2011 Corporate Responsibility Report

Connecting and Enriching Lives Through Technology

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Intel's vision: Over the next decade, we will create and extend computing technology to connect and enrich the lives of every person on earth.

In this report, we discuss our corporate responsibility performance during 2011, and the actions we are taking to achieve our vision. We prepared this report using the Global Reporting Initiative* (GRI) G3.1 guidelines, and we self-declare the report at the GRI Application Level A.

On the cover:
The 3rd generation Intel® Core™ processor family, built using 22-nanometer process technology with 3-D Tri-Gate transistors, delivers energy-efficient performance that will help shape the computing era ahead.

2011 was an outstanding year for Intel. Despite a tough macro-economic environment, the company set records in platform unit sales, revenue, and earnings, reflecting strong global demand for our products and solid execution by our employees around the world. We have an ambitious vision for the next decade: Create and extend computing technology to connect and enrich the lives of every person on earth.

Four strategic objectives guide us toward this vision. One of these objectives, in particular, reminds us of the integral role that corporate responsibility plays in the achievement of our vision: "Care for our people, care for the planet, and inspire the next generation." Over the past year, we have made significant strides in each of these areas.

Care for our people. I am honored to work with the employees of Intel, who deliver extraordinary results every day to make our company's vision a reality. Ours is a company of inventors. Our success rests on our employees' ability to create and innovate—in technology, in business, and in their communities. One of the six Intel Values, "Great Place to Work," reinforces the strategic importance we place on investing in our people. We support this value by cultivating a safe, respectful, and ethical work environment that enables employees to thrive both on and off the job. In 2011, we invested approximately $299 million in employee training and development, and through our extensive volunteer programs, we helped empower our employees to donate more than 1.1 million hours of service to their communities. Our workplace practices once again earned us a spot on Fortune magazine's annual "100 Best Companies to Work For" list.

Care for the planet. We believe that technology plays a fundamental role in finding solutions to the world's environmental challenges. Intel is a recognized leader in sustainability for the ways we work to minimize the environmental impacts of our own operations and design products that are increasingly energy efficient. In 2011, for the fourth year in a row, Intel was the largest voluntary purchaser of green power in the U.S., according to the U.S. Environmental Protection Agency, and became the first semiconductor company to obtain LEED* Silver Certification for an entire manufacturing campus. We also introduced the world's first 3-D Tri-Gate transistors, which can significantly improve a silicon chip's performance and energy efficiency. To underscore the importance of sustainability to our business, we again included an environmental component in the formula used to determine bonuses for all of our employees. We continued to face challenges in the areas of water conservation and chemical waste reduction, but we have set new 2020 environmental goals to drive continuous improvement in both our manufacturing operations and the energy efficiency of our products.

Inspire the next generation. As a technology innovator, Intel depends on the availability of skilled workers, a healthy technology ecosystem, and knowledgeable customers. In turn, the health of local economies—including those where our employees live and work—depends on access to technology and quality education. In support of our efforts to transform education, Intel and the Intel Foundation collaborate with governments and educators, and invest approximately $100 million annually in programs around the world—from professional development for teachers to entrepreneurship programs to premier science and engineering fairs. In 2011, we reached our goal of providing technology training to 10 million teachers. Our initiatives and technology solutions for the education market helped create economic and social opportunities for people in over 100 countries.

Intel is committed to continuous improvement in our own practices, and works with other organizations to advance best practices in corporate responsibility worldwide. In 2011, we also continued to raise the bar for expectations in our supply chain, through increased assessments and audits and by tackling difficult issues such as conflict minerals.

As a global technology and business leader, we are committed to doing the right things, the right way. Deeply embedding corporate responsibility into our business creates value for Intel by helping to mitigate risk, save costs, protect our brand value, and develop new market opportunities. For Intel, corporate responsibility is simply good business.

We welcome your feedback on this report and your suggestions on how we can continue to improve our performance and apply our technology to create a better future.

Paul S. Otellini
President and Chief Executive Officer

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- QuickTime*

Note: References to "Intel" throughout this document pertain to Intel Corporation. Intel Foundation is a separate entity.

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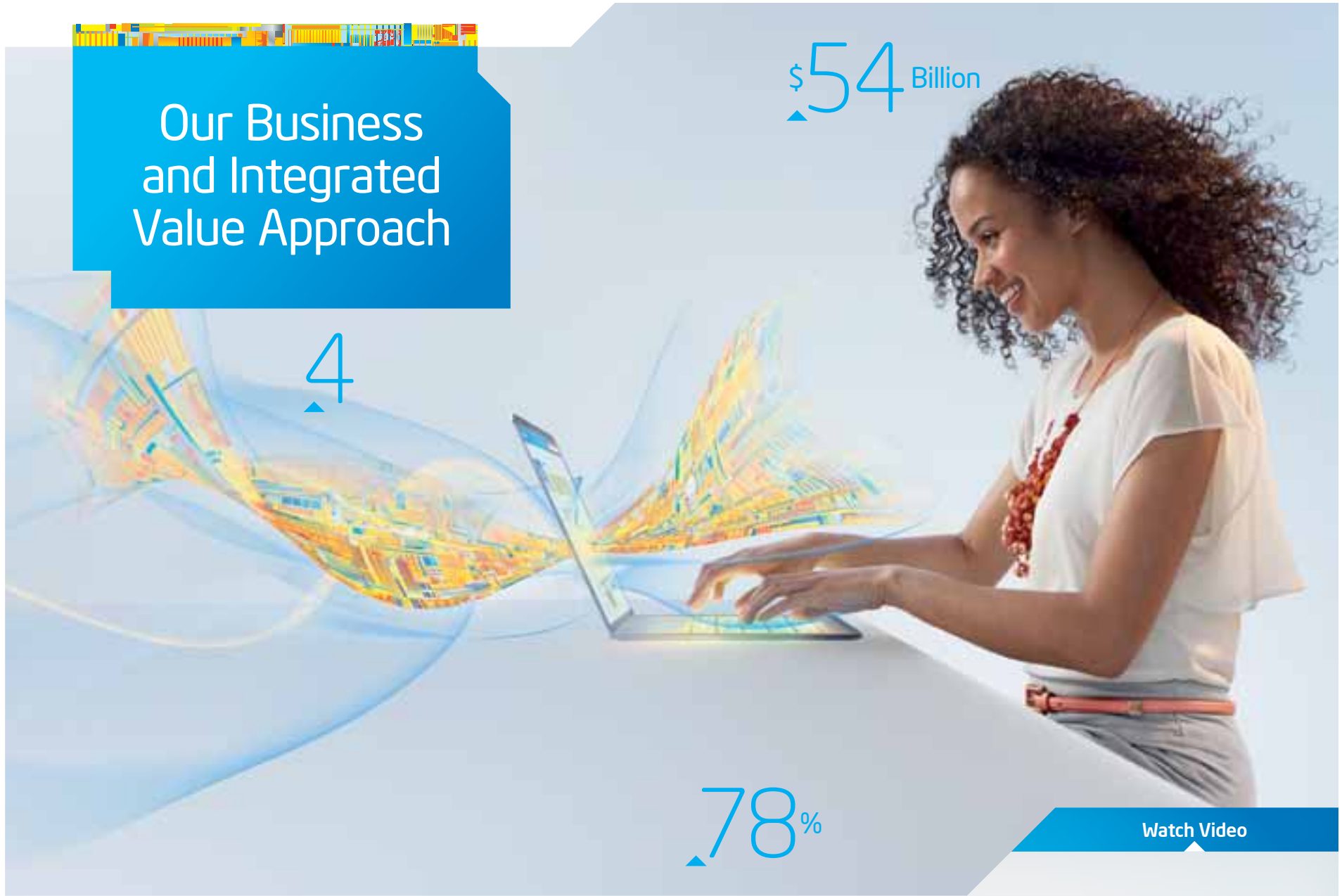
Our Business and Integrated Value Approach



Watch Video

We strive to make the best silicon and technology products in the world, and through their application, to create a better future. We have embedded corporate responsibility and sustainability into our vision and strategy, management systems, and long-term goals. We believe that this integrated approach creates value for Intel as well as our stockholders, customers, and society.

Key Links

Intel Values

Intel Company Information

Intel 2011 Annual Report and Form 10-K

Intel 2012 Proxy Statement

Intel Investor Relations

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Company Profile

Our goal is to be the preeminent computing solutions company that powers the worldwide digital economy. We believe that the proliferation of the Internet and cloud computing has driven fundamental changes in the computing industry. We are transforming our primary focus from the design and manufacture of semiconductor chips for PCs and servers to the delivery of solutions consisting of hardware and software platforms and supporting services.

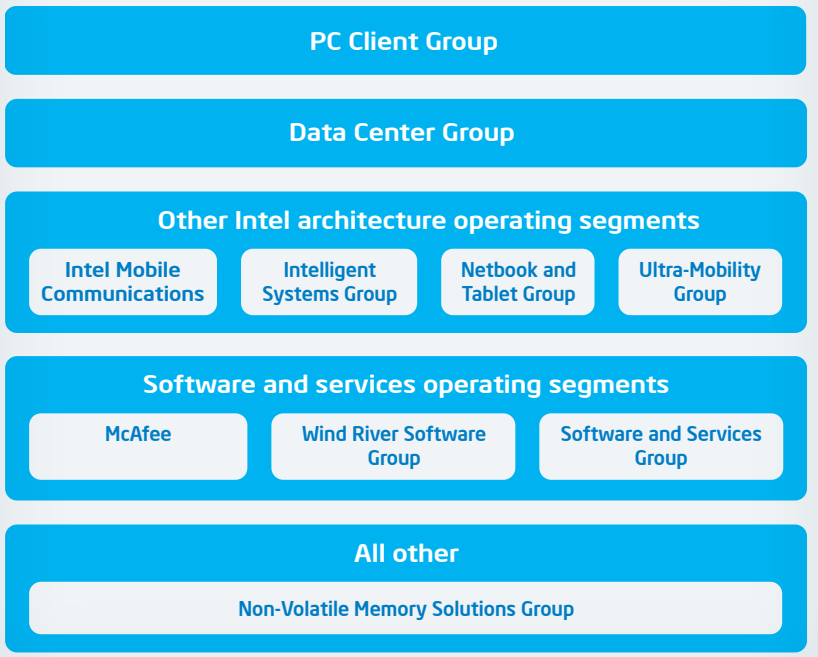
Intel designs and manufactures advanced integrated digital technology platforms. A platform consists of a microprocessor and chipset, and may be enhanced by additional hardware, software, and services. We sell these platforms primarily to original equipment manufacturers (OEMs), original design manufacturers (ODMs), and industrial and communications equipment manufacturers in the computing and communications industries. Our platforms are used in a wide range of applications, such as PCs (including Ultrabook™ systems), data centers, tablets, smartphones, automobiles, automated factory systems, and medical devices. We also develop and sell software and services primarily focused on security and technology integration. We serve customers in more than 120 countries, and at fiscal year-end 2011 we had 100,100 employees in more than 60 countries.

Business Organization and Operations

As of December 31, 2011, we managed our business through a number of operating segments, as illustrated on this page. In the first quarter of 2011, we completed the acquisitions of McAfee, Inc. and the Wireless Solutions (WLS) business of Infineon Technologies AG, which operates as Intel Mobile Communications.

One of our important competitive advantages is the combination of our network of manufacturing and assembly and test facilities with our global architecture design teams. This network enables us to have more direct control over our processes, quality control, product cost, production timing, performance, and other factors. Most of our competitors rely on third-party foundries and subcontractors such as Taiwan Semiconductor Manufacturing Company, Ltd. or GlobalFoundries Inc. for their manufacturing and assembly and test needs.

