tr> <tr> <td>R&D</td> <td>Yes</td> </tr> <tr> <td>Certification</td> <td>Yes</td> </tr> <tr> <td>Manufacturing and production</td> <td>Yes</td> </tr> <tr> <td>Marketing and promotion</td> <td>No</td> </tr> <tr> <td>Storage distribution and supply</td> <td>Yes</td> </tr> <tr> <td>Use and service</td> <td>Yes</td> </tr> <tr> <td>Disposal, reuse, or recycling</td> <td>Yes</td> </tr> </tbody> </table> <p>Of the significant NI product or service categories, 100 percent 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																				
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																				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	PDF Report— Measuring NI Customer Satisfaction																		

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 2013 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, refer to the Form 10-K section of the [Annual Report](#).

Environmental

Refer to the [Minimize Our Environmental Impact](#) section of this report for an overview of NI environmental performance including 2013 successes and challenges as well as 2014 commitments. For information about the NI approach to managing issues related to its products and services, including environmental compliance, refer to the following section of this report, [Product Responsibility](#).

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Materials	Product Design and Packaging Managing Critical Substances	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 leaders receive 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	Electricity, Natural Gas, and Emissions Water Usage, Recycling, and Waste Reduction	Conserving Resources	Vice President, Manufacturing	Employees Driving Change	NI reviews performance on a quarterly basis and then examines any abnormal fluctuations.
Compliance, as it relates to overall environmental performance	Operations and Product Recycling	Managing Critical Substances Product Take-Back Program and Recycling	Vice President, Manufacturing	Employees responsible for maintaining the NI environmental management system have access to process training.	Operations and Product Recycling

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 regarding labor practices including 2013 successes and challenges as well as 2014 commitments.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Employment	Hire and Retain the Best and Brightest	Hire and Retain the Best and Brightest	Vice President, Global 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	Employee Benefits Operations and Product Recycling	Employee Benefits Operations and Product Recycling	Vice President, Manufacturing	At NI manufacturing facilities, employees receive ongoing training related to occupational health and safety.	NI manufacturing facilities in Austin and Penang are working toward conformance with the OHSAS 18001 standard, which helps companies control occupational health and safety risks.
Training and Education	Develop Rewarding Careers	Develop Rewarding Careers	Vice President, Worldwide Human Resources	Develop Rewarding Careers	The NI Human Resources department monitors these issues.
Diversity and Equal Opportunity	Recruit and Retain Employees	Recruit and Retain Employees	Vice President, Global 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 Global 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 previous section of this report, Labor Practices and Decent Work.

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; 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](#)
- Security practices: Protecting Company Assets and Reputation section of the [NI Code of Ethics](#)

Should human rights issues arise in the area of employment, the vice president of Global 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 [People and Culture](#) section of this report for an overview of how NI and its employees serve the communities in which they work and live, including 2013 successes and challenges as well as 2014 commitments.

Aspect	Goals and Performance	Policy	Organizational Responsibility	Training and Awareness	Monitoring and Follow-Up
Corruption	Employee Communications	NI Code of Ethics	Audit Committee of the NI Board of Directors	Employee Communications	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 community and public policy. NI does have a policy but does not set goals or offer training for the following aspects:

- Anticompetitive behavior: [National Instruments Corporation Compliance with Antitrust Laws](#)
- Compliance: Regulatory Obligations section of the [NI Code of Ethics](#)

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 regarding product responsibility including 2013 successes and challenges as well as 2014 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 and Packaging	Product Take-Back Program and Recycling Managing Critical Substances	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	Operations and Product Recycling	Managing Critical Substances	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 quarterly basis, R&D leadership receives a report of conversions to address the EU (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.

NI Culture and Stakeholder Engagement

National Instruments' industry leadership is built on proven technology, visionary executive management, and sustained growth. Managed for the long term, the company balances the needs of each of its key stakeholders and is committed to innovation, continuous improvement, and customer success. The company's long-term view, known as the 100-year plan, balances the NI vision and culture with short-term business needs.

NI aggressively invests not only in product design and development but also in maintaining its unique corporate culture that serves as a key differentiator and competitive advantage. This collaborative, entrepreneurial culture spurs innovation in every area of the business and empowers employees to create technology that helps customers and partners address the world's greatest engineering challenges.

The following underlying NI core values are central to the company's corporate culture and are present in day-to-day interactions and the way NI does business:

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

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

- **Employees**—One of the top concerns voiced by employees in 2013 through various feedback collection methods continued to be the rising cost of health care. As part of its open-communication policy, NI leaders held multiple town-hall-style meetings to discuss everything from new health care legislation in the United States to health risk assessment (HRA) statistics for employees. At these meetings, they also took questions about how the company plans to manage health care-related expenses. One solution that NI implemented was offering the option of a high-deductible health plan (HDHP) for NI employees to take effect in 2014. This plan encourages employees to take an active role in their health care decisions and to be mindful of preventable expenses. NI leaders expected a 5 percent participation level from employees during the HDHP's inaugural year, but instead they saw 23 percent participation level, which demonstrates NI employees' willingness to work with NI to find the best health care solutions possible.
- **Customers**—As NI continues to grow and the number of large systems sold continues to account for a greater percentage of the company's business, a complete services and support offering becomes a greater priority for customers. Services and support is a current investment area for NI. Through a customer satisfaction survey regarding the NI services offerings, NI discovered it has the opportunity to enhance awareness of its system assurance programs and hardware services among customers. In addition, due to developments such as the [Conflict Minerals Trade Act](#), NI customers are making a concerted effort to better understand the business practices of its suppliers. In response, NI assigned additional resources to address this increase in customer requests for information about NI business practices.
- **Suppliers**—In 2010, the United States enacted Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to address humanitarian concerns in the Democratic Republic of the Congo (DRC). The concerns stem from four minerals obtained from rebel-controlled mines in the DRC region—gold, tantalum, tin, and tungsten. The law and subsequent rules published by the US Securities and Exchange Commission (SEC) require publicly traded companies to disclose information about the origins of these materials starting for fiscal year 2013. Therefore, determining this information has become a key concern for both NI and its suppliers. NI has a policy to avoid purchasing components that contain minerals obtained from conflict sources. For more information about this issue, refer to the [Managing Critical Substances](#) section of this report.

- **Shareholders**—In 2013, the majority of discussions between NI management and investors focused on strategic investments in R&D and the field sales force, key growth drivers, large orders, the company's business model and uses of cash. These topics were discussed through one-on-one meetings at nine investor conferences and five non-deal road shows. The company also hosted its shareholder meeting at its headquarters in Austin, Texas, reported earnings results through a quarterly call with the investment community, and hosted its annual investor day in conjunction with NIWeek, the company's global user conference. This year, NI paid cash dividends equaling \$0.56 per share.

Building on NI's 100-year plan and core values, the following statements and tools ensure that the company's performance meets its standards:

Statement	Implementation
Company Mission and Vision Statements	At NI corporate headquarters, the employee training program and Leadership Development Series cover these core principles. At branch offices, the local leaders are responsible for integrating these principles into their branch organizations.
Shared Value Mission Statement	In 2010, NI corporate headquarters added a new component to the training program for new employees to cover this principle. In 2011, Shared Value was included in all company overview material and implemented into company training at both headquarters and branches.
NI Code of Ethics	In 2012, all full-time employees were required to complete the NI Code of Ethics training.
Supplier Code of Conduct	Refer to the Operations and Product Recycling section of this report.

Measuring NI Customer Satisfaction

In 2013, NI conducted multiple research projects to better understand overall customer satisfaction with the company, its annual global user conference, and some of its product lines. This research included the following:

Survey Type	Purpose	Results
One global customer satisfaction and loyalty survey	To monitor the level of satisfaction customers have with all aspects of their 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 a high level of satisfaction and loyalty for the company and its products in 2013. NI continues to make improvements to its products and services to ensure customer success.
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, access to NI engineers, industry-specific forums, and networking opportunities.
One global survey conducted to users of test instruments	To better understand the product needs and expectations around the usage of test instruments.	NI's current offerings overlay the current and future specification and technical requirements of these customers.
One global survey of data acquisition customers and prospects.	To better understand the product needs and expectations around the usage of data acquisition products.	Identified the most important customer attributes and pain-points as well as bus and interface preferences, for NI to make the right product adjustments to meet future DAQ system needs. Excellent technical support is an important attribute for DAQ users, and NI will continue to invest in this area to ensure customer success.

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 at corporate headquarters	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
	NI Talk internal collaboration tool	Ongoing
	Internal e-newsletter	Weekly
	NIWeb intranet and wiki	Ongoing
Customers	NIWeek , the company's annual customer and technology conference, and regional NIDays held at NI 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 discussions 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 Shared Value 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

2013 Performance Summaries

This section provides a summary of the results for the 2013 National Instruments Shared Value commitments. To learn more about the company's performance and commitments in this area, visit the [Inspiring the Next Generation of Engineers](#) section. A [letter from the company's CEO](#), Dr. James Truchard, also summarizes the company's efforts in 2013

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

- Legend:**
- Fulfilled commitment
 - ◐ Partially fulfilled or currently in progress
 - No progress

Empowering Engineers and Scientists

Area	2013 Commitment	2013 Performance	Status
Providing Access to Technology	Increase the number of LabVIEW software users in emerging countries who otherwise would not have access to NI technology.	More than 1,200 engineers in emerging countries were trained on LabVIEW in 2013.	●
	Extend reach of the Planet NI program through partnerships with mission-aligned organizations.	NI established partnerships with global organizations, including Acumen Fund and USAID, and local incubation/innovation centers such as Berytech, HTIC, and IdeaSpace, in 2013.	●
	Invest in the creation of affordable product offerings that are relevant for engineers in emerging countries.	A time-based LabVIEW license for Planet NI customers was released in 2013, and a new on-ramp program to introduce and develop Planet NI integration companies was added to the global NI Alliance Partner Network	●