Intel Business Organization and Operating Segments



In 2011, 66% of Intel's consolidated net revenue was attributable to the PC Client Group, 19% to the Data Center Group, 9% to the Other Intel architecture operating segments, 3% to the Software and services operating segments, and 3% to All other. For descriptions of each of these operating groups and segments, see our 2011 Annual Report and Form 10-K.

As of the end of fiscal 2011, 78% of our wafer fabrication, including microprocessors and chipsets, was conducted within the U.S. at our facilities in Arizona, New Mexico, Oregon, and Massachusetts. The remaining 22% of our wafer fabrication was conducted outside the U.S. at our facilities in Ireland, China, and Israel. We are building a development fabrication facility in Oregon that is scheduled for R&D startup in 2013, and a leading-edge, large-scale 14-nanometer (nm) fabrication facility in Arizona that is scheduled for completion in 2013. As of December 31, 2011, a substantial majority of our microprocessors were manufactured on 300-millimeter (mm) wafers using our 32nm process technology. In the second half of 2011, we began manufacturing microprocessors using our 22nm process technology.

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Following the manufacturing process, the majority of our components are assembled and tested at our facilities in Malaysia, China, Costa Rica, and Vietnam. To augment capacity, we use subcontractors to perform assembly of certain products, primarily chipsets and networking and communications products. In addition, we use subcontractors to perform assembly and test of our mobile phone components. Our NAND flash memory products are manufactured by IM Flash Technologies, LLC using 20nm, 25nm, 34nm, or 50nm process technology, and assembly and test of these products is performed by Micron Technology, Inc. and other external subcontractors.

Although we manufacture the majority of our products in our own factory network, we have thousands of suppliers, including subcontractors, that provide Intel with materials and services. We set expectations for supplier performance and reinforce those expectations with periodic assessments. For more information about our supply chain, see the Supply Chain section of this report.

This map shows the locations of Intel's wafer fabrication facilities (fabs) and assembly and test facilities around the world.

Watch Video Take a look inside an Intel fab.

Countries with More Than 50 Employees[1]

Location	Employees	Location	Employees
Argentina	219	Italy	52
Austria	173	Japan	560
Belgium	65	Malaysia	8,787
Brazil	163	Mexico	767
Canada	129	Netherlands	219
China	8,282	Poland	664
Costa Rica	2,660	Romania	56
Denmark	178	Russia	914
Egypt	157	Singapore	343
Finland	168	South Korea	237
France	418	Spain	88
Germany	2,349	Sweden	60
Hong Kong	185	Taiwan	698
India	3,832	United Kingdom	778
Ireland	2,335	United States	47,663
Israel	6,413	Vietnam	816

[1] As of December 31, 2011. Includes regular employees only (does not include employees of subsidiaries).

Intel is headquartered in Santa Clara, California and incorporated in the state of Delaware. We have over 300 facilities located in more than 60 countries. In the U.S., our five largest sites include: Oregon (15,886 employees), Arizona (11,165 employees), Folsom, California (6,073 employees), Santa Clara, California (5,364 employees), and New Mexico (3,514 employees).

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Products

We offer platforms that incorporate various components and technologies, including a microprocessor and chipset, for use in a wide range of computing devices. A microprocessor—the central processing unit (CPU) of a computer system—processes system data and controls other devices in the system. A chipset in a PC or other computing device sends data between the microprocessor and input, display, and storage devices, such as the keyboard, mouse, monitor, hard drive or solid-state drive, and CD, DVD, or Blu-ray* drive. Learn how a microprocessor is made in the step-by-step guide "From Sand to Silicon."

We offer a range of platforms based on the following microprocessors.

Intel® Atom™ processor
Designed for low-power and affordable Internet-focused devices such as netbooks, tablets, and smartphones

Intel® Core™ i3 processor
Designed to deliver the performance needed for multitasking

Intel® Core™ i5 processor
Designed to deliver performance for everyday applications, with the ability to boost the speed of PCs as needed for demanding tasks such as playing games and photo editing

Intel® Core™ i7 processor
Designed to deliver performance for demanding tasks such as multimedia creation and editing, and intense gaming

Intel® Core™ i7 processor Extreme Edition
Designed to deliver performance for the most demanding applications such as high-performance gaming, high-definition content creation, and video encoding and editing

Intel® Xeon® processor
Designed to support a range of entry-level to high-end technical and commercial computing applications such as Internet protocol data centers

Intel® Itanium® processor
Designed to support an even higher level of reliability and computing performance for data processing, and handling high transaction volumes and other compute-intensive applications for enterprise-class servers, as well as supercomputing solutions

Watch Video Take a tour inside our new Tri-Gate transistor with Intel Senior Fellow Mark Bohr.

We offer and are continuing to develop System-on-Chip (SoC) products that integrate our core processing functions with other system components. We also offer features to improve our platform capabilities, such as Intel® vPro™ technology, which is designed to help business IT managers remotely monitor and manage their networks, resulting in improved energy-efficient performance and security, and lower total cost of ownership.

In addition to our Intel® Atom™ processor-based products for the smartphone market segment, we offer components and platforms for mobile phones and connected devices. Our McAfee subsidiary offers software products that provide security solutions for consumer, mobile, and corporate environments, and our Wind River Software Group develops and licenses embedded and mobile device software products, including operating systems, virtualization technologies, middleware, and development tools. We offer NAND flash memory products primarily used in solid-state drives, portable memory storage devices, digital camera memory cards, and other devices.

Intel continues to develop the world's most advanced semiconductor technology. In 2011, we announced the first 3-D Tri-Gate transistor, which is based on Intel's 22nm process technology. The new 22nm 3-D transistor technology enables up to a 37% increase in performance at low voltage versus Intel's 32nm planar transistors. Alternatively, the new transistors consume less than half the power when at the same performance as 2-D transistors on 32nm chips, enabling Intel innovation in power-constrained devices such as smartphones and tablets. We are currently developing 14nm process technology, our next-generation process technology, and expect to begin manufacturing products using that technology in 2013.

We are committed to investing in world-class technology development, particularly in the design and manufacture of integrated circuits. Research and development (R&D) expenditures were $8.4 billion in 2011, up from $6.6 billion in 2010. Our R&D activities are directed toward developing the technology innovations (such as 3-D Tri-Gate and Hi-k metal gate transistor technologies) that we believe will deliver our next generation of products, which will in turn enable new form factors and usage models for businesses and consumers.

Our R&D activities range from designing and developing new products and manufacturing processes to researching future technologies and products. Our R&D efforts enable new levels of performance and address areas such as energy efficiency, security, scalability for multi-core architectures, system manageability, and ease of use.

Customers

We sell our products primarily to OEMs and ODMs. We also sell our products to other manufacturers, including makers of a wide range of industrial and communications equipment. Our customers also include those who buy PC components and our other products through distributor, reseller, retail, and OEM channels throughout the world. In 2011, Hewlett-Packard Company accounted for 19% of our net revenue (21% in 2010), and Dell Inc. accounted for 15% of our net revenue (17% in 2010). No other customer accounted for more than 10% of our net revenue. In 2011, close to 80% of our revenue came from outside the U.S. and the Americas.

Over the past few years, we have focused on improving customer satisfaction through our Customer Excellence Program (CEP), which uses a web-based survey administered by a third-party market research firm to obtain and prioritize customer feedback on the quality of Intel's products and services. We have tied a portion of every employee's pay to the results of this survey. In 2011, employees received an additional two days of pay under the program as a result of the company receiving a record 93% "Delighted" score from customers, up from 91% in 2010. We have exceeded our 75% "Delighted" score goal since 2006.

Highlight In 2011, Intel celebrated the 40th anniversary of the first commercially available microprocessor.

Competitors

We are focused on our strategy to expand into market segments beyond our traditional PC and server businesses—including consumer electronics devices, embedded applications, smartphones, and tablets—where we face several incumbent suppliers. For many years, Advanced Micro Devices, Inc. (AMD) has been our primary competitor in the market segments for platforms used in notebooks and desktops. AMD also competes with us in the server market segment along with International Business Machines Corporation and Oracle Corporation. Companies offering ARM Limited (ARM) based designs are also attempting to expand into the notebook, desktop, and server market segments. In addition, our platforms with integrated graphics and chipsets compete with NVIDIA Corporation's graphics processors; NVIDIA has shifted some of the workload traditionally performed by the microprocessor to its graphics processor.

Companies using ARM or MIPS Technologies, Inc. based designs are our primary competitors in the consumer electronics devices and embedded applications market segments. In smartphones and tablets, we face established competitors, such as QUALCOMM Incorporated, NVIDIA, and Texas Instruments Incorporated, which deliver SoC solutions based on the ARM architecture and complementary wireless technologies, as well as companies that incorporate SoC solutions that they manufacture. The primary competitor for McAfee's family of security products and services is Symantec Corporation.

For more information about our products, customers, competitors, and operations, see the Intel 2011 Annual Report and Form 10-K.

Strategy and Management Approach

For decades, the backbone of our corporate culture has been our Intel Values: Customer Orientation, Discipline, Quality, Risk Taking, Great Place to Work, and Results Orientation. These values define who we are and how we act as employees and as a company. They move us forward toward common goals—in both technology innovation and corporate responsibility.

We are committed to operating with transparency, as this holds us accountable and encourages two-way dialogue with our employees and other stakeholders. As highlighted throughout this report, we focus on building relationships with external organizations to help improve our performance and increase the economic and social impact of our programs and initiatives over time.

Frameworks such as the United Nations Millennium Development Goals (MDGs) help inform our corporate responsibility strategy and approach. While we keep all of the MDGs in mind, we focus on two areas where we believe Intel is especially well suited to play a transformative role: education quality and access (including a focus on girls and women) and environmental sustainability. We believe that our technology can play a significant role in improving education, and that we can combine information and communications technology (ICT) with our experience in environmental management to help improve energy efficiency and address critical challenges such as climate change. Other frameworks also inform our thinking on corporate responsibility. Intel is a member of the United Nations Global Compact, and our Human Rights Principles reference external human rights and International Labour Organization standards.

We believe that our focus on responsible business practices helps us manage our business more effectively and identify ways to apply our technology and expertise to benefit the environment and society, which in turn helps us to better mitigate risks, reduce costs, protect brand value, and identify new market opportunities.

Intel Strategic Objectives

We will use our core assets—silicon and process technology, architecture and platforms, global presence, strong relationships across the industry, and brand recognition and corporate responsibility leadership—to achieve our vision. Our strategic objectives include:

- **Grow the PC and data center business with new users and uses.** Strive to ensure that Intel technology remains the best choice for the PC as well as cloud computing and the data center.
- **Extend Intel solutions into adjacent markets.** Expand platforms into adjacent market segments to bring compelling new solutions to the smartphone, the tablet, the car, and the embedded world.
- **Create a continuum of personal computing.** Enable devices that connect to the Internet and to each other to create a continuum of personal computing. This continuum would give consumers a set of secure, consistent, engaging, and personalized computing experiences.
- **Care for our people and the planet, and inspire the next generation.** Positively impact the world through our actions and the application of our energy-efficient technology.

To drive clarity and focus on our global strategy, Intel leaders created a one-page corporate strategy document in 2008. Corporate responsibility is a key component of our approach.

Vision and Strategy

Intel's vision for the next decade is to create and extend computing technology to connect and enrich the lives of every person on earth. We believe that the proliferation of the Internet and cloud computing has driven fundamental changes in the computing industry. The number and variety of devices connected to the Internet are growing, and computing is becoming an increasingly engaging and personal experience. End users value consistency across devices that connect seamlessly and effortlessly to the Internet and to each other. We enable this experience by innovating around three pillars of computing: energy-efficient performance, connectivity, and security.

- **Energy-Efficient Performance.** We are focusing on improved energy-efficient performance for computing and communications systems and devices. Improved energy-efficient performance involves balancing higher performance with lower power consumption, and may result in longer battery life, reduced system heat output, power savings, and lower total cost of ownership.
- **Connectivity.** We are positioning our business to take advantage of the growth in devices that compute and connect to the Internet and to each other. Our 2011 acquisition of the WLS business of Infineon enables us to offer a portfolio of products that covers a broad range of wireless connectivity options.
- **Security.** Our goal is to enhance security features through a combination of hardware and software solutions. This may include identity protection and fraud deterrence; detection and prevention of malware; securing data and assets; as well as system recovery and enhanced security patching. Our 2011 acquisition of McAfee, Inc. accelerates and enhances our hardware and software security solutions, improving the overall security of our platforms.

Management and Decision-Making

At Intel, we never view corporate responsibility and sustainability as "finished"; we maintain a focus on continuous improvement, taking steps each year to further integrate these concepts into our decision-making, corporate culture, and compensation practices.

Intel's Board of Directors is committed to being a leader on corporate governance matters. The Board oversees, counsels, and directs management in the long-term interests of the company and our stockholders. Among the matters in which the Board is actively engaged are business strategy, risk oversight, succession planning, and corporate responsibility and environmental stewardship. Since 2003, the Board's Corporate Governance and Nominating Committee has had formal responsibility for reviewing and reporting to the Board on corporate responsibility and sustainability issues at Intel.

Corporate Responsibility Management Structure

Mouse over diagram elements for additional information.

We have integrated oversight and management responsibility for corporate responsibility issues at multiple levels of the company.

Intel is committed to paying for performance. We provide a majority of executive compensation through arrangements in which the amounts ultimately received vary to reflect our performance. Our executive compensation programs evolve and are adjusted over time to support Intel's business goals and to promote both near- and long-term profitable growth of the company. For more information on our governance systems and compensation approach (including how we link compensation with corporate responsibility and environmental factors), see the Governance, Ethics, and Public Policy and Our People sections of this report, as well as our 2012 Proxy Statement.

We use a distributed model for managing corporate responsibility across our company, as we believe that embedding responsibility within specific business groups is the most effective management approach. In fact, many Intel business groups have established teams dedicated to corporate responsibility issues. We also have established cross-functional Management Review Committees (MRCs) consisting of senior executives who manage corporate responsibility and sustainability activities across the organization. Our global Corporate Responsibility Office acts as an internal advisor to the business groups and MRCs to drive strategic alignment and incorporate external stakeholder feedback into decision processes.

We have long believed that a strategic and integrated approach to corporate responsibility and sustainability results in clear benefits for both our company and our stakeholders. Our focus on designing products with improved energy-efficient performance helps us meet customer needs and identify market expansion opportunities; our investments in energy efficiency in our operations help us reduce our emissions and energy costs; and our training, diversity, benefits programs, and investments in education enable us to attract and retain a talented workforce.

In recent years, investors have been increasingly interested in the connection between corporate responsibility performance and the creation of business value. Working with a team from our corporate finance organization, we developed a framework and supporting finance tools to better assess how corporate responsibility factors create business value and to further integrate those factors into our decision-making.

Integrated Value Framework

Risk Management	**License to Operate & Governance** ▪ Regulatory risk (i.e., environmental) ▪ Community engagement ▪ Supply chain responsibility
Operations	**Cost Savings & Continuous Improvements** ▪ Operational efficiency ▪ Management quality ▪ Employee engagement
Brand	**Reputation & Goodwill** ▪ Differentiation ▪ Trusted partner ▪ Goodwill
Revenue	**Growth & Innovation** ▪ Market expansion ▪ Product innovation ▪ New customer needs

Integrating corporate responsibility and sustainability into our business and decision-making creates value for Intel in four main ways. It helps us: reduce risk and protect our license to operate; improve the efficiency and effectiveness of our operations; protect and build brand value; and drive revenue growth through innovation and identification of new market opportunities.

In 2011, we further developed finance tools in support of this framework, including a new internal carbon calculator. Our finance teams had found that a number of different tools were being used internally to track project-level carbon reductions. A team of employees from 12 groups across Intel worked during 2011 to develop a single tool with conversion factors aligned with U.S. Environmental Protection Agency (EPA) and sustainability reporting standards. The new tool enables project owners to quantify their carbon baseline and reductions for environmental projects, helping them to make more informed decisions, prioritize their projects, and formulate new goals. We piloted the new tool with six groups in 2011, and based on the success of the pilot, the team worked with Intel's IT organization to convert it into a web-based system that provides enhanced tracking and reporting capabilities. We also created a web-based employee training course covering the new tool.

Risk Management and Business Continuity

Risk is inherent in business. Intel's Board of Directors and management consider "risk" for these purposes to be the possibility that an undesired event could occur that might adversely affect the achievement of our objectives. Risks vary in many ways, including the ability of the company to anticipate and understand the risk, the types of adverse impacts that could occur if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the company to control the risk and the potential adverse impacts. Some of the types of risks that Intel faces include:

- **Macro-economic risks** such as inflation, reductions in economic growth, or recession
- **Political risks** such as restrictions on access to markets, confiscatory taxation, or expropriation of assets
- **"Event" risks** such as natural disasters
- **Business-specific risks** related to strategic position, operational execution, financial structure, legal and regulatory compliance, and corporate governance

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We understand that not all risks can be dealt with in the same way. Some risks may be easily anticipated and controllable, while others are unknown; some risks can be avoided or mitigated by particular behavior, and some are unavoidable as a practical matter. In some cases, a higher degree of risk may be acceptable because of a greater perceived potential for reward. Intel engages in numerous activities to align voluntary risk-taking with company strategy, understanding that projects and processes may enhance the company's business interests by encouraging innovation and appropriate levels of risk-taking.

Management is responsible for identifying risk and risk controls related to significant business activities; mapping the risks to company strategy; and developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward, and the appropriate manner in which to control risk. The Board implements its risk oversight responsibilities by having management provide periodic briefing and informational sessions on the significant voluntary and involuntary risks that the company faces and how the company is seeking to control risk if and when appropriate. In some cases, as with risks of new technology and risks related to product acceptance, risk oversight is addressed as part of the full Board's engagement with the CEO and management. In other cases, a Board committee is responsible for oversight of specific risk topics.

Intel Crisis Management (ICM) is our end-to-end response to crises and major business disruption events. The ICM vision is to "save lives, property, revenue, and business opportunity by leading prudent preparedness, appropriate response, and rapid recovery from natural and man-made disasters and disruptions." ICM sets the standards and provides oversight for the emergency management and business continuity programs across Intel, and requires every Intel organization to embed business continuity into their core business practices. Through ICM, Intel maintains and regularly tests plans for all of its sites, facilities, and operations.

As a global corporation with locations and suppliers all over the world, Intel must be prepared to respond to a wide range of disasters and keep the business running. Our progams are designed to provide quick response and help ensure the safety of our personnel, safeguard our facilities, and begin the return to "normal operations." In the event of a business disruption, our plans are designed to enable us to continue critical business functions, such as handling customer orders, overseeing production and deliveries, and managing our supply chain. Our approach has helped facilitate our corporate response to a range of crises in recent years, including the Japanese earthquake and tsunami, floods in Thailand, the earthquake in China (Chengdu), the H1N1 pandemic, volcanic ash, political protests in Egypt, loss of critical suppliers, flooding, fires, and other events. For information on how we manage supply chain risks, see the Supply Chain section of this report.

Intel's mergers and acquisitions process incorporates a screen that assesses environmental, governance, conflict minerals, and a number of other criteria that could impact the company's acquisitions. In 2011, Intel Capital, our global investment organization, integrated additional criteria into its due diligence process for vetting new investments. The added criteria focus on identifying potential environmental, governance, and social risks in new investments.

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Stakeholder Engagement

We derive significant value from our diverse stakeholders and maintain formal management systems to engage with, listen to, and learn from them. We take their feedback seriously, and, when appropriate and relevant to our business, incorporate it into our thinking and planning.

We prioritize our stakeholders and their concerns by looking at both the relevance of the stakeholder's relationship to our business and the importance of the issue being raised. We evaluate our community programs based on local input, and we work to adapt our reporting methodology and the content of this report to meet the needs of our stakeholders.

We have developed a number of tools and processes that provide stakeholders with valuable, ongoing feedback on our performance and strategy. In addition to face-to-face meetings, we generate discussion through web tools and social media. We maintain an e-mail account on our Corporate Responsibility web site that enables stakeholders to share their issues, concerns, and comments directly with members of our corporate responsibility team. Through this account, we receive and respond to hundreds of messages each year on a wide variety of topics. In addition, we have an external CSR@Intel blog, where members of our corporate responsibility team and leaders across Intel discuss their views and opinions, and receive and respond to comments made by other blog participants. We are also active on Facebook and Twitter.

For more than 10 years, we have met with leading environmental, social, and governance research firms and socially responsible investors (SRIs) to review our Corporate Responsibility Reports, gain a better understanding of emerging issues, help set priorities, and gather feedback on our performance. In 2011, we met with representatives of more than 20 firms in three cities during our annual outreach trip. Key discussion topics included water conservation, political contributions, conflict minerals and supply chain responsibility, and reporting best practices. From these meetings, we also received feedback on our human rights reporting and approach. As a result of these meetings, we put together plans for a series of additional stakeholder calls in early 2012, moderated by Business for Social Responsibility, to help inform our management approach, policies, and disclosure. Based on input received during these discussions, we added a new "Human Rights" section to this report.

We work with community stakeholders to consider the impact of our operations at all phases: entering, operating, and exiting. When entering a community, we work with third parties to conduct needs assessment studies to prioritize our community engagement activities. We also begin working with community organizations to develop programs and initiatives prior to commencing operations. During our operating phase, we work to build relationships with local stakeholders through informal meetings, community advisory panels (CAPs), working groups, and community perception surveys (CPSs). When making the difficult decision to close a facility, we try to minimize the impacts on employees and the local community by collaborating with local officials and providing severance packages and job search support.

CPSs (usually administered by third parties) give us insight over time into a local community's expectations for our company, and an external view of our performance. For example, over 85% of respondents to a third-party CPS completed for our Costa Rica operations in 2011 named Intel as the company they viewed as most responsible in the region. The three top reasons for their positive view of Intel were generation of employment, donations of computers to schools, and support for regional education improvement.

CAP members provide constructive input on a broad range of issues, such as education, environmental impact, health and safety, and emergency response and management. For example, the Intel New Mexico Community Environmental Working Group (CEWG) meets monthly to discuss concerns about Intel's environmental impact. The CEWG is led by John Bartlit,

chairman of New Mexico Citizens for Clean Air and Water, and is facilitated by a third party. CEWG meeting minutes and agendas for the last seven years are posted on the CEWG web site. We also launched a pilot in New Mexico for a new web site, Explore Intel, which provides real-time disclosure, monitoring, and videos for the local community at our New Mexico location. The web site also features a blog and e-mail account where community members can engage with our environmental managers. We launched a similar web site in 2012 for our new wafer fabrication facility in Dalian, China to further transparency and accountability at Intel and among other manufacturers in the country.

Stakeholder Engagement Activities

Stakeholders	Tools and Processes	Benefits and Results
Employees		
	Open-door policy designed to give employees access to management at all levels.	Multiple processes support direct communication up and down the organization. OHS results allow us to track our performance in key areas and identify gaps on a regular cadence. For more detail, see the Our People section of this report.
	Employee surveys, including our Organizational Health Survey (OHS).	
	Circuit News, our daily intranet "newspaper," which includes direct feedback tools; and "Planet Blue," our internal employee social media platform.	
	Quarterly Business Update Meetings for all employees, and Executive Open Forums and webcasts that include Q&A sessions.	
Customers		
	Customer Excellence Program (CEP), a structured program that uses a web-based survey administered by a third-party market research firm to obtain and prioritize customer feedback on the quality of Intel's products and services. A portion of employees' annual variable compensation is tied to CEP results.	Objective customer feedback enables us to identify areas for improvement. In 2011, employees received two additional days of pay based on the high customer satisfaction levels under the CEP. For more information, refer to the Intel Quality System Handbook.
	Consumer Support web site.	
	External blogs, such as Technology@Intel, with discussions of interest to customers; and other social media channels, including Twitter and Facebook.	
Suppliers		
	Intel's Supplier Site.	Setting consistent expectations for our suppliers reduces risk and improves efficiency across our supply chain. In this year's report, based on stakeholder feedback and benchmarking research, we have provided additional detail in the Supply Chain section on supplier audits and our approach to conflict minerals.
	Intel Supplier Day conference, which brings together hundreds of our top suppliers for training.	
	Participation in industry working groups, including the Electronic Industry Citizenship Coalition (EICC).	