Inspiring the Next Generation of Innovators

Area	2013 Performance	Status
Grow number of students exposed to real-world engineering tools by increasing NI technology adoption in global robotics competitions	Created NI roboRIO hardware designed for student robotic competitions and finalized agreement to use this hardware in the <i>FIRST</i> Robotics Competition through 2019.	●
	Trained 1,600 <i>FIRST</i> participants through 38 workshops on NI products used in <i>FIRST</i> competitions.	●
	Grew World Robot Olympiad LabVIEW-based advanced competition to 100 teams worldwide.	●
Grow number of students exposed to real-world engineering tools by expanding reach of enrichment programs through partnerships with mission-aligned organizations	Launched a formal collaboration with the LEGO Foundation, through which NI participated in robotics workshops in 9 underserved countries	●
	Initiated a 3-year agreement to support the expanded site for the Thinkery, including sponsoring a classroom in the museum for robotics programming activities.	●
	Worked with the Boys and Girls Club to incorporate robotics at its main Austin facility.	●

Minimize Our Environmental Impact

Area	2013 Commitment	2013 Performance	Status
Product Life Cycle	Seek ISO 14001 certification for the newest NI manufacturing facility in Penang, Malaysia.	No progress made. In 2014, NI will pursue conformance with the ISO 14001 standard for the newest NI manufacturing facility in Penang, Malaysia, by completing internal audits.	○
	Evaluate Shared Value performance of suppliers with supplier scorecards and quarterly business reviews.	NI tracks the performance of its direct material suppliers with a supplier scorecard as well as quarterly business reviews. In 2013, NI added Shared Value to the 100-point scoring system on the NI supplier scorecard.	●
	Reduce polyurethane foam used in packaging by 5% per unit.	The amount of polyurethane foam used in packaging per unit increased in 2013 due to a change in requirements for shipping fragile products.	○
Conserving Resources	Seek LEED certification for the NI Penang facility.	NI began the process of seeking LEED certification in 2013. NI expects to complete the certification process in 2014.	◐
	Increase the geographical boundaries of the company's carbon emissions calculation.	NI increased the geographical boundaries of its carbon emissions calculation to include six additional office locations.	●
	Perform a three-month trial of raising the temperature in a data center at headquarters.	No progress made.	○

People and Culture

Area	2013 Commitment	2013 Performance	Status
Hire and Retain the Best and Brightest	Maintain voluntary employee turnover rate at 25% lower than market average.	Maintained voluntary employee turnover rate at 42% lower than market average.	●
	Implement a worldwide human capital management system.	Developed a plan to implement a worldwide human capital management system, but pushed implementation of Oracle Fusion to Q1 2014.	◐
	Implement the Global Learning Center on a worldwide basis.	Implemented the Global Learning Center on a worldwide basis.	●
Create a Great Place to Work	Maintain an average of 85% of surveyed employees worldwide describing NI as a great place to work.	Maintained an average of 85% of surveyed employees worldwide describing NI as a great place to work.	●
	Continue to improve the health and wellness of the US employee base by achieving 95% participation in the annual HRA and a continued reduction in medical risk factors of the control group established last year.	Achieved 96% participation in the annual HRA. Overall, employees improved in two risk factors, declined in two risk factors, and maintained the rest.	●
Maintain a Culture of Giving	Maintain commitment of donating at least 1% of pretax profits.	Donated at least 1% of pretax profits.	●
	Invest in a corporate grants management system to ensure a higher level of transparency for corporate donations.	Invested in a corporate grants management system through the vendor Versaic.	●
	Launch a global employee giving and volunteer management system.	Launched a global employee giving and volunteer management system domestically, but not globally yet.	◐

Inspiring the Next Generation of Innovators

Many of the world's most significant engineering challenges will be met decades in the future by the next generation of engineers and scientists. To inspire and enable today's students to become tomorrow's innovators, National Instruments invests in improving science and engineering education globally with contributions of time, technology, and financial support to teach fundamental engineering concepts.

NI believes the best way to encourage students to pursue careers in engineering and science is to give them fun, hands-on experiences with real-world engineering tools. NI engages students using interactive robotics platforms powered by NI technology that teach engineering fundamentals, such as mechanics, electronics, and software programming. NI provides support for robotics competitions, in-classroom mentoring, and enrichment programs.



Program Initiatives

Powering Student Robotics Competitions

NI technology powers student robotics competitions that make engineering cool for kids while teaching core engineering concepts, problem-solving skills, and leadership principles.

Mentoring Young Minds

NI employees engage students in the classroom and inspire the next generation of scientists and engineers by teaching fundamental concepts in a relevant and interactive way.

Fueling Discovery and Innovation

NI supports nongovernment organizations and educational institutions that provide afterschool activities, workshops, and summer camps geared toward introducing students to science and engineering concepts.

BY THE NUMBERS

\$1.7M USD

financial and product donations were distributed to students, teachers, and collaborative nonprofit organizations for robotics outreach

260

NI employees served as robotics mentors in classrooms and through afterschool programs

100

Teams from 16 countries participated in the new college-level competition that NI brought to the World Robot Olympiad in 2013

2014 Program Goals

Grow number of students exposed to real-world engineering tools by:

- Increasing NI technology adoption in global robotics competitions
- Expanding reach of enrichment programs through partnerships with mission-aligned organizations



“National Instruments’ support of Huston-Tillotson University’s STEM program makes it possible to hire the best instructors who deliver quality classroom lessons to students. Our partnership with NI has resulted in engaging hundreds of minority and low-income students who otherwise would not have access to pursue STEM careers.”

—**Monique Johnson-Jones, Director of the STEM Center at Huston-Tillotson University**

Powering Student Robotics Competitions

Student robotics competitions strive to make engineering as cool for kids as sports are today. These competitions teach core engineering concepts, problem-solving skills, and leadership principles, and are linked directly to growing the number of students who pursue careers in engineering and science. NI plays a critical role in these events, from leadership and logistics to providing the technology platform that powers the competitions. NI serves as a long-term, strategic partner for the global organizations that run these competitions. Two of the most significant partnerships are with For Inspiration and Recognition of Science and Technology (*FIRST*) and the World Robot Olympiad (WRO).

FIRST

NI is a long-term partner to *FIRST*, a nonprofit organization devoted to helping young people discover and develop a passion for technology and engineering through robotics competitions. Because NI believes the program has a tremendous impact on the lives of students who participate, the company has made a multimillion-dollar, multiyear commitment to provide technology and support across all levels of the program, from *FIRST* LEGO League (FLL) to the *FIRST* Robotics Competition (FRC).

In 2013, NI announced the NI roboRIO controller, an industry-grade device designed specifically for student robotics competitions that all FRC teams will use starting in 2015. NI also renewed its commitment to provide LabVIEW system design software to all FRC and *FIRST* Tech Challenge teams. Additionally, NI extended its international involvement in *FIRST*, as NI Hungary and National Instruments UK & Ireland hosted FLL competitions for the first time

For additional *FIRST* resources, visit ni.com/first.

World Robot Olympiad

The WRO brings together students from all over the world to develop their creativity and problem-solving skills through challenging and educational robot competitions. Nearly 20,000 students from more than 50 countries participate in this robotics competition. Teams design and build robots that behave like human athletes and compete in regional competitions held in 36 participating countries to qualify for the annual international championship.

In addition to being a global and regional sponsor of WRO, NI has worked with the organization to pilot an advanced competition based on LabVIEW system design software for students ages 17 and up. Approximately 100 teams from 16 countries participated in this pilot in 2013 and will become an official part of the global competition next year. Starting in 2014, WRO also will allow teams to use LabVIEW for LEGO MINDSTORMS® software as an advanced programming option in the high school category. In 2013, NI supported regional teams and events in Costa Rica, Egypt, Japan, Malaysia, Mexico, Nigeria, and Singapore, and more than 100 employees served as WRO team mentors and judges.

For additional WRO resources, visit ni.com/wro.

CASE STUDY

Taiwan Wins the College-Level WRO Challenge



Nineteen teams from 16 countries advanced to the WRO championship in the new college-level competition pilot in Jakarta. In this year's challenge, Mars Colony, students were required to build and program an autonomous robot to perform a series of challenges, and were judged on time, accuracy, and technique. Team STC from Taiwan won the overall competition and Team BYUS won the Innovation Award from NI for exceptional LabVIEW programming and innovative navigation techniques.

Mentoring Young Minds

The key to engaging students in the classroom is delivering fundamental concepts in an interactive and fun way. When it comes to teaching engineering fundamentals to students, integrating the LEGO robotics platform into math and science curricula is an effective way to teach programming, computer skills, design and validation concepts, teamwork, and other core engineering concepts.

NI has created robotics mentor programs in 14 of its worldwide offices. Through these programs, employee mentors work with local schools to implement or support robotics programs in the classroom, starting as early as first grade. NI provides trainings, materials, and weekly mentor support while students get hands-on experience building and programming robots using LabVIEW system design software—the same software that professionals use.

Year In Review

In 2013, 260 NI employees served as robotics mentors, working directly in classrooms, after-school programs, or training mentors from other companies and organizations to work with classrooms. NI also continued its partnership with LEGO education by developing the software for the latest addition to the LEGO robotics platform, LEGO MINDSTORMS EV3, which was released in the fall of 2013.

Providing the software for this platform and the company's in-classroom robotics mentoring program is just one way that NI helps educators create interactive, hands-on learning experiences that encourage students to become engineers and scientists. NI provides a complete continuum of products for students from primary school through college as well as courseware and resources for educators at every level.

NI offers inspiration and teaching resources for the classroom at K12Lab.com.

NI's complete academic offering is available at ni.com/academic.

CASE STUDY

40 NI Interns Share Their Engineering Minds



As part of its partnership with Huston-Tillotson University, NI funds the summer Austin Pre-Freshman Engineering Program, which is designed to provide encouragement and resources for high-achieving middle and high school students with an interest in STEM careers. In 2013, 40 interns from NI put their engineering talents to use at this camp by volunteering as robotics mentors. Throughout the summer, NI interns taught students how to program, build LEGO MINDSTORMS robots, and develop critical engineering and problem-solving skills.

Fueling Innovation and Discovery

In addition to supporting ongoing in-classroom robotics mentorship programs and student robotics competitions, NI works with nongovernment organizations and educational institutions to support afterschool programs, workshops, and summer camps that introduce students to STEM concepts. The goal of these programs is to fuel innovation and discovery among youth and inspire them to pursue careers in engineering and science.