(continues on next page)

Stakeholder Engagement Activities (continued)

Stakeholders	Tools and Processes	Benefits and Results
Communities		
	Community advisory panels and working groups, two-way forums where community members and Intel representatives collaborate to address community issues and concerns. Community perception surveys and needs assessments conducted as needed.	Maintaining an open dialogue with our communities has allowed us to build positive and constructive relationships at the local level. For more information on our community engagement activities, see the Contributions to Society section of this report.
	Intel Community and Explore.intel.com web sites, which include feedback mechanisms.	
	Placement of Intel employees on local nonprofit boards and commissions, and employee volunteer activities in local schools and nonprofits.	
	Extensive working relationships with educators and educational institutions worldwide, and third-party evaluations of our education programs.	
Investors		
	Regular face-to-face meetings with social responsibility-oriented fund managers and analysts.	Feedback and benchmark data drive improved performance and help us identify emerging issues and concerns. In response to feedback from these groups in 2011, we are expanding our human rights policies and disclosure, continuing to improve our political accountability disclosure, and increasing our supply chain responsibility efforts and audit activities—including asking our top 75 suppliers to publish Global Reporting Initiative (GRI)-based sustainability reports.
	Timely interaction with investors and research firms through e-mail exchanges, conference calls, and detailed investor surveys.	
	Online stockholder forum, featuring investor surveys on a range of issues, and information on corporate responsibility.	
	Intel Corporate Responsibility e-mail account, Intel Investor Relations e-mail account, and CSR@Intel blog.	
Governments and Policymakers		
	Active engagement in policy and legislative efforts worldwide through individual discussions and exchanges with joint industry and government committees.	Our efforts in policy development foster credible, trustworthy relationships; strengthen regard for Intel as a valued corporate citizen; and create a supportive public policy environment. For more information, see "Public Policy and Advocacy" in the Governance, Ethics, and Public Policy section of this report.
	Intel Global Public Policy and Intel Corporate Affairs staff engagement with policymakers.	
	Policy@Intel web site and blog.	
Non-Governmental Organizations (NGOs)		
	Issues meetings, formal dialogues and projects, and multi-sector efforts.	Intel's interactions with NGOs promote mutual understanding on environmental issues, regional education priorities, technology options and solutions for developing countries, supply chain management issues, and other topics. Details on our collaborations with NGOs in our main corporate responsibility focus areas are covered in other sections of this report.

Feedback from our stakeholders helps us analyze and prioritize corporate responsibility issues and take direct actions to improve our performance at local and global levels.

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Corporate Responsibility Materiality Analysis

Identify

Identify issues from a wide range of stakeholders and sources.

Primary Sources

- Employee blogs and forums
- Customer concerns
- Corporate Responsibility web site e-mails
- Results of community advisory panels and community perception surveys
- Meetings/feedback sessions with mainstream and socially responsible investors
- Proxy resolution negotiations
- Ethics and Compliance Oversight Committee
- Strategic chemical review process
- Community relations
- Corporate responsibility/sustainability conferences
- Market research on reputation issues
- Meetings with government officials
- Review of external standards
- Participation in industry working groups
- Scan of industry trends
- Intel Foundation strategic planning process

Issues

- Climate change
- Water conservation
- Air emissions/quality
- Education
- Employee relations
- Fair compensation
- Stock price performance
- Antitrust issues
- Energy efficiency
- Nanomaterials
- Labor unions
- Materials restrictions
- Employee health
- Privacy and data security
- Political contributions
- Taxes/incentives
- Diversity
- E-waste
- EHS/human rights in the supply chain
- Conflict minerals
- Product-related human rights concerns (McAfee)

Prioritize

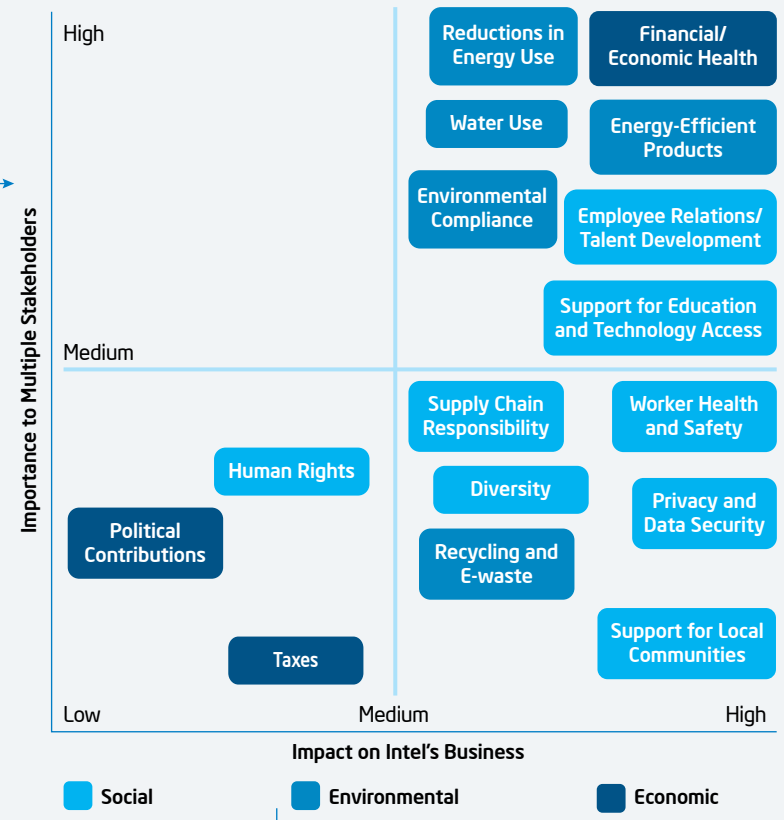
Use a consistent set of filters to determine the significance of each issue and develop a list of the most material issues.

Key Criteria

- Business continuity
- Impact to brand/reputation
- Applicability to multiple regions
- Alignment with Intel's business strategies
- Impact on the community
- Ability to attract and retain talent
- Regulatory impacts

This materiality matrix illustrates the topics that we believe are of greatest interest to our stakeholders, who want to make informed decisions about Intel's environmental, social, and economic performance.

Materiality Matrix



Review

Embed the process in internal decision-making and external review.

Internal Review

- Board of Directors and Corporate Responsibility Management Review Committee (MRC) reviews
- Corporate strategic discussions
- Business group MRC/planning

External Review

- Outreach to socially responsible investors
- Corporate Responsibility Report review
- SustainAbility participation and benchmarking

Decisions

- Set new performance goals
- Initiate new projects or develop new policy
- Communicate with stakeholders
- Include in Corporate Responsibility Report, site/local reports, Corporate Responsibility web site

We have used the Sustainability Materiality Framework developed by the research firm AccountAbility to define corporate responsibility materiality, both for this report and for our strategy development. (Note that "materiality" in this context does not refer to financial materiality.)

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Key Sustainability Challenges and Opportunities

We use our analysis of sustainability trends and their potential impact on our business, stakeholder input, and our materiality assessment to identify key opportunities and areas for continued improvement.

Energy Efficiency and Climate Change

As impacts to climate and energy have become major focus areas for businesses and governments, we have taken steps to reduce absolute emissions from our operations—even as we grow—and to address the climate change impact of our products. We continue to work on lowering our normalized and absolute emissions and improving the energy-efficient performance of our products. Worldwide efforts to reduce emissions and address climate change also present potential market opportunities for Intel technologies, including those for smart grids, transportation, and sensing.

Workforce Talent and Diversity

Key to our business success is our ability to attract and retain top talent. We invest in cultivating a safe, respectful, and ethical work environment that enables employees to thrive both on the job and in their communities. We continue to work to increase the number of under-represented minorities and technical females in our workforce—especially at management and senior leadership levels—through targeted internal professional development initiatives and external education programs aimed at building the talent pipeline in engineering and technical disciplines.

Education Transformation and the Digital Divide

Global economic health and Intel's success depend on young people having access to quality education and technology. As a leading technology company, we believe that we can help governments around the world achieve their economic development and educational goals by effectively integrating technology into their programs and strategies. Recognizing the lack of access to technology and education that still exists for many girls and women around the world—and the importance of enabling that access to spur economic development—Intel is expanding our engagement efforts and partnerships in this area.

Water Use

Sustainable water management is a key focus at Intel, and we have invested significant resources in innovative conservation efforts. However, we face challenges in reducing our water use as our manufacturing processes become more complex. In recent years, we have expanded disclosure on our water use and conservation efforts, and continue to engage with external organizations to understand emerging best practices.

Waste Reduction and Recycling

In 2011, we continued to recycle a significant percentage (over 80%) of the solid and chemical waste generated in our operations. However, in the past five years, our chemical waste on a per chip[1] basis has increased, despite our reduction and recycling efforts. We will continue to address this challenge in support of our new 2020 environmental goals.

Human Rights, Labor Standards, and Supply Chain Responsibility

In our industry and others, companies are taking a more active role in pushing for improvements in the labor and safety practices of their suppliers. We have engaged with other companies to promote collaboration and shared processes for accountability in the industry. We have also taken steps in the past year to promote transparency and accountability in our supply chain, such as disclosing our top suppliers, increasing the number of supplier assessments and audits, and proactively working with our gold, tantalum, tin, and tungsten suppliers to address issues related to the traceability of conflict minerals from the Democratic Republic of the Congo. We are also assessing emerging stakeholder concerns surrounding use of technology products by governments in ways that raise censorship and human rights concerns, and working to understand how this impacts Intel's policies and management systems.

[1] Assuming a typical chip size of approximately 1 cm^2 (chips vary in size depending on the specific product).

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Financial Results and Economic Impact

2011 was Intel's most profitable year, with record revenue, operating income, net income, and earnings per share. Revenue of $54.0 billion was up $10.4 billion, or 24% from a year ago, and was our second year in a row with revenue growing over 20%. Spending as a percentage of revenue was approximately flat compared to 2010, and our gross margin of 62.5% was at the top end of our historical gross margin range for the second year in a row.

2011 Financial Results

The global demand for PCs continued to surge in 2011, especially in emerging markets. For the first time, total PC purchases were higher in China than in any other country, followed by the U.S., Brazil, and Russia. Intel has benefited from this growth, and as a result, 2011 revenue for the PC market segment of our business increased 17% compared to 2010. Meanwhile, the PC itself is undergoing a renaissance. Last year, Intel led the industry in reinventing the PC experience with the launch of Ultrabook systems, a new category of thin, responsive, and secure mobile devices that combine the best features of tablets and notebooks. The first Ultrabook systems, powered by 2nd generation Intel® Core™ processors, were introduced in 2011, and we expect that the industry will bring more than 100 new Ultrabook designs to market in 2012.

Our Data Center Group develops technology for a range of applications—from cloud computing and mission-critical servers to high-performance computing (HPC). Revenue for our Data Center Group topped $10.1 billion in 2011, up 17% from 2010. We produced our first teraflop processor, capable of performing complex HPC tasks such as mapping the human genome. In addition, more high-volume storage and networking industries are standardizing on Intel architecture, with Intel® Xeon® processors replacing proprietary solutions in routers, switches, and other parts of the communications infrastructure.

Our fourth quarter revenue of $13.9 billion was down $346 million from the third quarter of 2011. The floods in Thailand and the resulting hard disk drive supply shortage negatively impacted our fourth quarter revenue as our customers reduced inventories across the supply chain.

Our strong financial performance during 2011 has allowed us to make significant investments in our business, including our people, as well as increase the return of cash to our stockholders through common stock repurchases and dividends. During 2011, we issued $5.0 billion of senior unsecured notes, primarily to repurchase shares of our common stock; repurchased $14.1 billion of common stock through our common stock repurchase program; purchased $10.8 billion in capital assets; spent $8.7 billion on acquisitions; and returned $4.1 billion to stockholders through dividends. In the first quarter of 2012, our quarterly dividend was $0.21 per share. In 2011, our provision for taxes was $4.8 billion and our effective tax rate was 27.2%, compared to $4.6 billion and 28.6%, respectively, in 2010.

For 2011 financial highlights, see the Performance Summary and Recognition table later in this section. For a more detailed discussion of our financial performance, see our 2011 Annual Report and Form 10-K.

Economic Impact

Intel provides high-skill, high-paying jobs at sites around the world. We also impact economies through our sourcing activities, consumer spending by Intel employees, and tax revenue. In addition, the company makes sizable capital investments and provides leadership in public-private initiatives to spur economic growth and innovation. Intel's investments in education also help communities and countries advance economic development and improve competitiveness.

Even during the strained economic climate of the last few years, Intel has continued to invest, stimulating economic and job growth. Since 2009, Intel has announced plans to invest more than $18 billion in its manufacturing and R&D facilities in the United States, including a development fab under construction at our site in Oregon. In February 2011, we announced an investment of more than $5 billion to build a new fab at our Chandler, Arizona site. Designated Fab 42, it will be the most advanced high-volume

semiconductor manufacturing facility in the world, and will result in thousands of construction and permanent manufacturing jobs in Arizona and more than 10 million construction work hours.

Intel's global investment organization, Intel Capital—one of the largest venture capital organizations in the world—seeks out and invests in promising technology companies. Since 1991, Intel Capital has invested over $10 billion in more than 1,218 companies. In 2011, Intel Capital made 158 investments, for a total of about $526 million. In 2011, Intel Capital pledged to invest $200 million in U.S. technology companies in support of a new White House initiative, Startup America, and joined the Startup America Board of Advisors. In 2011, Intel CEO Paul Otellini was invited to join President Barack Obama's Council on Jobs and Competitiveness. Otellini co-leads the Council's high-tech education task force focused on increasing the number of engineering graduates to help spur economic growth. As part of this initiative, Intel announced a commitment to double engineering internships in 2012.

We periodically conduct local assessments to better understand Intel's direct and indirect economic impact on the communities where we operate. For example, Intel commissioned ECONorthwest to prepare an economic impact assessment of our Oregon operations (our largest manufacturing site). Published in October 2011, the report found that "total economic impacts attributed to Intel's operations, capital spending, contributions, and taxes amounted to almost $14.6 billion in economic activity, including $4.3 billion in personal income and 59,990 jobs in Washington County, Oregon." We commissioned a similar study of the direct and indirect economic impact of our operations in Arizona and New Mexico from the L. William Seidman Research Institute at the W.P. Carey School of Business at Arizona State University. The study reconfirmed that our operations have a significant economic impact on the local community.

We also conducted an analysis of our direct and indirect impact in Israel. Although Intel directly employs approximately 7,800 employees and interns, indirect employment exceeded 12,000 additional jobs. In 2011,

Watch Video We were honored to have President Barack Obama visit our Chandler, Arizona site in January 2012 to see firsthand the progress being made on Fab 42 construction.

Intel Israel's total direct and indirect reciprocal procurement was $628 million, and more than $4.1 billion since 2006. Intel's impact reaches far into the community, positively affecting local workplace standards, business culture, and innovation. In 2011, we completed a survey of former Intel employees in the country, and found that since 2006, 30 new companies have been founded by former employees, generating approximately 250 new jobs each year in the local economy.

Our operations in Costa Rica have provided more than 2,800 jobs and support for local industries such as electronics and construction. Our economic impact on Costa Rica has also been a catalyst for direct investments from other countries.

In 2008, we commissioned IHS Global Insight to conduct an independent study of Intel's longer term economic impact in the U.S. and Europe, including our direct and indirect roles in fueling economic growth, creating jobs, and enhancing productivity across multiple industries. In the study, "The Economic Impact of Intel Corporation in the United States and European Union, 2001–2007," calculations of Intel's economic contributions were based on four layers of impact. The first three layers measured the direct, indirect, and induced effects of Intel's own operations, and the fourth layer considered productivity gains throughout the economy that stem from the use of Intel microprocessors. The study found that between 2001 and 2007, Intel contributed $758 billion to the U.S. gross domestic product (GDP). Of this total, $458 billion was stimulated by Intel's operations, and $300 billion was attributable to our productivity-based impact. The study also revealed that Intel contributed $247 billion (€177 billion) to the European Union GDP over the 2001–2007 period. Of this total, $28 billion (€20 billion) came from the operations of Intel and its extended ecosystem, and $219 billion (€157 billion) from productivity-based gains.

Performance Summary, Recognitions, and Goals

The following table provides a high-level summary of our key economic, environmental, and social indicators. Click on the headings in the table to see normalized production figures and details that appear in other sections of this report.

Key Indicators					
Economic	**2011**	**2010**	**2009**	**2008**	**2007**
Net revenue (dollars in billions)	$54.0	$43.6	$35.1	$37.6	$38.3
Net income (dollars in billions)	$12.9	$11.5	$4.4	$5.3	$7.0
Provision for taxes (dollars in billions)	$4.8	$4.6	$1.3	$2.4	$2.2
Research and development spending (dollars in billions)	$8.4	$6.6	$5.7	$5.7	$5.8
Capital investments (dollars in billions)	$10.8	$5.2	$4.5	$5.2	$5.0
Gross margin (%)	62.5%	65.3%	55.7%	55.5%	51.9%
Customer survey "Delighted" score	93%	91%	86%	87%	82%
Environment					
Greenhouse gas emissions (million metric tons of CO_2 equivalent)[1]	1.40	2.12	2.05	2.75	3.85
Energy use (billion kWh—includes electricity, gas, and diesel)	5.3	5.2	5.1	5.6	5.8
Total water withdrawn (billions of gallons)	8.3	8.2	7.9	7.7	7.5
Chemical waste generated (thousand tons)	35.3	31.3	24.7	28.5	23.3
Chemical waste recycled/reused	81%	75%	71%	84%	87%
Solid waste generated (tons)	79.5[2]	51.3	44.5	83.8	58.7
Solid waste recycled/reused	87%	83%	80%	88%	80%
Our People					
Employees at year end	100,100	82,500	79,800	83,900	86,300
Women in global workforce	26%	28%	28%	29%	29%
Women on our Board at year end	27%	30%	27%	36%	33%
Investments in training (dollars in millions)	$299	$254	$267	$314	$249
Safety—recordable rate[3]	0.63	0.59	0.48	0.47	0.48
Safety—days away case rate[3]	0.12	0.12	0.11	0.12	0.13
Organizational Health Survey scores—"Proud to work for Intel"	87%	85%	82%	83%	75%
Supply Chain					
Supplier self-assessments and audits completed	587[4]	756	574	358	–[5]
Contributions to Society					
Employee volunteerism rate	50%	48%	38%	54%	38%
Worldwide charitable giving (dollars in millions)[6]	$93	$126	$100	$102	$109
Charitable giving as percentage of pre-tax net income	0.5%	0.8%	1.8%	1.3%	1.2%
Teachers trained through Intel® Teach Program (in millions, cumulative)	10	9	7	6	5

[1] Including renewable energy credit purchases. [2] An estimated 34% of this total was due to construction waste related to the building of two new fabs, in Oregon and Arizona, in 2011.
[3] Rate based on 100 employees working full time for one year. [4] While the total number of assessments was down, we increased the number of third-party audits nearly five-fold.
[5] Information not available for 2007. [6] Includes total giving (cash and in-kind) from Intel Corporation and the Intel Foundation.

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Awards and Recognitions

Third-party recognition gives us valuable feedback on our programs and practices, and helps drive continuous improvement over time. Below is a selection from more than 60 corporate responsibility awards and recognitions that Intel received in 2011.

2011 Selected Awards and Recognitions	
Overall Corporate Responsibility	**Dow Jones Sustainability Indexes.** Listed on North America and World indexes (13th year) **Corporate Knights.** Global 100 Most Sustainable Corporations in the World (6th overall, 7th year) **Fortune magazine.** World's Most Admired Companies (1st in our industry) and Blue Ribbon Companies lists **Corporate Secretary magazine.** 2011 Most Innovative CSR Disclosure Corporate Governance Award (U.S.) **FTSE Group.** Listed on the FTSE4Good Index (11th year) (global) **Covalence.** EthicalQuote 2011 ranking (2nd overall) (global) **Corporate Responsibility magazine.** 100 Best Corporate Citizens 2011 (12th year) (U.S.) **Fortune China.** CSR Top 100 (4th overall in Multinational category) **MAALA Corporate Responsibility Index.** Platinum rating (7th year) (Israel) **Commonwealth magazine.** Corporate Citizenship Award (Taiwan) **National Standards Authority of Ireland.** Business Working Responsibly certification
Environment	**Newsweek.** 2011 Top 500 Green Companies in America (15th overall) **U.S. EPA.** A Green Power Partner of the Year (4th consecutive year) (U.S.) **Computerworld.** Top IT Green Vendors 2011 (global) **Interbrand.** Best Global Green Brands 2011 **Saigon Times Group.** Green Values Award: Energy Efficiency (Vietnam) **Valley Forward Association.** Environmental Stewardship Award and Buildings and Structures Award (Arizona) **DuPont Packaging.** Annual Packaging Awards (silver level) (global) **German Government.** Innovation Prize for Climate and the Environment **Meetings and Conventions Magazine.** Recognition for Sustainable Meeting Practices (global) **Chengdu Environmental Protection Bureau.** Environmental Pioneer Award (China) **Green Awards.** 2011 Green Corporate Citizenship Award (Ireland)
Business/Workplace	**Fortune magazine.** 100 Best Companies to Work For 2011 (U.S.) **Apertura Magazine.** Top 10 Places to Work in Argentina **Hewitt Associates.** Best Employers in Poland **The Marker magazine.** 50 Best Companies to Work For in Israel (1st overall, 4th year) **Great Place to Work Institute and Economic Times.** India's Best Companies to Work For 2011 (2nd overall) **Top Employers in Brasil.** Certified by the CRF Institute **Working Mother magazine.** 100 Best Companies for Working Mothers (U.S.) **Human Rights Campaign.** Corporate Equality Index (9th year) (U.S.) **National Business Group on Health.** Global Distinction Best Employers for Healthy Lifestyles Award (U.S.) **AMR Research.** Top 25 Supply Chains (16th overall) (global) **Diversity Employers magazine.** Top 100 Employers (U.S.) **National Association for Female Executives (NAFE).** 2011 NAFE Top 60 Companies for Executive Women (U.S.) **American Society for Training and Development (ASTD).** Advancing ASTD Volunteer-Staff Partnership Award **Great Place to Work Institute.** World's Best Multinational Workplaces
Society	**China Ministry of Education.** Outstanding Contribution to China Education Award (8th year) **Forbes Korea.** 2011 CSR Grand Award for Education and Research **Mexican Institute of Philanthropy.** Community Linkages Award for Intel International Science and Engineering Fair **Portland Business Journal.** Oregon Philanthropy Award (1st place) **CESSI Argentina.** Sadosky Awards for Community and Digital Inclusion **Expect More Arizona.** Excellence in Business Education and Partnerships Award

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Progress Toward Goals

Based on feedback from stakeholders, we have incorporated the discussion of our performance to goals and future goals into each relevant section of this report. The following table provides a high-level summary of our company-wide goals in key corporate responsibility areas. Click on the headings in the table for more detail on our goals and performance in other sections of this report. A summary of our goals for 2012 and beyond is included on the next page of this report.