NI engages in strategic, long-term collaborations with organizations in the communities where the company's employees work and live. A few of the organizations that NI partners with include Girlstart, which empowers girls in math, technology, and science; Penang Science Cluster, which aims to help the city achieve excellence through technical innovation; and the Sunflower Mission, which is devoted to improving the lives of people in Vietnam through educational programs. NI helps organizations like these by donating employee volunteer time, financial support, and technology. NI works with these organizations to incorporate a robotics component into their programs and supports existing robotics programs that introduce students to engineering and science concepts in a fun, interactive way.

Year in Review

NI launched a formal collaboration with the LEGO Foundation to bring robotics workshops to underserved students around the world using kits provided by the foundation and NI employees as mentors. In 2013, NI and the LEGO Foundation worked together on initiatives in nine countries. NI also grew its partnership with the Thinkery and played an influential role as the organization opened up a larger site in 2013, including funding a classroom in the museum for robotics programming activities. Additionally, NI leadership participated in mentoring a workshop through the Thinkery at the Boys and Girls Club of Austin, another key nonprofit partner for NI. This experience led to NI furthering its commitment to the Boys and Girls Club by funding the refurbishing of their current computer lab to incorporate robotics at their main Austin facility.

CASE STUDY

Inspiring Future Engineers in Indonesia



NI teamed up with the LEGO Foundation to help facilitate a three-day robotics workshop in Jakarta for children from the city's underserved schools. At this workshop, 30 children, who under normal circumstances would never get the chance to put their hands on LEGO MINDSTORMS, got to spend a few days solving open-ended challenges while building, programming, and having fun. During the workshop, students learned to build and program robots to perform specific functions and the workshop concluded with a robotics competition that put their new skills to the test. After the event, teachers and students took the robotics sets back to their schools to integrate robotics into their education programs

Minimize Our Environmental Impact

Throughout company facilities and the entire product life cycle, National Instruments works toward a long-term goal to minimize its environmental footprint. This commitment includes optimizing product development and manufacturing processes, setting expectations with suppliers, recycling end-of-life NI products, and finding ways to conserve resources such as water and electricity.



In This Section

Product Life Cycle

NI looks for opportunities to improve product development and manufacturing processes, including packaging design.

Conserving Resources

NI conserves resources through its facilities and IT infrastructure by reducing energy consumption, greenhouse gas emissions, water use, and waste, as well as increasing recycling.

BY THE NUMBERS

22.8%

reduction in polyethylene foam used due to streamlining the process for internal plant transfers

3%

reduction in natural gas used per employee at NI offices in Europe

6

additional office locations accounted for in the NI carbon footprint

Product Life Cycle

Reducing the impact NI has on the environment begins with its supply chain and product design. NI looks for opportunities to improve product development and manufacturing processes, including packaging design. NI also strives to remove harmful substances from existing products and prohibits the introduction of known harmful substances into new products. In addition, through a product recycling program, customers can send their end-of-life NI products back to be recycled.



2013 HIGHLIGHTS

- Developed bulk shipping systems for internal transfers, which reduced corrugated board usage by 9.8% and polyethylene foam by 22.8%
- Worked with suppliers that make up the top 80% of NI production spending to introduce the EICC risk assessment process
- Reduced the amount of lead-containing solder used in the manufacturing process at corporate headquarters by 83%

2013 CHALLENGES

- Industry data available regarding the source of materials used in products is insufficient

2014 COMMITMENTS

- Pursue conformance with the ISO 14001 standard for the newest NI manufacturing facility in Penang, Malaysia, by completing internal audits
- Evaluate risk in the supply chain using data gathered in the EICC risk assessment surveys for all suppliers that make up the top 80% of NI production spending
- Increase recycled corrugated board in packaging by 3%



“The National Instruments supplier program is an excellent example of corporate responsibility. Following NI’s lead, we have implemented similar programs such as EICC compliance, a supplier code of conduct, and employee philanthropy and volunteerism programs. We have seen success with these programs at headquarters as well as in our Hungary and Malaysia offices.”

—Philip C. Samaro, Global Operations Manager, Sunbelt Supply LLCa

Product Design and Packaging

NI offers software-defined and modular hardware platforms that reduce the cost and energy consumption of customer applications because all the components share the same chassis and high-performance CPU. This graphical system design approach eliminates the need for redundant chassis, processors, displays, and other components, which minimizes the amount of raw materials used. As a result, NI platforms can adapt to changing needs and new applications to provide a single platform that will last through multiple generations of applications

Managing Critical Substances

NI manages the substances used in its products to comply with regulations including the following:

- **RoHS**—European Union Restriction of the Use of Certain Hazardous Substances
- **REACH**—Registration, Evaluation, Authorization, and Restriction of Chemicals
- **Conflict Minerals Trade Act**

Optimizing Product Packaging

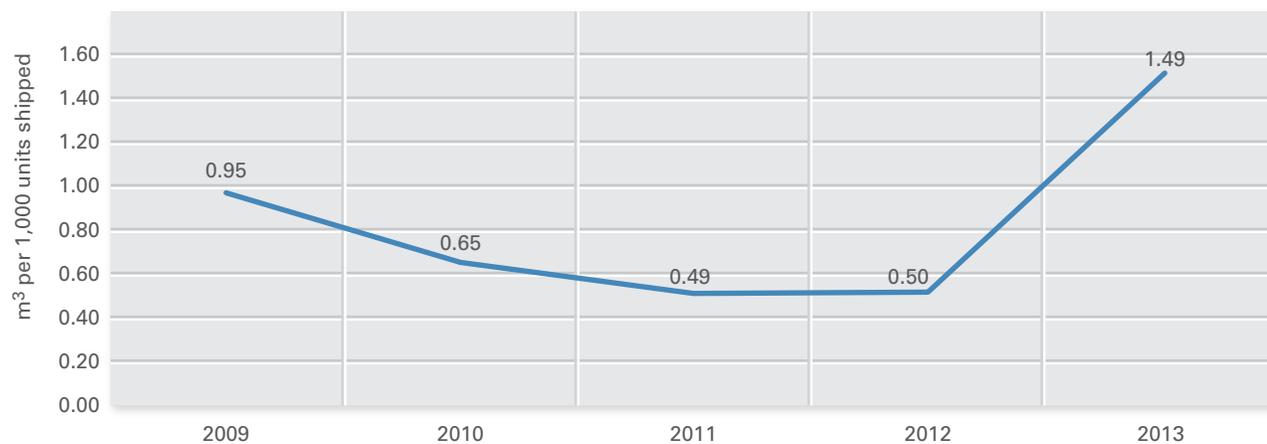
NI strives to design product packaging with a minimal environmental footprint. For example, NI looks for opportunities to increase the use of recyclable materials, such as corrugated board, and to increase the use of paper as a replacement for polyurethane foam.

The following efforts in 2013 are examples of how NI optimized product packaging:

- Developed bulk shipping systems for internal plant transfers, which reduced corrugated board usage by 9.8 percent and polyethylene foam by 22.8 percent
- Began using recycled-content corrugated board in boxes that ship inside other containers

NI welcomes [feedback](#) on the packaging of NI products.

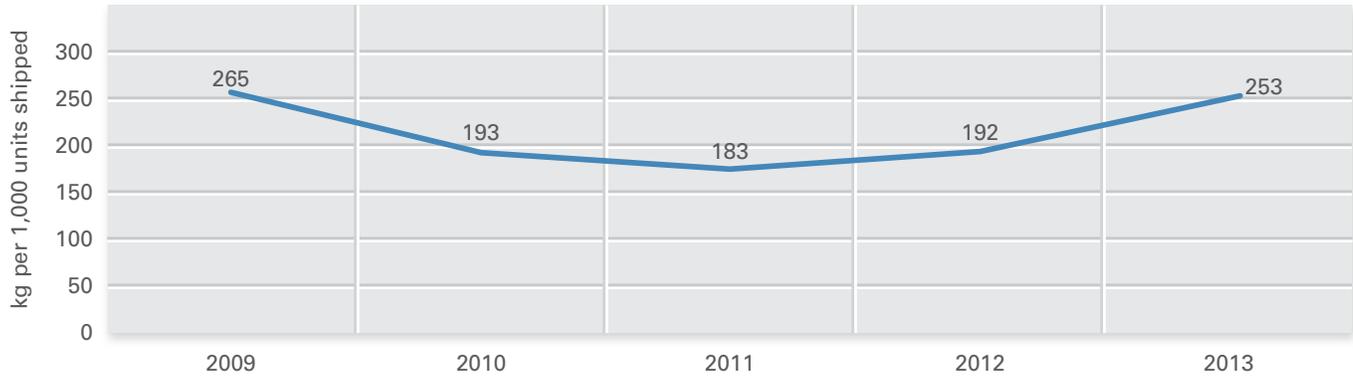
Polyurethane Foam Used



Polyurethane Foam Used (m³)

2009	2010	2011	2012	2013
511	564	475	554	1,582

Corrugated Board Used



Corrugated Board Used (kg)

2009	2010	2011	2012	2013
141,907	166,989	179,162	211,923	267,000

Operations and Product Recycling

National Instruments works with suppliers who are invested in being responsible corporate citizens. NI also complies with international standards that regulate environmental management and manufacturing operations.

Supplier Requirements

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

- Compliance with the [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 agree to the [NI Supplier Code of Conduct](#), established in 2008, as an acknowledgement of this commitment. As of 2013, 77 percent of the total supplier base has agreed to the Code of Conduct.
- Participation in the NI supplier assessment survey. NI sends this assessment to all new suppliers in the global NI supply base to ensure suppliers comply with key initiatives such as [RoHS](#), [REACH](#), the [Conflict Minerals Trade Act](#), and the NI Supplier Code of Conduct.
- Completion of an additional risk assessment survey (RA1) from the EICC. The RA1 assesses the likelihood of regulatory noncompliance and nonconformance with the EICC Code of Conduct as well as the risk to reputation caused by poor Shared Value performance.

NI tracks the performance of its direct material suppliers with a supplier scorecard as well as quarterly business reviews. In 2013, NI added Shared Value to the 100-point scoring system on the NI supplier scorecard.