Progress Toward Goals Summary

Section	Goal	2011 Progress
Environment	At the beginning of 2008, we set environmental goals to drive reductions in greenhouse gas emissions, energy, water use, and waste, as well as to increase recycling and product energy efficiency by 2012.	We exceeded or met our 2012 goals related to emissions and waste recycling, and achieved absolute energy use reductions. Due to the increasing complexity of our products, we unfortunately did not meet our water and chemical waste goals. We achieved our product energy-efficiency goals.
Our People	We set a goal to continue to drive improvements in the organizational health of the company in 2011, and to drive key improvements in diversity and hire at full availability for technical under-represented minorities and women. To maintain our world-class safety performance, we set an aggressive safety recordable rate goal of 0.40, as well as a goal to promote early reporting of ergonomic injuries.	Scores improved on indicators in all 10 areas of our Organizational Health Survey in 2011, with 75% of employees participating. We continued to engage in good-faith efforts under our affirmative action plans to meet our hiring goals. We maintained our world-class safety levels compared to our peer companies and industry benchmarks, but did not meet our safety goals.
Supply Chain	We set a number of supply chain goals to further integrate corporate responsibility metrics and considerations into our supplier management systems, scorecards, training processes, and award systems. This included a goal to significantly increase the number of supplier audits completed, and a goal to complete smelter reviews and audits to address the issue of conflict minerals.	We made significant progress in integrating corporate responsibility factors into our supplier management systems. We increased the number of completed third-party supplier audits nearly five-fold from 2010 to 2011, met our supplier diversity goal, and made progress on our green purchasing targets. We also made significant progress on our efforts to address the issue of conflict minerals in our supply chain, completing 23 smelter visits in 2011.
Society	We set a global employee volunteer goal of 40% to continue to engage our employees and support our local communities. We also set a goal to train more than 10 million teachers by the end of 2011 through the Intel® Teach Program.	Our global volunteer rate was 50%, exceeding our goal and resulting in more than 1.1 million volunteer hours. We also achieved our goal of training over 10 million teachers by the end of 2011.

Goal Summary for 2012 and Beyond

This table includes a summary of our corporate responsibility goals for 2012, as well as longer term goals. For more information on our performance and goals, click on the link for each section of the report.

Section	Goal
Environment	▪ Reduce direct greenhouse gas emissions by 10% on a per chip[1] basis by 2020 from 2010 levels. ▪ Achieve additional energy savings of 1.4 billion kWh from 2012 to 2015, and publish additional energy conservation targets for 2016–2020 in our 2012 report. ▪ Reduce water use per chip[1] below 2010 levels by 2020. ▪ Waste reduction and recycling: – Achieve zero chemical waste to landfill by 2020. – Achieve 90% solid waste recycle rate by 2020. – Reduce chemical waste generation by 10% on a per chip basis[1] by 2020 from 2010 levels. ▪ Implement enhanced "green" chemistry screening and selection process for 100% of new chemicals and gases by 2020. ▪ Design all new buildings to a minimum LEED* Silver Certification level between 2010 and 2020. ▪ Increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels.[2]
Our People	▪ Drive key improvements and hire at full availability for technical under-represented minorities and women. ▪ Target over 70% participation and maintain or improve scores in at least 95% of the questions on our annual Organizational Health Survey. ▪ Maintain our world-class safety performance by achieving a target safety recordable rate of 0.40 and improving early reporting of ergonomic-related injuries, specifically cumulative trauma disorders, with a targeted First Aid to Recordable Ratio goal of 9:1.
Supply Chain	▪ Complete or review 50 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure. ▪ By the end of 2012, demonstrate that our microprocessors are validated as conflict-free for tantalum; and by the end of 2013, manufacture the world's first microprocessor fully validated as conflict-free across all four minerals. ▪ Set expectations for our top Tier 1 suppliers on the reporting of greenhouse gas emissions, water, and waste metrics, and on the establishment of reduction goals. Request that our top 75 suppliers publish Global Reporting Initiative (GRI)-based sustainability reports beginning in 2013. ▪ Reduce the weight of our packaging by 25% from 2011 levels. ▪ Establish a 100% "green" Intel ground transportation fleet by 2016. ▪ Include historically under-represented businesses in 100% of all eligible bidding opportunities.
Society	▪ Establish Intel education programs in 100 countries and grow the education PC market to 100 million units by 2014. ▪ Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities. ▪ Provide ICT training to 1 million healthcare workers in developing countries by the end of 2015 through the Intel World Ahead 1Mx15 Health Program.
Governance	▪ Increase stakeholder engagement and disclosure with regard to human rights issues such as privacy, security, and conflict minerals. ▪ Continue to improve transparency related to our corporate political contributions, including expanding disclosure around trade association dues.

[1] Assuming a typical chip size of approximately 1 cm^2 (chips vary in size depending on the specific product).

[2] Data center energy efficiency is determined by server energy efficiency (as measured by SPECPower_ssj2008 or equivalent publications and using a 2010 baseline of an E56xx series processor-based server platform) as well as technology adoption that raises overall data center work output (such as virtualization technology). Notebook computer energy efficiency is determined by average battery life, battery capacity, and number of recharge cycles of volume notebook computers in that model year.

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Looking Ahead

Our industry is at the brink of a major transformation. The number of connected devices in the world now tops 4 billion and continues to rise rapidly. Transistor usage over the past three decades will look flat compared to what will be needed to manage, interpret, and store data over the next five years. This creates a huge opportunity for Intel—and we are ready to deliver.

For example, we now have the power envelope, volume economics, and technology to succeed in the smartphone market segment with our new Intel® Atom™ processor platform. This platform powers the Intel smartphone reference design that we introduced in early 2012. Our industry partners have responded enthusiastically. We have a multi-year strategic partnership with Motorola Mobility covering both smartphones and tablets, and a joint effort with Google to optimize future releases of the Android* platform for low-power Intel Atom processors.

At Intel, innovation isn't simply something we pursue; it's who we are.

Watch Video Learn about how we are working today to make a better future possible.

We believe that the emerging market, data center, and enterprise trends that drove our revenue in 2011 will also continue to drive our business in 2012. In addition, we have a strong product and technology pipeline coming to market with the ramp of Ultrabook systems, the launch of our microprocessors based on our 22nm process technology (code-named "Ivy Bridge"), the launch of our new server platform (code-named "Romley"), security, and Intel processor-powered smartphones and tablets.

In 2012, we will also continue to drive to higher levels of performance on our corporate responsibility metrics, focusing on reducing the environmental impact of our operations and driving energy-efficient performance in our products, making Intel an employer of choice, improving supply chain responsibility, and achieving social impact through our investments and employee volunteer activities.

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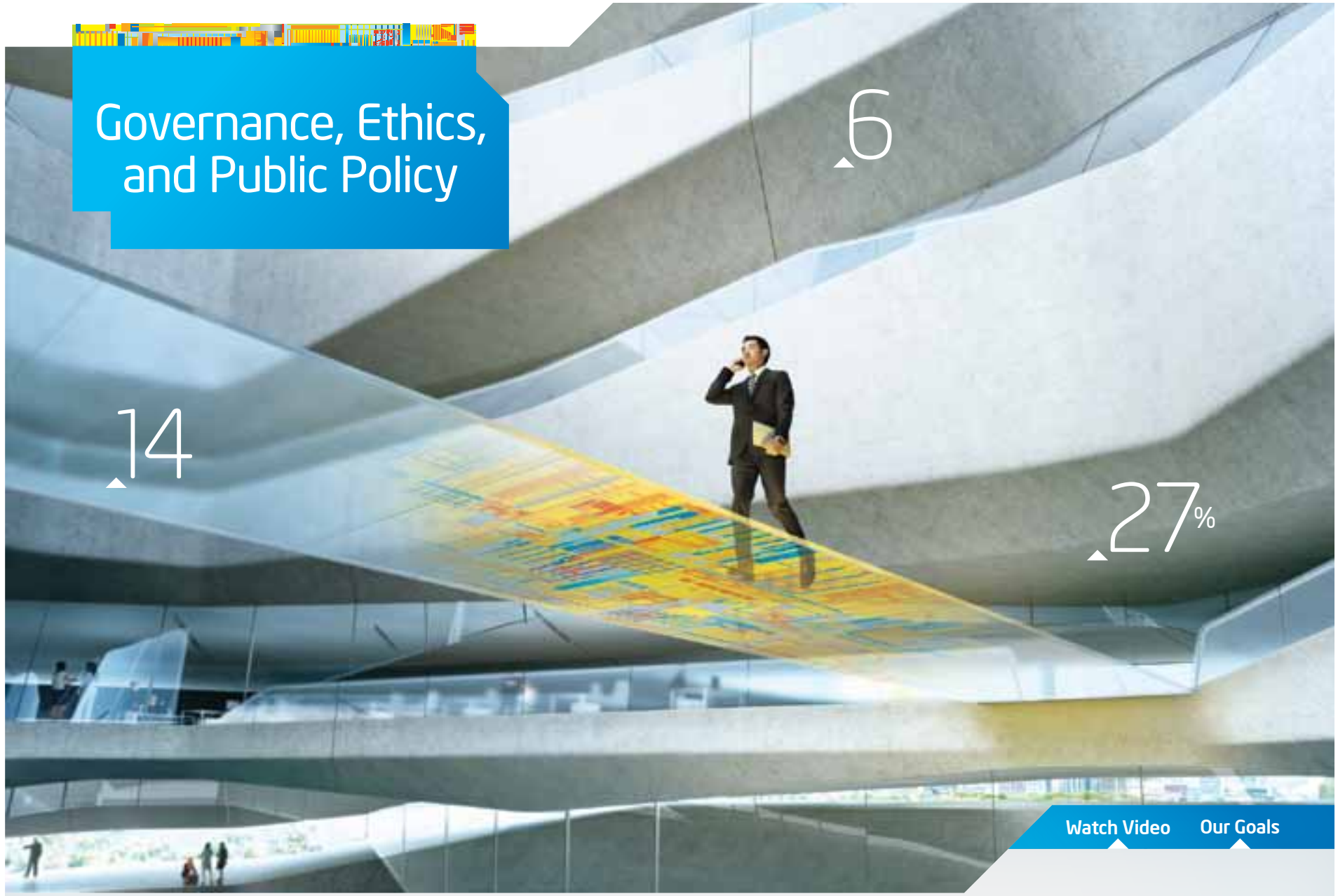
Governance, Ethics, and Public Policy



Watch Video | Our Goals

"Conduct business with uncompromising integrity and professionalism." This statement, part of the formal Intel Values, expresses our commitment to uphold the highest standards of corporate governance and business ethics in our day-to-day activities at Intel and in our engagement with external stakeholders and policymakers.

Key Governance Links

Intel Governance and Ethics

Intel Code of Conduct

Human Rights Principles

Intel Public Policy

Intel Privacy Policy

Political Accountability Guidelines

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Our Approach to Responsible Business Practices

Our business success has always depended on our ability to build trusted relationships—with employees, customers, suppliers, governments, and communities.

Trusted relationships are built over time, based on the integrity of every decision we make, every expectation we set, and every action we take. We work continuously to develop a strong culture of trust through open and direct communication, and we are committed to transparency in our work on public policy issues. From establishing Board-level oversight to conducting annual employee training on the Intel Code of Conduct, we invest in developing policies and systems that help us cultivate a strong culture of business ethics and accountability. We outline our public policy positions on our Public Policy web site and public policy blog.