Manufacturing Operations

The following environmental policy covering manufacturing operations was approved by the NI Board of Directors and adopted in 1994: “National Instruments manufacturing operations is committed to maintaining an environmental management system that complies with all applicable legal environmental regulations and requirements, prevents pollution, and continually improves environmental performance through regular reviews of environmental goals, objectives, and targets.”

Two of the three NI manufacturing facilities—one in Austin, Texas, and one in Debrecen, Hungary—are certified to ISO 14001, which is a series of international standards that cover environmental aspects that the organization controls and can influence. In 2014, NI will pursue conformance with the ISO 14001 standard for the newest NI manufacturing facility in Penang, Malaysia, by completing internal audits. NI manufacturing facilities in Austin and Penang are also working toward conformance with the OHSAS 18001 standard, which helps companies control [occupational health and safety](#) risks.

Manufacturing Site Environmental Permits and Registrations by Region

Austin, Texas	Debrecen, Hungary	Penang, Malaysia
US Federal EPA Waste Registration	Hungarian Ministry For information about waste registration, contact Timea Szucs , 9001 36 52 4600, at NI Hungary.	Malaysia (Penang) Air Emission Permits
State of Texas Texas Natural Resource Conservation Commission Air Permit Exemption	Hungarian Regional Air Emissions Permit	Air Emission Permits
Texas Commission on Environmental Quality, Industrial and Hazardous Waste Registration	Wastewater Permit	Air Emission Permits
City of Austin City of Austin Wastewater Permit		
Hazardous Materials Ordinance Permit		

Product Take-Back Program and Recycling

NI meets worldwide take-back requirements for the 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 carefully monitors regional legislation.

Managing Critical Substances

NI 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.

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. NI products fall under Category 9, Monitoring and Control Instruments. Some Category 9 products will be required to comply in 2014, with a subcategory for industrial and professional products being required to comply in 2017. NI plans to fully comply with the directive by the appropriate dates.

Timeline

NI began offering [RoHS](#)-compliant products in 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 as new products release and some existing products transition to hazardous substance-free components. At this pace, the transition of NI products will be complete before the RoHS directive includes the category under which NI products fall. Through continued efforts, more than 88 percent of NI products met RoHS requirements in 2013.

Starting in 2007, any new NI products that are not RoHS-compliant require officer-level approval before they are released. 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 works through this organization to refine legislation.

Resources

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

- [NI RoHS-Compliant Product Listing](#)
- [Management Methods for Controlling Pollution Caused by Electronic Information Products Regulations \(China RoHS\)](#)

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

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

In 2006, the European Parliament and the Council adopted Regulation (EC) No 1907/2006 on the [Registration, Evaluation, Authorization, and Restriction of Chemicals \(REACH\)](#). One of the regulation's primary objectives is to protect the environment from harmful substances.

The scope of the REACH regulation differs from RoHS in that REACH is not limited to electrical and electronic equipment. REACH requires manufacturers and importers of substances and preparations to register the substance or preparation before 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) drive notification, authorization, and restriction requirements. After a substance is added to the Candidate List, requirements for customer notification apply immediately. After 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. NI does not produce or import chemical substances in excess of 1 tonne per 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 downstream users' obligations. To accommodate this, NI is working closely with its supply chain as new substances are added to the candidate list. A list of NI products that contain substances of very high concern (SVHCs) in concentrations greater than 0.1 percent wt/wt can be found [here](#). For additional information on NI REACH initiatives or specific product information related to REACH, contact reach@ni.com.

Conflict Minerals Trade Act

In 2010, the United States enacted Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to address humanitarian concerns in the Democratic Republic of the Congo (DRC). The concerns stem from four minerals obtained from rebel-controlled mines in the DRC region—gold, tantalum, tin, and tungsten. The law and subsequent rules published by the US Securities and Exchange Commission (SEC) require publicly traded companies to disclose the following information starting for fiscal year 2013:

- Which products require the four minerals for functionality or manufacturing
- The presence of any of the four minerals that originate from conflict sources
- The efforts taken to determine the origin of the minerals used in products

NI has a policy to avoid purchasing components that contain minerals obtained from conflict sources. NI also contracts with third parties to collect additional details on the sources of NI components containing conflict minerals. Moving forward, all new suppliers to NI will be assessed for their ability to provide reliable data regarding the country of origin for conflict minerals. In the event that minerals from conflict sources are found in the NI supply chain, appropriate actions will be taken in a timely manner to resolve the situation. NI expects its suppliers to react the same way and has communicated this policy to all suppliers.

For additional information on NI compliance with the [Conflict Minerals Trade Act](#), contact customer.requests@ni.com.

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. Hardware products can be sent in to recycle by emailing recycling@ni.com. NI staff assists in the delivery of the product and provides a [Certificate of Destruction form](#), which can be downloaded, completed, and printed with the name of the product to be recycled.

Select a country for the latest information about product recycling and battery disposal

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

India E-Waste Management and Handling Rules

In 2011, the government of India in the Ministry of Environment and Forests enacted the E-Waste Management and Handling Rules to encourage reuse, recycling, and recovery of this waste. The rules also aim to improve the environmental performance of all operators involved in the life cycle of electrical and electronic equipment, especially those dealing with waste equipment.

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 directive 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. NI products fall under Category 9, Monitoring and Control Instruments. NI actively works 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 actively works 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 works 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 Environmental Protection Agency](#) or the [National Institute for Occupational Safety and Health](#).

For information about the available collection and recycling scheme in a particular country, refer to the table above.

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

Conserving Resources

NI conserves resources through its facilities and IT infrastructure by reducing energy consumption, greenhouse gas emissions, water use, and waste, as well as increasing recycling.



2013 HIGHLIGHTS

- Increased the geographical boundaries of the company's carbon emissions calculation to include six additional offices
- Began composting cafeteria waste at corporate headquarters
- Tripled the electric vehicle charging stations available at headquarters for employee use

2013 CHALLENGES

- Some leased NI office locations do not have access to all environmental performance data for the office

2014 COMMITMENTS

- Reduce electricity, natural gas, and water usage per employee 5% by 2018
- Reduce percentage of trash sent to landfills 5% by 2018
- Seek LEED certification for the NI Penang facility and for a new building in NI Hungary



“Two fellow employees approached me with ideas for improving efficiency as well as decreasing the cost and carbon footprint of shipments. The team then streamlined the packing slips and invoices included with shipments, which reduced the paper used by 86 percent.”

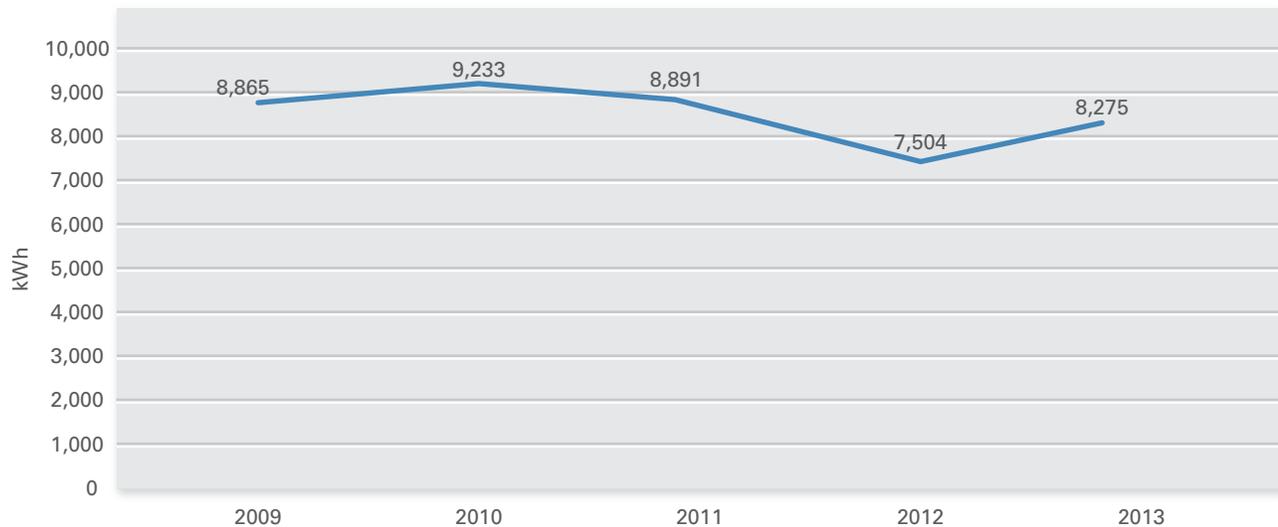
— Tibor Nagy ,Logistics Coordinator, Procurement at NI Hungary

Electricity, Natural Gas, and Emissions

NI conserves resources through its facilities and IT infrastructure by reducing energy consumption, greenhouse gas emissions, water use, and waste, as well as increasing recycling. As part of these efforts, NI subscribes to Austin Energy GreenChoice, a renewable energy program, to provide 10 percent of the total electricity usage at its headquarters.

Electricity

Purchased Electricity Used per Employee¹



¹Per employee numbers are calculated using the total number of full-time and part-time employees at NI headquarters and NI Hungary as of December 31 each year.