Our Code of Conduct, Corporate Governance Guidelines, Board committee charters, Human Rights Principles, Privacy Policy, and Political Accountability Guidelines are available on our Corporate Governance and Ethics web site. Our Board of Directors membership and detailed executive compensation information are included in our 2012 Proxy Statement.

Governance and Business Ethics

Our corporate governance structure and Ethics and Compliance Program help to ensure that we maintain the highest standards of integrity.

Corporate Governance

As of the end of 2011, the Intel Board of Directors included President and CEO Paul Otellini, Chief Administrative Officer Andy Bryant, and nine independent directors.[1] In July 2011, the Board elected Bryant Vice Chairman of the Board, a new position, in preparation for his election as Executive Chairman following Jane Shaw's retirement from the Board as Chairman at the company's annual stockholders' meeting scheduled for May 2012. When Bryant becomes Executive Chairman, the Board will concurrently re-establish the position of Lead Director, to be held by an independent, non-employee director.

Independent directors are not paid for any service to the company other than their director compensation. We rely on them for their diverse knowledge, personal perspectives, and solid business judgment. Board members are encouraged and expected to make site visits on a worldwide basis to meet with local management; to attend Intel industry, analyst, and other major events; and to accept invitations to attend and speak at internal Intel meetings. A number of directors have expertise and backgrounds in key corporate responsibility areas, including corporate governance, education, and environmental sustainability. Director biographies are available on our Biographies web site and in our 2012 Proxy Statement.

The Board's Audit, Compensation, Corporate Governance and Nominating, and Finance committees consist solely of independent directors who provide objective oversight of the company's management. The Corporate Governance and Nominating Committee is responsible for reviewing and reporting to the Board on our corporate responsibility and sustainability performance—including environmental topics such as climate change—and the company's public reporting in this area. Information on our director nomination process and approach to board diversity is available in our 2012 Proxy Statement. Detailed information on the responsibilities of each committee is available in the Board committee charters.

For many years, stockholders who could not attend the Intel annual stockholders' meeting in person have had the opportunity to view the meeting via the Internet. Over the past three years, we have expanded this functionality to allow stockholders to submit questions online prior to the meeting in an online Stockholder Forum, and to cast votes online during the meeting. View the most recent Intel annual stockholders' meeting.

[1] As defined in the rules for companies traded on The NASDAQ Global Select Market.*

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Intel Corporate Governance at a Glance (as of December 31, 2011)

- Independent non-executive Chairman of the Board
- Nine of our 11 Board members are independent directors
- Audit, Compensation, Corporate Governance and Nominating, and Finance committees are made up of independent directors
- Corporate Governance Guidelines and committee charters are publicly disclosed
- Majority vote practices have been adopted voluntarily
- All directors attended at least 75% of the meetings of the Board and the committees on which they served in 2011
- CEO succession planning process is in place, including a statement of "core capabilities" that the Board seeks in a CEO succession candidate
- Policy limits directors to no more than four external board seats
- Board self-assessment process and individual director annual performance reviews are in place
- 27% of Board members are female[1]
- Board committee charter dictates Board committee responsibility for corporate responsibility and sustainability issues
- Corporate responsibility and climate change information has been integrated into our Annual Report and Form 10-K and Proxy Statement
- Employee and executive compensation are linked to corporate responsibility factors

[1] In May 2012, Dr. Jane Shaw will retire from the Board, at which time the size of the Board will be reduced to 10 directors, and if all directors are elected at our Annual Stockholders' Meeting in May 2012, the percentage of women on the Board will be 20%.

Ethics and Compliance

The foundation of Intel's Ethics and Compliance Program is the Intel Code of Conduct. The Code guides the behavior of our employees, officers, non-employee directors, and suppliers, and serves as a cornerstone of Intel culture. Through the Code, which we review on an annual basis, we seek to promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. The principles embodied in the Code also express our policies related but not limited to conflicts of interest, nondiscrimination, antitrust, anti-bribery and anti-corruption, privacy, health and safety, and protecting our company's assets and reputation. The Code directs employees to consider both short- and long-term impacts on the environment and the community when they are making business decisions, and to report potential issues as soon as they arise.

All employees are expected to complete training on the Code of Conduct when they join the company and annually thereafter. The Code is available in 14 languages, and training sessions incorporate real case scenarios. Employees are encouraged to raise ethical questions and concerns, and have multiple channels to do so—anonymously, if they prefer. Employees assert adherence to the Code through an annual disclosure process for targeted populations across the company.

Depending on their roles and geographical locations, certain employees are assigned more in-depth ethics and compliance training courses, including those covering anti-corruption, import-export compliance, insider trading, and antitrust. For example, in 2011 approximately 32,000 employees—over 30% of our workforce—received additional training on our anti-corruption policies and procedures. Intel has also published a set of Human Rights Principles to complement the Code of Conduct and express our commitment to human rights and responsible labor practices. The Code, our policies and guidelines, and the annual Code training course cover our Human Rights Principles. For more information, see "Human Rights" later in this section.

Intel's CEO sets the tone for our ethical culture by role-modeling ethical behavior and holding managers accountable; communicating policy and conduct expectations; and overseeing business group ethics and compliance systems. At the beginning of each year, our CEO communicates with employees and managers about the importance of ethics and legal compliance. This "tone from the top"—combined with our annual ethics and compliance training, regular communications throughout the year, and educational resources on our employee intranet site—helps to create an ethical and legally compliant culture.

Our annual Organizational Health Survey includes a number of questions that assess our employees' understanding of ethics and compliance at Intel. In 2011, more than 95% of our employees reported that the Code of Conduct expectations had been clearly communicated to them and

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that they understand the consequences of not adhering to the Code. We also make available a detailed survey to help business groups and regions assess their ethics culture.

Intel's Ethics and Compliance Oversight Structure

Mouse over diagram elements for additional information.

In addition to these groups, organizations such as Finance, Audit, Human Resources, and Legal provide essential expertise and support to help management and employees execute to the company's ethics and compliance expectations.

Over the past year, as we expanded into new markets and businesses, completed acquisitions, and ramped new factories, we continued to focus on assessing risk and executing training and ethics programs for current and new employees. Our senior managers held in-depth conversations with their staff on the importance of role-modeling ethical behavior related to the ethics and compliance risks of their business units.

In 2011, eight Intel business groups and sites completed comprehensive risk assessment reviews with the Ethics and Compliance Oversight Committee. Business groups monitor their performance (including training, management tone, risk assessment, and more) on a quarterly basis and send the results to the Ethics and Compliance Program Office. The business groups also conduct self-assessments and implement action plans and training. We continue to refine our ethics and compliance model for standalone subsidiaries.

We also recognize teams and individual employees for their contributions to Intel's ethical and compliant environment through the Intel Ethics and Compliance Excellence Awards program, launched in 2010. Award recipients make significant contributions to the development and deployment of our accountability programs, ethics and compliance training and surveys, and risk and controls systems. We also have an internal Ethics and Legal Compliance speaker series and newsletter, which in 2011 covered themes such as export compliance, antitrust, anti-corruption, and government contracting.

Intel maintains a robust process for reporting misconduct, including online channels, and has a clearly communicated non-retaliation policy. In 2011, we enhanced communications with employees and external stakeholders on existing channels for raising issues, and implemented a new third-party-operated telephone reporting hotline.

Intel's processes for informing senior management and the Board about allegations of misconduct include periodic reports of overall misconduct statistics, as well as details about key investigations in progress and after completion. Our Ethics and Compliance Business Champions review quarterly investigative packages with the leaders of their respective business groups. The largest categories of verified cases in 2011 were corporate travel card misuse, expense reporting misconduct, falsification of employment credentials, and misuse of assets. Given our commitment to maintaining the highest levels of ethics and compliance, we are addressing these concerns through senior management discussions, employee communications, and individual corrective action measures.

In 2012, as we expand into new markets and businesses, we will continue to assess risk and execute our training and ethics programs globally for current and new employees to help ensure that we act with uncompromised integrity worldwide.

Antitrust Issues

In May 2009, Intel incurred a $1.45 billion fine as a result of the European Commission's conclusion that Intel had violated competition law in Europe. We strongly disagree with the EC's decision and are appealing it.

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In November 2010, the U.S. Federal Trade Commission (FTC) publicly announced final approval of a settlement between Intel and the FTC that fully resolves a 2009 FTC lawsuit against Intel. Among other provisions, the agreement includes a statement that the agreement does not constitute an admission that Intel has violated the law or that the facts alleged in the complaint are true; provisions about the treatment and extension of certain intellectual property agreements between Intel and Advanced Micro Devices, Inc., Intel and NVIDIA Corporation, and Intel and VIA Technologies, Inc.; and provisions related to Intel's sales, marketing, pricing, and promotional activities for certain microprocessors and chipsets. Intel continues to disagree with the FTC's allegations that Intel has violated any law. Nevertheless, Intel believes that the settlement is in the best interests of its stockholders, employees, and customers. Based on our current understanding and expectations, we do not believe that any changes in our business practices to comply with the agreement will be material to our financial position, results, or cash flows.

In early 2012, Intel and the New York Attorney General announced a settlement of the lawsuit filed by the State of New York in November 2009 alleging violation by Intel of U.S. and state antitrust laws. The agreement expressly states that Intel does not admit either any violation of the law or that the allegations in the complaint are true, and does not call for changes in the way Intel does business. The agreement included a payment of $6.5 million from Intel to cover some of the costs incurred by the New York Attorney General in the litigation.

There are at least 82 separate class actions that have been filed in various federal and state courts generally repeating the allegations made in a now-settled lawsuit filed against Intel by AMD in June 2005. We dispute the class-action claims and intend to defend the lawsuits vigorously.

In the spirit of transparency, we created the Competition in the Innovation Economy web site, which includes information and regular updates on these matters. Additional information is also available in the Intel 2011 Annual Report and Form 10-K.

Respecting Human Rights

As part of our strong commitment to respecting human rights, Intel has instituted global policies and management systems to proactively identify and address issues before they arise.

The Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council in 2011, set out the responsibilities corporations have to respect human rights. Those responsibilities include avoiding the infringement of the human rights of others and addressing any adverse impacts on human rights in which a corporation may be involved. The principles call on companies to institute policies and processes appropriate to their size and circumstances, as well as remediation processes to address concerns when they arise. Intel has used the Guiding Principles, along with our membership in organizations such as the United Nations Global Compact (UNGC) and the Electronic Industry Citizenship Coalition (EICC), to inform and shape our approach to addressing and communicating human rights issues.

Our commitment to human rights is outlined in our own Human Rights Principles and in the Intel Code of Conduct. We maintain an integrated and horizontal management approach to human rights. Since 2003, we have formalized responsibility for oversight of corporate responsibility issues (including human rights issues) at the Board of Directors level. Our CSR Management Review Committee (MRC) and Privacy and Security MRC are responsible for general oversight of our policies and management processes related to human rights and privacy. Our Ethics and Compliance Oversight Committee has responsibility for implementing the Intel Code of Conduct. Management teams within our Legal and Corporate Affairs, Human Resources, Supply Chain, and Product Development organizations are responsible for conducting due diligence and implementing policies and procedures for specific human rights areas.

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We also engage with stakeholders to gather feedback on our approach. In late 2011, Intel also engaged Business for Social Responsibility to convene a stakeholder panel to provide input into our human rights policies and disclosure during a series of calls in the first half of 2012.

Based on an analysis of Intel's business, the nature of our products and services, and a review of leading human rights frameworks and input from stakeholders, we view our main potential human rights risks and opportunities to be in the following areas, in order of relative impact: our own direct manufacturing operations; our supply chain and the extraction of raw materials used in our products; and potential customer misuse of our products that could result in restrictions on freedom of expression or other human rights violations. Below, we outline the steps we are taking to address potential risks in each of these three main areas.