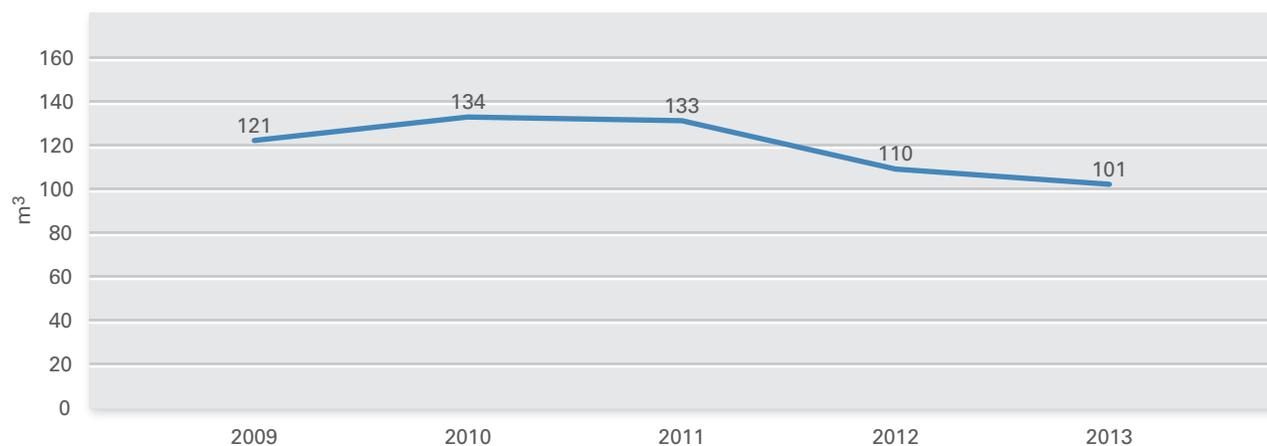
Total Purchased Electricity (kWh)¹

Region	2009	2010	2011	2012	2013
Americas	20,641,218	21,258,773	22,278,959	21,624,065	21,948,848
Asia Pacific	N/A	N/A	N/A	576,267	7,053,530
Europe	6,512,364	7,492,679	7,685,384	8,308,976	8,037,909
Total	27,153,582	28,751,452	29,964,343	30,509,308	37,040,287

¹In 2012, NI began tracking this data from additional office locations in every region. In 2013, NI began tracking this data from additional office locations in the Asia Pacific region. Data prior to 2012 includes only NI headquarters and NI Hungary

Natural Gas

Natural Gas Used per Employee¹



¹Per employee numbers are calculated using the total number of full-time and part-time employees at NI corporate headquarters and NI Hungary as of December 31 each year.

Total Natural Gas Used (m³)¹

Region	2009	2010	2011	2012	2013
Americas	56,568	52,567	52,478	51,028	71,201
Asia Pacific	N/A	N/A	N/A	0	0
Europe	313,010	364,517	394,745	395,384	380,176
Total	369,578	417,084	447,223	446,412	451,376

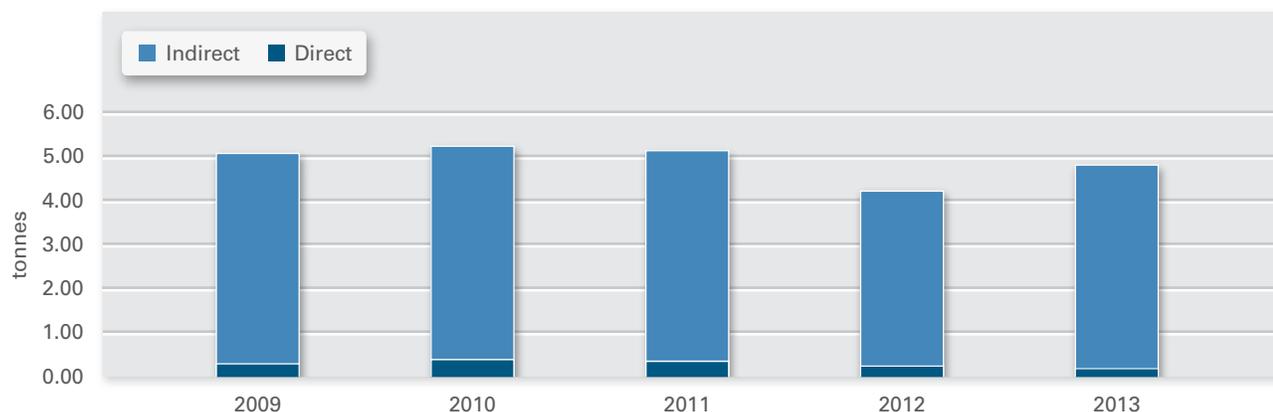
¹In 2012, NI began tracking this data from additional office locations in every region. Data prior to 2012 includes only NI headquarters and NI Hungary.

Reducing Emissions

NI has a long-term goal to reduce carbon emissions per employee 10 percent by 2023. To achieve this goal, NI continually works to reduce electricity and natural gas usage.

NI also 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.

Carbon Emissions per Employee^{1, 2}



¹To calculate these emissions, NI used the World Resources Institute (2012) GHG Protocol tool for stationary combustion, version 4.4; the World Resources Institute (2008) GHG Protocol tool for stationary combustion, version 4.0; and the World Resources Institute (2008) GHG Protocol tool for mobile combustion, version 2.2, with a fixed base year of 2005. Inputs include only purchased electricity usage, fuels used for stationary combustion, and the fuel used by company-owned and company-leased vehicles at tracked office locations.

²Per employee numbers are calculated using the total number of full-time and part-time employees at tracked office locations as of December 31 each year.

Indirect Carbon Emissions (Tonnes)¹

Region	2009	2010	2011	2012	2013
Americas	12,399	12,770	13,383	12,810	13,106
Asia Pacific	N/A	N/A	N/A	505	4,442
Europe	2,218	2,552	2,618	2,845	2,752
Total	14,618	15,323	16,001	16,160	20,299

¹In 2012, NI began tracking this data from additional office locations in every region. In 2013, NI began tracking this data from additional office locations in the Asia Pacific region. Data prior to 2012 includes only NI headquarters and NI Hungary.

Direct Carbon Emissions (Tonnes)¹

Region	2009	2010	2011	2012	2013
Americas	136	130	133	132	169
Asia Pacific	N/A	N/A	N/A	17	38
Europe	657	760	826	865	807
Total	792	890	959	1,015	1,014

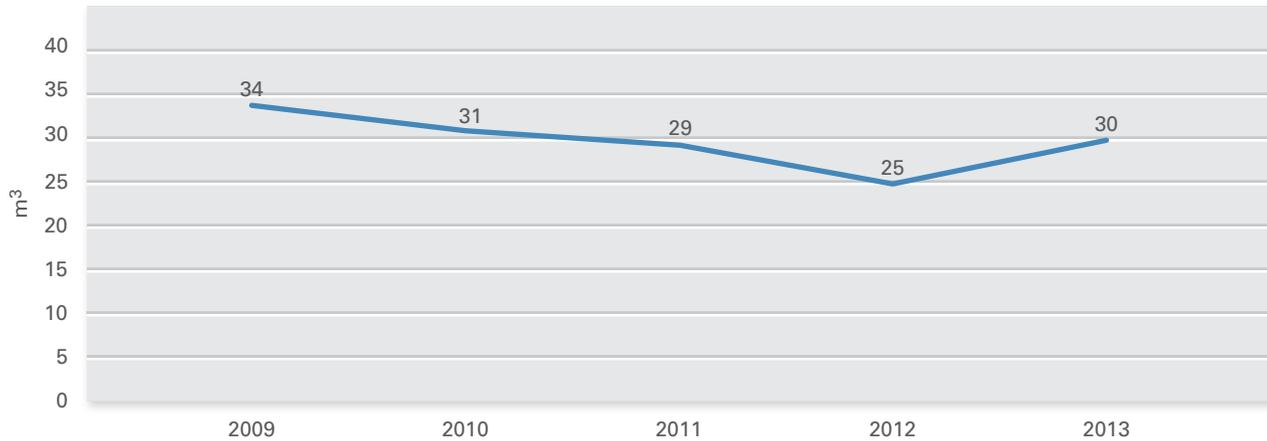
¹In 2012, NI began tracking this data from additional office locations in every region. In 2013, NI began tracking this data from additional office locations in the Asia Pacific region. Data prior to 2012 includes only NI headquarters and NI Hungary.

Water Usage, Recycling, and Waste Reduction

Water Usage and Protecting Habitats

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

Water Used per Employee¹



¹Per employee numbers are calculated using the total number of full-time and part-time employees at NI headquarters and NI Hungary as of December 31 each year.

Total Water Used (m³)¹

Region	2009	2010	2011	2012	2013
Americas	88,463	85,017	81,734	83,519	79,572
Asia Pacific	N/A	N/A	N/A	1,118	38,453
Europe	15,379	11,155	17,021	17,954	14,769
Total	103,842	96,172	98,755	102,591	132,794

¹In 2012, NI began tracking this data from additional office locations in every region. In 2013, NI began tracking this data from additional office locations in the Asia Pacific region. Data prior to 2012 includes only NI headquarters and NI Hungary.

Protecting Habitats

Most of the NI 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 incorporates 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 tool-making activity, by Native Americans.

Recycling and Waste

In 2013, NI began composting cafeteria waste at its headquarters campus. Complete data on waste and recycling in 2013 was not available at the time of publication for this PDF report. For the most up-to-date information, refer to the online report at ni.com.

Employees Driving Change

NI employees are key to achieving the company's environmental goals. The following sections demonstrate how NI employees engage in environmental efforts.

NI Green Team

The NI Green Team is an all-volunteer internal organization that works to reduce the ecological footprint of NI and its employees. The team, established in 2008, hosts events, educates fellow employees by writing articles for the employee newsletter, coordinates a community garden at NI corporate headquarters, and more.

On-Site Community Garden

In 2010, NI cleared a plot of land at headquarters for employees 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. Since starting the garden, employees have worked together to install fencing and collaborated on several other improvements.

Local Farm Support

NI headquarters serves as a pickup station for produce from a local community-supported agriculture (CSA) program—organic farm [Johnson's Backyard Garden](#). When employees subscribe to a CSA program, they pay a fee to receive regular boxes of produce. The challenge is that subscribers usually must drive to the farm to pick up their boxes, and the farm is not always conveniently located. With a pickup station located at headquarters, employees who subscribe can retrieve their produce before they leave work for the day.

Earth Week

The fifth annual Earth Week celebration at headquarters was the most highly attended yet, with hundreds of employees participating. Events included:

- A cooking contest challenging employees to use local and organic ingredients
- A trash-to-treasure event at which employees could take items that their coworkers no longer wanted
- A go-local fair featuring a variety of Austin-area vendors

Employees could also participate in activities on their own, such as pledging to eat at least one vegetarian meal and taking public transportation to work one day that week.



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's other key stakeholders: customers, shareholders, suppliers, and the communities in which they live and work. As NI continues its steady growth and global expansion, the company ensures that its "people advantage" strategy is preserved. With this strategy, NI meticulously hires the best and brightest employees, nurtures a great work environment with superior career development opportunities, and maintains a culture of giving through relevant and impactful employee and company philanthropy programs.



In This Section

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.

Create a Great Place to Work

NI is a place where employees can brainstorm with top professional minds, reinvent their jobs as they develop their skills, and join coworkers in health and wellness activities at the end of the day.

Maintain a Culture of Giving

At headquarters, and the more than 40 NI offices around the world, the company strives to improve the education, health, and well-being of its communities through employee philanthropy and volunteerism.

BY THE NUMBERS

\$1.4M USD

donated by NI employees to their communities throughout the year

10

NI offices recognized by the Great Place to Work Institute

42%

below US industry average turnover rate

Hire and Retain the Best and Brightest

Staying true to its people advantage strategy, 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. NI employees get satisfaction from knowing the work they do empowers customers to improve the world.



2013 HIGHLIGHTS

- Implemented the Global Learning Center worldwide
- Maintained a worldwide voluntary employee turnover rate at >25% below market average

2013 CHALLENGES

- Ensuring a diverse workplace despite fewer women and minorities in the technology field
- Continuing the expansion of career development efforts on a worldwide basis

2014 COMMITMENTS

- Maintain a worldwide voluntary employee turnover rate at 25% below the market average
- Implement a worldwide human capital management system
- Enhance coaching and feedback skills among leadership with new training programs, including e-learning for employees



“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

Recruit and Retain Employees

Recruiting Employees

NI recruiting efforts are so efficient that they are often referred to as the “recruiting machine.” By using best practices across teams, recruiters can focus on obtaining the information they need to make a successful hiring decision for full-time, part-time, or intern/co-op positions. A comprehensive intern and co-op program is at the core of the company’s hiring strategy. In 2013, 53 percent of eligible senior interns accepted full-time job offers for permanent positions at headquarters, exceeding the hiring goal of 50 percent. NI also hires experienced talent for specific functions to sustain strong growth areas of the business and to support international expansion. In 2013, the total number of employees worldwide increased by 3 percent.

Employees by Region

Totals are for the number of employees as of December 31 in the given year. In all totals, two part-time employees are counted as one full-time employee.

Type of Employee	Designation	Category	Americas	Europe ¹	Asia/Rest of World ³	Total
Regular	Full-Time	All	3475	1754	1808	7037
		Exempt	2917	1171	1441	
		Nonexempt	558	583	367	
	Part-Time	All	24.5	50	2.5	77
		Exempt	20	24	1	
		Nonexempt	4.5	26	1.5	
	Total Regular			3499.5	1804	1810.5
Intern/Co-Op ²	Full-Time	All	20.5	75.5	8	104
		Exempt	N/A	N/A	N/A	
		Nonexempt	20.5	75.5	8	
	Part-Time	All	34	11	2.5	47.5
		Exempt	N/A	N/A	N/A	
		Nonexempt	34	11	2.5	
	Total Intern/Co-Op			54.5	86.5	10.5
Other Contracts ⁴	Full-Time	All	42	277	150	469
		Exempt	N/A	N/A	N/A	
		Nonexempt	42	277	150	
	Part-Time	All	2.5	7.5	4.5	14.5
		Exempt	N/A	N/A	N/A	
		Nonexempt	2.5	7.5	4.5	
	Total Other Contracts			44.5	284.5	154.5
Total by Region 2013			3598.5	2175	1975.5	7749
Total by Region 2012			3,553.0	2,139.5	1,827.0	7,519.5
Total by Region 2011			3,582.0	2,018.0	1,487.0	7,087.0
Total by Region 2010			2,665.0	1,892.0	1,315.0	5,920.0
Total by Region 2009			2,619.0	1,699.0	1,184.0	5,502.0

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 2013.

³Asia/RoW includes branch offices in Asia as well as acquisitions outside the United States.

⁴NI 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.

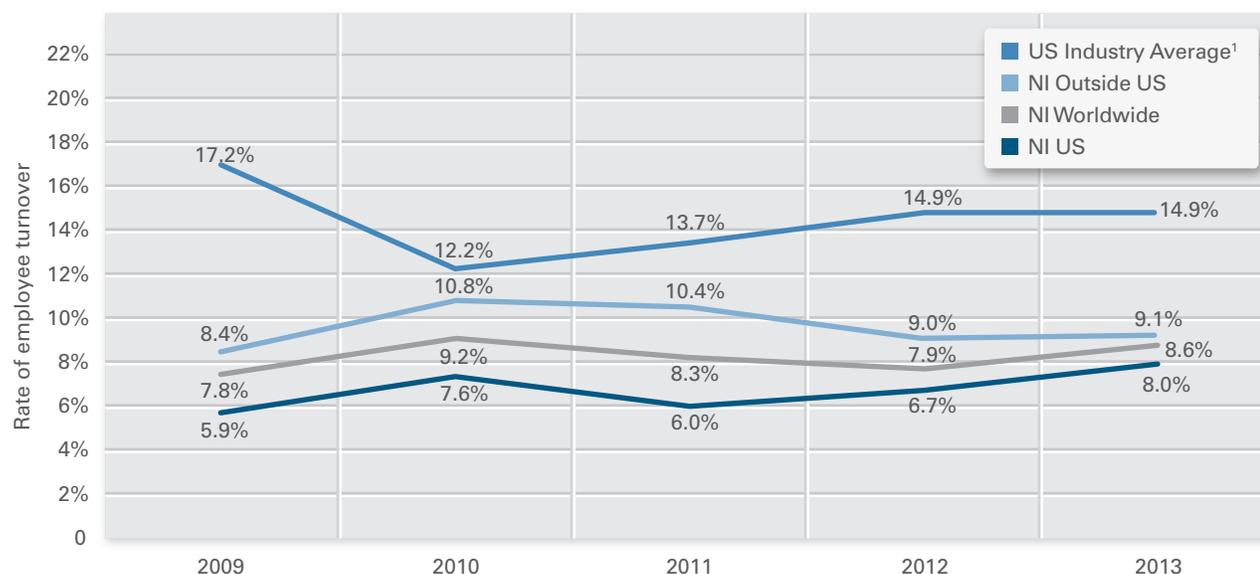
Retaining Employees

Given all that NI invests in finding and hiring the best and brightest employees who fit well into the company culture, retaining employees 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.

Employee Turnover Rate

NI has a consistently low employee turnover rate. In 2013, the turnover rate for all employees worldwide was 8.6 percent, which is 42 percent lower than the US industry average.

Employee Turnover Rate¹



¹Industry data is from Radford Surveys and Consulting, which provides biannual turnover data. The 2013 industry data is from October 1, 2013.

Diversity and Inclusion

NI is committed to maintaining a workforce that reflects the faces of worldwide community members, customers, and colleagues. NI promotes equal employment opportunities 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. As a multinational company, NI offers customized cultural awareness courses through the [Develop Rewarding Careers program](#).

Board Member and Officer Diversity

The percentage of female and minority [board members](#) decreased between 2009 and 2010 due to a change in the total number of board members when one board member was added in 2010.

NI Board Member Diversity

	2009		2010		2011		2012		2013	
	Number	Percent								
Female	1	17.0%	1	14.3%	1	14.3%	1	14.3%	1	14.3%
Minority Groups	1	17.0%	1	14.3%	1	14.3%	1	14.3%	1	14.3%

NI Officer Diversity

	2009		2010		2011		2012		2013	
	Number	Percent								
Female	1	4.0%	1	4.0%	1	3.6%	1	2.9%	1	3.2%
Minority Groups	2	7.0%	2	7.0%	2	10.7%	4	11.7%	4	12.5%

The percentage of female and minority **officers** changed between 2011 and 2012 due to a change in the total number of officers when five officers were added in 2012 (34 officers). The percentage of female and minority officers changed between 2012 and 2013 due to a change in the total number of officers in 2013 (32 officers).

Develop Rewarding Careers

The Develop Rewarding Careers program offers employees tools, resources, and opportunities to prepare them for successful careers at NI. The program helps to align employees' talents with business opportunities and to continually grow their skills. It is a key component in developing employees to reach beyond their roles and influence the company's success.

Global Learning Center

The Global Learning Center is NI's internal learning management system, which helps administrate, track, and report on instructor-led training and e-learning development content. It provides a centralized, global portal for all learning and related activities. Rolled out to all worldwide employees during Q1 2013, it provides a self-service platform for employees and managers through increased visibility of worldwide offerings, resources, reporting, and insight.

Continuing Education

NI supports many forms of continuing education for employees. Skills management and learning programs NI provides include:

- Leadership development for individual contributors, supervisors, managers, and leaders
- NI product training and certification
- Skills training in interpersonal skills, the NI vision and mission, technical skills, and team effectiveness
- Recommended reading, employee-led book groups, and a lending library
- Community board membership for employees who support community organizations through this role
- Tuition assistance for US employees that pursue a job-related degree or course external to NI

Tuition Assistance From NI

	2008	2009	2010	2011	2012	2013
Number of Participating Employees	59	52	43	31	37	31
Percentage of Total US Employees (%)	2.31	2.04	1.67	0.87	1.07	0.98
Assistance Paid by NI (USD)	\$281,617.78	\$250,141.68	\$201,704.77	\$222,319.69	\$262,221.54	\$145,419.21
Average Amount per Employee (USD)	\$4,773.18	\$4,810.42	\$4,690.81	\$7,171.60	\$7,087.07	\$4,690.94

Hours of All Instructor-Led Training Completed

Region		Category	2008	2009	2010	2011	2012	2013 ⁴	
Worldwide ¹	Total	All	172,435.50	110,488.00	72,791.57	127,176.63	116,317.25	91,000-110,100	
		Average per Employee ²	All	30	20	10	20	30	25
			Exempt ³	+	20	15	25	30	20-25
			Nonexempt ³	+	10	5	110	39	25-30
US	Total	All	152,719.20	79,497.80	62,568.07	124,118.21	114,609.25	--	
		Average per Employee ²	All	65	30	25	35	31	--
			Exempt	+	30	25	45	30	--
			Nonexempt	+	20	15	240	40	--

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.

⁴In 2013, NI transitioned to a new tracking system for instructor-led training. However, all working groups did not start using the new system on January 1, 2013. Therefore, the total reported for 2013 does not include training hours completed without the use of the new system. These numbers are estimates as NI prioritized leadership development and system implementation. The new system works on a global basis, so US-centric data is no longer retained.

Employee Performance Reviews

Employees meet with their managers individually for a performance review to receive meaningful, constructive feedback at least on an annual basis. NI estimates that 74 percent of employees in Europe and the US received performance reviews in 2012. NI is working to refine the tracking process to collect data from employees worldwide

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

2009	2010	2011	2012	2013 ³
60%	72%	80%	74%	55%

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 headquarters and Europe only.

³As NI transitions to a worldwide human capital management system, this percentage will be impacted

Create a Great Place to Work

NI strives to create a great place to work for its employees worldwide. NI's guiding principles spark inspiration and originality, encouraging employees to autonomously complete their jobs. This vision-driven work environment promotes meeting the world's grand challenges for engineering through innovation and community involvement. For the third consecutive year, NI achieved a top 20 ranking on the Great Place to Work Institute's list of the World's Best Multinational Workplaces. NI consistently achieves these recognitions on a global scale, attesting to the importance NI places on maintaining a collaborative corporate culture.



2013 HIGHLIGHTS

- NI Costa Rica, which opened in 2011, was recognized as a top place to work for the second year of its three-year establishment
- Exceeded participation expectations in the new high-deductible health plan, which encourages employees to take an active role in their health care
- Recognized by the Great Place to Work Institute as the #9 top multinational workplace and a top company to work for in 10 countries

2013 CHALLENGES

- Continue offering competitive benefits packages despite increases in health care costs

2014 COMMITMENTS

- Maintain an average of 85% of surveyed employees worldwide describing NI as a great place to work
- Continue to improve the health and wellness of the US employee base by achieving 95% participation in the annual HRA and a continued reduction in medical risk factors of the control group established in 2012



“Connecting to different issues with a multifaceted approach is the quickest way to see positive growth in our community. 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 Communications

A key to the strong culture and high level of trust at NI is ensuring timely, honest, and accurate communication with employees worldwide. Dr. James Truchard, NI president, CEO, and cofounder, who is commonly known around NI as Dr. T, and other NI leadership communicate openly and honestly about important business topics. Town hall sessions and quarterly business discussions encourage open communication from leaders to employees. Dr. T's "sneaker management" philosophy emphasizes walking around and talking to employees face-to-face. He believes that talking to people directly remains the best way to understand employee concerns and questions. Regular one-on-one meetings with managers and their employees promote further collaboration and access to feedback channels.

Other NI employee communication tools include the following:

- Business discussions with NI leaders covering financial updates, company successes, and employee calls to action
- Company meetings for all employees twice a year
- A weekly internal newsletter that includes business and international updates as well as employee-driven content
- A crisis response team dedicated to preparing communication in the event of a crisis

Employee Recognition

NI recognizes employees for their outstanding work in a variety of ways including monetary compensation and special activities. NI's employee recognition efforts help foster the company's people advantage. For example, each month, Dr. T shows his appreciation to the employees who grow their careers at the company by paying them special recognition as they reach their five-, 10-, 15-, and 20-year service anniversary milestones. Dr. T also inducts 25-year employees into the NI Quarter Century Club at a dinner event. NI headquarters, along with several branches such as the Penang branch, also host an annual Employee Appreciation Week. Employees are encouraged to attend the week's information sessions, health and wellness fair, and deck party to celebrate their hard work.

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. For example, in 2013 NI Hungary hosted more than 1,900 employees and their families at its annual Family Days.

NI Code of Ethics

The [NI Code of Ethics](#) complies with the applicable requirements of the SEC and NASDAQ. The company requires all employees and leadership to read and understand the NI Code of Ethics, uphold the standards in day-to-day activities, and comply with the applicable policies. The NI Code of Ethics training is distributed during even-numbered years and specialized trainings for specific jobs are distributed during odd-numbered years. All new employees are required to take the trainings as part of the onboarding process. In 2013, 98 percent of employees completed the specialized Export Compliance and Anti-Corruption training courses.

Employee Benefits

Wellness, Benefits, and Safety

NI offers employees a total compensation package that includes wellness, benefits, and safety resources. As health care costs continue to increase rapidly in the United States, wellness has been a top priority for NI over the last several years. The company offers comprehensive medical benefits and a wide variety of programs that support employee health and well-being. These programs help employees evaluate, maintain, and improve their health and the health of their families. NI also offers US employees a competitive 401(k) plan and access to short-term disability insurance, among many other benefits. During Q4 2013, US employees were offered a new high-deductible health plan option for 2014. This plan encourages employees to take an active role in their health choices. Nearly a quarter of US employees elected this plan, far exceeding the company's expectation of a 5 percent participation rate.

Employee Benefits

NI takes a proactive approach in partnering with employees to achieve healthier lifestyles through wellness and prevention and even features health centers at several of its larger branches. The centers provide employees with access to convenient, high-quality health care. These larger branches also have facilities for fitness and recreational activities. NI encourages employees to use on-campus facilities, which range from fitness centers to a soccer field in Penang.

Wellness Programs

NI builds a spirited culture of wellness by offering programs based on the aggregate results of employee health risk assessments (HRAs) conducted at headquarters. These health and wellness programs include the following:

- Healthy Eating Every Day (HEED) classes designed to change eating habits and behaviors
- Programs to encourage exercise, including NI walking and running clubs, 10K-a-Day step challenges, and on-campus walk/run events
- NI sports leagues and involvement in community fitness events, such as the Penang Bridge International Marathon, the Statesman Capitol 10K, and bike rides
- Group exercise classes, including aerobics and yoga, at NI headquarters, Hungary, and Penang

NI's US offices proudly became smoke and tobacco free as of October 2012. Smoking cessation programs and additional assistance were offered to employees who wanted help with quitting.

Compensation and Benefits

NI offers a comprehensive compensation and benefits package that provides employee benefits such as the following:

Benefit	Worldwide	US
Competitive salary	X	
Health insurance plans with quality health care coverage		X
Tuition assistance		X
Group life insurance		X
Short-term disability		X
401(k) retirement plan		X
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	X	
Ownership in the company through equity programs	X	
On-site health and fitness centers	X ²	
Monetary matching for employee donations to charitable organizations		X
Employee assistance program (EAP) for health care, legal, and financial help		X ¹
Flexible spending account for medical expenses		X

¹NI headquarters only.

²NI headquarters, Hungary, and Penang only.

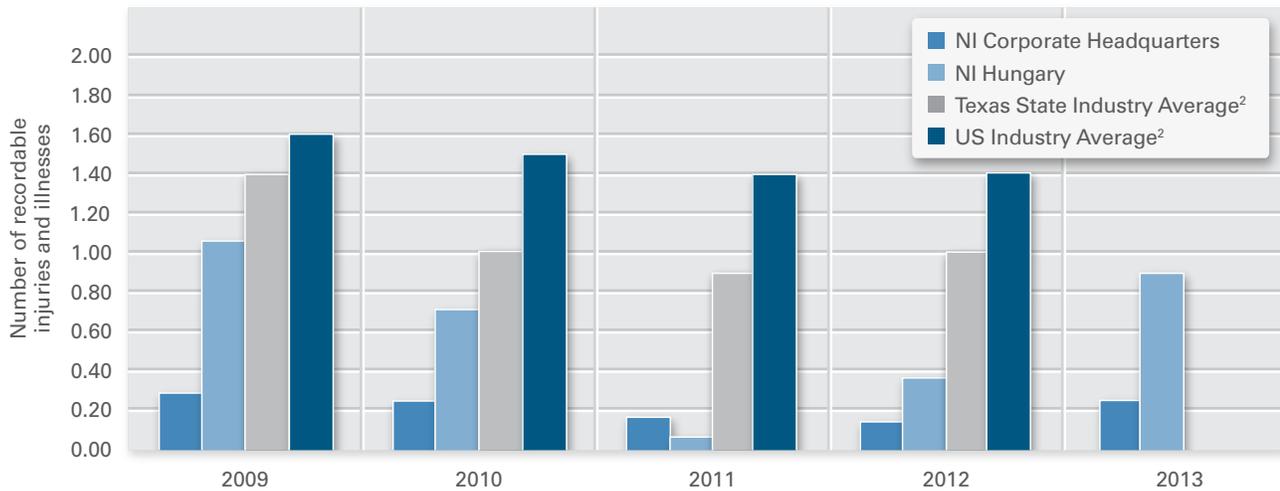
401(k) Retirement Plan

NI offers a voluntary 401(k) plan to help US employees prepare for retirement. Employees can 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 2013, 87 percent of NI employees in the United States participated in the 401(k) retirement plan, an increase of 1 percent from 2012.

Safety

NI protects workers by providing a comprehensive health and safety program. The company's safety performance in 2013 continued to be world-class with few recorded injuries.

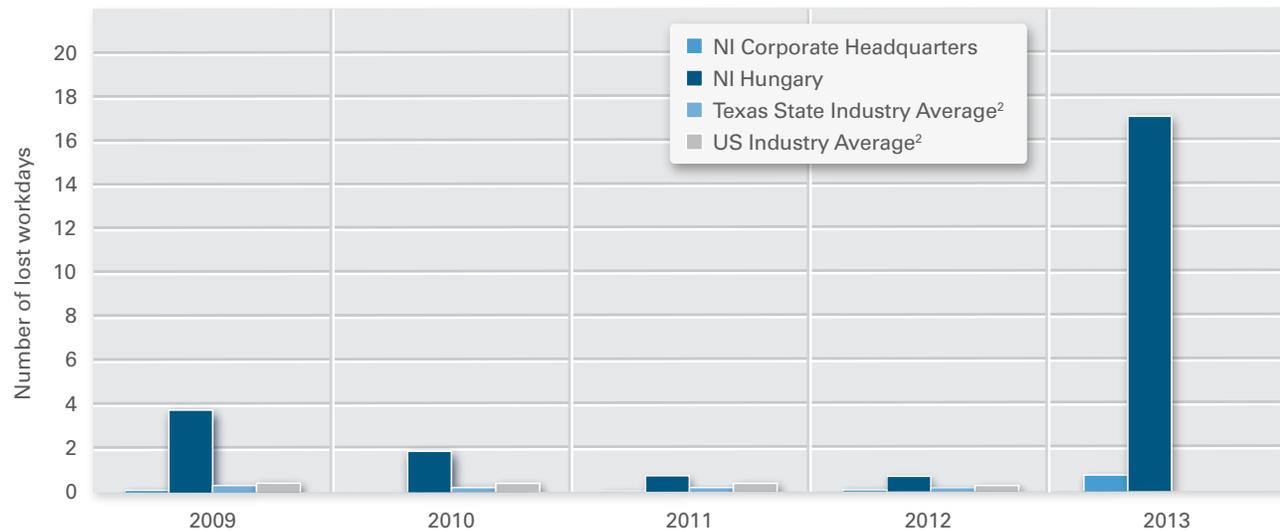
Recordable Injury/Illness Rate¹



¹Incidents per 100 employees calculated based on the average headcount for the year, using actual hours worked by nonexempt employees and an assumption of 2,000 hours worked for each exempt employee. Data is from NI corporate headquarters and NI Hungary only.

²US and Texas state industry data for 2013 was not available at the time of report development.

Lost Work Day Rate¹



¹Incidents per 100 employees calculated based on the average headcount for the year, using actual hours worked by nonexempt employees and an assumption of 2,000 hours worked for each exempt employee. Data is from NI corporate headquarters and NI Hungary only. NI corporate headquarters experienced zero lost workdays in 2010.

²US and Texas state industry data for 2012 was not available at the time of report development.

Maintain a Culture of Giving

NI and its employees are passionate about ensuring the success of the communities in which they work and live. At headquarters, and the more than 40 NI branch offices around the world, the company works to improve the education and well-being of its communities through employee philanthropy and volunteerism. Because NI is a technology leader, the cornerstone of its community engagement program focuses on growing the number of students and teachers who have access to engaging, hands-on learning tools. Ultimately, NI aims to inspire and enable students to pursue science and engineering careers.



2013 HIGHLIGHTS

- Donated \$1.4 million USD, more than 1% of pretax profits, to nonprofit organizations
- Launched an employee giving and volunteer management system in the United States
- Invested in a corporate grants management system to ensure a higher level of transparency for corporate donations

2013 CHALLENGES

- Growing corporate nonprofit relationships globally
- Expanding NI Matching Gifts program worldwide

2014 COMMITMENTS

- Maintain commitment of donating at least 1% of pretax profits
- Implement global employee giving and volunteer management tool in several international offices
- Continue to foster long-term, strategic relationships with STEM nonprofit organizations



“Working at a company that encourages community outreach provides me with a unique opportunity to help others across the globe while maintaining a career. NI really appreciates and recognizes employees that give their time to those in need, which makes volunteering even more gratifying.”

—Mackenzie Roberson, Web Content Coordinator

Employee Philanthropy and Volunteerism

NI encourages employees to engage in community activities they care about and to donate their time, talent, and resources to organizations dedicated to their passions. Globally, these efforts are supported and implemented by various members of NI branch office staff who are aware of the local community needs and how they should respond. Around the world, NI employees use their innovative spirit to drive progress on community issues.

Employee Philanthropy

NI is proud of the individual impact employees make with their philanthropy. NI employees continue growing their philanthropic gifts each year. In 2013, NI employees donated and pledged more than \$1 million USD.

NI Headquarters Employee Philanthropy (USD)

Year	2008	2009	2010	2011	2012	2013
Fall Giving Campaign	\$510,000	\$549,407	\$699,612	\$958,954	\$890,384	\$1,052,495.53
Matching Gifts	\$180,142	\$166,189	\$221,619	\$220,768	\$197,977	\$357,824.54
Total Donations	\$690,142	\$715,596	\$921,231	\$1,179,722	\$1,088,361	\$1,410,320.07

While NI understands that charitable donations are personal, the company offers easy, meaningful ways for employees to give. In 2013, NI headquarters held its 18th annual NI GIVES campaign, an internal giving campaign for US employees to make donations through a variety of channels, including payroll deduction, credit card, and stock payments. Employees can easily donate to the charities of their choice. Participating employees are also encouraged to request that NI match donations given to qualified nonprofit organizations of up to \$1,000 USD per year, which increases the impact of the employee's contribution to the community. During the campaign, employee donations, pledges, and match requests totaled more than \$905,500 USD. In addition to the NI GIVES campaign, year-round employee donations made through credit cards and match requests exceeded \$500,000 USD.

Although several NI offices such as NI Korea, NI United Kingdom, and NI Penang have fundraising campaigns to help facilitate employee giving, NI is challenged with providing a matching gifts program for employees worldwide due to a time-intensive and costly equivalency determination process for vetting global organizations. NI is working with other tech companies and the Silicon Valley Community Foundation to find a solution to this issue.

Employee Volunteerism

Last year, NI employees made a significant impact on their communities through volunteerism. At NI headquarters, more than 542 volunteers reported 10,941 hours of service to various nonprofit organizations.

In 2013, the NI Volunteers campaign at NI headquarters helped educate employees about ways to connect with local nonprofit organizations. During the campaign, employees gave 1,661 hours of their time and expertise back to the community. Many of the activities supported organizations related to the company's effort to inspire students to pursue careers in STEM. Other activities included sorting food at the Capital Area Food Bank, preparing meals at the Ronald McDonald House, and gardening at Urban Roots.

NI branch offices around the world also implemented employee volunteerism programs. Below are some examples:

- NI Hungary continues to encourage employees through the three-month Be a Volunteer campaign
 - Approximately 163 employees participated
 - Nearly 900 hours were logged
 - Participants volunteered for a variety of activities, including renovating a local orphanage
- NI Costa Rica had 40 employees volunteer at a local national park as part of an office-wide team building event
- NI Shanghai encourages employees to volunteer as part of their Hands On Shanghai program

Providing Access to Technology

The mission of Planet NI, a National Instruments signature program, is to empower engineers in emerging countries to achieve sustainable prosperity by providing increased access to NI technology. The program focuses on nurturing local innovation through partnerships and supporting small and medium enterprises (SMEs), entrepreneurs, and organizations building solutions that can contribute locally to the prosperity and sustainable development of emerging nations.

The Planet NI program is an extension of NI's company mission to equip engineers and scientists with tools that accelerate productivity, innovation, and discovery. This program extends the reach of NI tools and technology into areas that can have a positive impact in the world, and supports the development of future growth markets for NI's business.



Program Focus Areas

SMEs and Startups

SMEs and startups with innovative products and solutions to address key local challenges can become eligible to receive flexible pricing and grants for training courses, technical support, and products to design and prove their prototypes.

Incubation Labs and Technology Parks

NI partners with innovation centers and shared spaces dedicated to supporting entrepreneurs by providing development tools for rapid prototyping, test, and validation, as well as technical training, and accessibility schemes.

Public-Private Partnerships

In collaboration with development organizations, NGOs, universities, and governments, NI supports projects designed to build technical skills, globally competitive talent, and healthy and sustainable innovation and entrepreneurship ecosystems.

BY THE NUMBERS

358

SMEs supported worldwide

11

active partnerships with government agencies, incubation labs, universities, and nonprofit organizations

15

emerging countries' engineers now have access to NI technology

The Planet NI Program in Emerging Countries Around the World

Planet NI prioritizes recipients and partnerships around the world based on local needs and challenges. From providing technical training and support to connecting recipients and partners to projects and resources, employees in local NI offices are committed to the long-term success of the program and its impact to their shared communities.

To extend its reach and maximize the impact of the Planet NI program, NI partners with mission-aligned global and local organizations through formal agreements and public-private partnerships. For example, NI works with the United States Agency for International Development (USAID) through its Partnerships for Enhanced Engagement in Research (PEER) Science program to provide technology to researchers in emerging countries working on projects with significant social and environmental impact. NI also worked with SME Corporation in Malaysia to establish a test and measurement innovation hub to provide shared technology infrastructure to SMEs and incubator startups as well as a state-of-the-art human capital development center. Additional strategic partnerships include the Acumen Fund, Berytech in Lebanon, Engineering World Health in Honduras, IdeaSpace in the Philippines, and various incubation labs in universities around the world.

The Planet NI program has active projects in the following regions:

Sub-Saharan Africa	Brazil	India	Malaysia
Arabia and the Middle East	Central America	Mexico	Philippines

2012 HIGHLIGHTS

- Supported 230 SMEs around the world
- Formed 10 partnerships with universities, businesses, and nonprofit organizations
- Provided access to NI technology in 21 emerging countries

2013 COMMITMENTS

- Increase the number of LabVIEW users in emerging countries who otherwise would not have access to NI technology by 10%
- Extend reach of the Planet NI program through partnerships with mission-aligned organizations
- Invest in the creation of affordable product offerings that are relevant for engineers in emerging countries

2014 PROGRAM GOALS

- Provide increased access to NI technology to entrepreneurs and SMEs driven to solve development challenges in emerging countries
- Increase the number of proficient LabVIEW users in emerging markets through industry-standard training and certification
- Strengthen local innovation ecosystems through partnerships with incubators, NGOs, universities, and government organizations



“Without the support provided by NI through the Planet NI program, it probably would have taken me another couple of years to grow the company to the stage it is today.”

—Mr. Senthilkumar Murugesan, Unilogic Technologies, SME, India

Restatements

The following table details restatements of information provided in previous Shared Value reports. For earlier restatements, refer to the previous reports available on the [NI Approach to Shared Value](#) page.

Reporting Year	Information Reported	Updated Information	Reason
2012	The data reported in the Minimize Our Environmental Impact section of this report accounted for only two NI office locations.	The 2012 data in this section now accounts for several additional NI office locations in the Americas, Asia Pacific, and Europe regions.	NI expanded its data collection efforts to include additional office locations.
2009-2012	NI reported incorrect industry averages for the recordable injury/illness rate and the lost workday rate for 2009-2011.	Industry averages for the recordable injury/illness rate and the lost workday rate for 2009-2011 are updated.	This restatement is due to a clerical error that occurred in the data collection process.