Respecting Human Rights in Our Own Operations

We manufacture the majority of Intel's products in our own factories, which gives us significantly more control over enforcement of our Code of Conduct and human rights expectations in our operations than we would have if we outsourced most of our production. In light of the policies and management processes that we have in place, as well as the fact that a majority of Intel's wafer manufacturing takes place at sites in the United States, we view our direct operations risk as low. We do have operations in a number of countries regularly cited by leading human rights organizations as countries of concern (including China), which represent higher levels of risk. However, we apply the same high expectations and human rights standards for our employees regardless of where we operate.

Our Code of Conduct and Human Rights Principles reinforce and address the following key issues: diversity and nondiscrimination, workplace safety, child labor, forced labor and human trafficking, working hours and minimum wages, and freedom of association and collective bargaining.

Our goal is to cultivate a safe and respectful work environment where employees can thrive, innovate, and feel comfortable raising issues to management and be assured of non-retaliation. Each year, we conduct a company-wide Organizational Health Survey (OHS) to assess the satisfaction level of our employees and identify potential areas of concern. We also maintain an "open door" policy, which enables employees to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with managers to address workplace issues. We have a number of initiatives targeted at increasing the representation of women and under-represented minorities in our workforce. We also provide other ways for employees and the public to report concerns, such as a third-party-operated hotline, community advisory panels, and community perception surveys. We reinforce our commitment to respect the human right to water in Intel's Water Policy.

Each year, we receive numerous external recognitions for our workplace and community engagement practices. In early 2012, Norges Bank Investment Management recognized Intel for our policies to prevent child labor in both our operations and our supply chain. For more information, see the Our People section of this report, as well as "Stakeholder Engagement" in the Our Business and Integrated Value Approach section.

Influencing the Electronics Industry Supply Chain

We view our human rights-related supply chain risk to be lower relative to that of other companies in our industry that outsource a significant portion of their production to contract manufacturers and suppliers. However, we believe we have a responsibility to set clear expectations for our suppliers and maintain management systems to audit and manage our suppliers' respect for human rights.

We expect all of our suppliers to comply with applicable laws and the Electronic Industry Code of Conduct (EICC Code), and to maintain progressive employment practices that promote fair labor standards and respect human rights. Our supplier training materials cover labor and human rights

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issues, and our supplier contracts include language requiring adherence to Intel's Code of Conduct and the EICC Code. We also complete supplier assessments and audits each year. Based on our audit activities, we have found a higher level of risk for human rights and labor issues at suppliers in the Asia-Pacific region. We believe that we have an opportunity to help improve human rights standards throughout our industry's supply chain by working collaboratively to address system-level improvements on issues such as working hours and conflict minerals. For more information, see the Supply Chain section of this report.

Security, Privacy, and Human Rights Issues Related to the Use of Our Products

In recent years, there has been a growing interest in the privacy, security, and freedom of expression impacts of information and communications technology. This interest has covered a range of types of technology products and services spanning the global digital infrastructure—everything from Internet services and software to network equipment and consumer electronics devices. While Intel has long been committed to respecting privacy, security, and human rights in our core products and business operations, our challenge has been to understand the risks and impacts to Intel as the products and services we offer become more diverse. During 2011, the majority of our revenue was derived from hardware sales (primarily microprocessors), and we view our current risk in this area as low compared to other parts of the technology industry. However, we have been tracking the growing concerns and opportunities related to how technology products can potentially impact privacy, data security, and human rights, including the possibility that our products may be misused by our customers (including governments) to limit the freedom of expression and human rights of individuals.

We have also been evaluating the role that technology products can play in enhancing human rights through greater transparency and access to information. Looking ahead, we plan to keep a close watch on how our human rights risk and impact profile may change as our involvement in certain technologies, such as mobile communications and security software, evolves over time.

With respect to our product responsibility, Intel is committed to the fundamental human rights of privacy and freedom of expression, and several years ago instituted policies, management oversight, accountability structures, and product design processes that address these issues. We take seriously our role in developing technologies that protect the privacy and security of individuals by helping to ensure the protection of data and minimizing potential threats to data while enabling innovation and economic growth.

Intel utilizes and advocates for a Privacy by Design approach, which includes privacy as a foundational component of the product and service development process. Our Secure Development Lifecycle defines the actions, deliverables, and checkpoints that a project team follows to integrate security and privacy into our products and services, and then assure that we meet the expectations of the product and market. Our development processes include an analysis of how a product protects against unauthorized access, use, destruction, modification, or disclosure of personal information. We review the security and privacy implications of our products with internal or external experts. We have a policy against designing functionality into any of our products that would enable customers to circumvent security features, or otherwise compromise the security of our technologies.

We also work to educate consumers about the importance of online data protection. In addition, we advocate for global policies and standards to protect data privacy and security as part of our public policy actions. For more information, see our Data Protection and Security Policy white paper and our public policy blog.

During the past two years, we have attended meetings with the Global Network Initiative, human rights advocates, investors, and other groups to help inform our thinking on this issue. As we expand our software and security business—including our recent acquisition of McAfee, Inc.—we expect the nature of these product-related concerns to evolve, and as a result, we are evaluating our policies and risk assessment processes to better analyze new risks and opportunities. Many of the questions we have

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received during the past year focused on the McAfee SmartFilter* product, based on a number of reports of governments using the product to censor political dissidence and restrict the Internet freedom of their citizens. McAfee was engaged in dialogue with organizations that had voiced these concerns prior to the acquisition.

During 2011, we held a series of strategic discussions to determine how Intel and McAfee will work together in 2012 and beyond, to coordinate our policies, management processes, and disclosures related to these concerns. In 2011, McAfee developed a draft human rights impact assessment tool and monitored sale approval process to address stakeholder concerns raised regarding SmartFilter. McAfee launched a pilot of the tool in early 2012. The tool uses a risk-based approach to identify transactions that would require additional reviews and approvals, based on criteria in three main areas: products (including those that are capable of filtering unwanted, as opposed to "malicious," traffic; end-user country (those identified as high risk by third-party experts and human rights organizations); and end-user type (government, telecommunications, and Internet service provider end users). Potential sales that are deemed high risk across these three areas are placed on a hold list in McAfee's sales management system. Additional information is then gathered via a standardized form to provide detailed information to McAfee management for formal review. Intel and McAfee will continue to meet to review the results of the pilot and findings throughout 2012 to inform further development of management systems and policies going forward.

Looking Ahead

We will continue to evaluate our policies, processes, and overall approach to human rights, and engage with stakeholders and leading human rights organizations as this issue continues to evolve. Key objectives for 2012 include continuing to improve our disclosure on human rights, updating our Human Rights Principles to address new product-related concerns, and working with our subsidiaries to further align our policies and management processes.

Public Policy and Advocacy

Our goals in working on policy topics are to engage with governments as a trusted advisor; to fully understand different perspectives; to educate officials on the effects that laws and regulations have on our industry, customers, and employees; and to advocate for innovation, competition, and a forward-thinking technical policy and standards environment.

The following is a brief summary of our key areas of interest and engagement in the public policy arena. For more information, visit our Public Policy web site and our public policy blog.

Innovation and Competition

Intel seeks to promote innovation and competition by engaging in policy advocacy in the following areas:

Import/Customs. We support customs and trade facilitation policies that foster administrative ease, cost-effectiveness, speedy and barrier-free entry, predictability, fair enforcement, and transparency with respect to the importation of products into a country.

Intellectual Property and Protection. Intel depends on sound patent and trade secret systems worldwide to protect intellectual property (IP) and enable the development and deployment of new technologies. We work to improve the quality and reliability of patents, help new World Trade Organization (WTO) members conform their patent laws to WTO requirements, develop procedures to lower the costs of resolving patent disputes, and ensure that the interests of patent holders and good-faith manufacturers are properly balanced through fair litigation rules. We also work to increase the protection of trade secrets in many jurisdictions and ensure that regulators are not requesting unnecessary, sensitive product information as a condition of market access.

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Tax. Intel believes in promoting tax policies that encourage innovation and competition around the world. We support measures that enhance the ability of innovative companies to compete in the global marketplace and, in turn, produce economic prosperity. Intel engages in a highly cost-conscious and capital-intensive business, and the location of our facilities can be substantially affected by the tax and economic development policies of potential host countries.

Trade. Intel supports trade agreements and rules that facilitate general commerce between countries and expand the high-tech industry's access to growing world markets. We work proactively to support the development of free trade agreements (FTAs) on a worldwide (via the WTO), regional (e.g., the Central American FTA), and bilateral (e.g., the U.S.-Korea FTA) basis. Such FTAs improve Intel's access to markets around the world by eliminating tariffs on products, increasing IP protections that are critical to innovation and investment, and ensuring a more open and transparent regulatory and standards environment necessary for long-term success.

Workforce. To ensure that the U.S. has access to the highly skilled talent needed to remain competitive, we advocate for immigration reforms to enable businesses to recruit, hire, and retain highly skilled foreign nationals in job fields that have a shortage of qualified U.S. workers. In addition, Intel is committed to fostering a skilled workforce in the U.S. For more information, see the Our People section of this report.

Environment and Energy. As an environmentally responsible manufacturer of energy-efficient products, Intel works with governments worldwide to help shape progressive and practical environmental and energy policies. Intel has led industry efforts to implement voluntary measures that can make regulation unnecessary, such as an industry commitment to reduce greenhouse gas emissions and an industry project with governments to eliminate the vast majority of uses of a family of chemicals known as PFOS. Intel is also working to help shape government policies that recognize the role that semiconductors and other high-tech devices can play in improving energy efficiency—and thus helping to address climate change issues throughout the world. For more information on our environmental policy initiatives, see the Environment section of this report.

Highlight Intel is committed to privacy and security innovation in our technologies, and advocates innovation in the privacy and security policy environment.

Education. We collaborate with foreign ministries of education, the U.S. Department of Education, states, local school districts, and other associations to help improve education—particularly in the areas of science, math, engineering, and technology. For more information, see the Contributions to Society section of this report.

Technical Policy and Standards

To advance a forward-thinking technical policy and standards environment, we engage in the following policy areas.

Communications and Broadband. Intel promotes policies that encourage the deployment of wireless and wired broadband services so that consumers and businesses worldwide can reap the benefits of new information technologies. To help bridge the "digital divide," we also promote policies that expand the allocation of universal service/access funds to include broadband access, especially in remote regions where it has previously been cost-prohibitive.

Security and Privacy. Intel works to create an environment where individuals can trust their use of technology, and a policy environment that fosters innovation and empowers individuals to be able to protect their personal data. Trust in the global digital economy is contingent upon providing robust security and a high level of privacy protection. As individuals use devices across the compute continuum and store data in the cloud, there is a greater need to ensure that information is properly protected. Intel works to inform policy stakeholders in the legislative, regulatory, standards, and academic arenas about the future of technology, and then takes the results of these discussions back to our product developers, who design security and privacy into our products and services. Intel is a member of the National Cyber Security Alliance, and with additional organizations sponsored annual Data Privacy Day in 2011, aimed at promoting privacy awareness and education, particularly among teenagers. To learn

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more, visit the Intel Privacy Policy web site and see "Human Rights" earlier in this section.

Media and Content. We advocate media and content policies that help to enable new digital markets while respecting both IP and consumer interests. Such policies include support for design freedom and technical innovation, as well as content flexibility, portability, and choice for consumers.

Personal Health and Health Information Technology. Intel supports healthcare and government leaders in developing policies and standards that promote the effective use of healthcare information technology. Adoption of such technologies is supported via Intel's collaboration with policymakers and medical standards organizations, and its commitment to identify and promote open standards, interoperable systems, and complementary policies. As the healthcare ecosystem expands from the hospital and clinic to include the home and the community, Intel supports payment reforms rewarding innovative approaches that care for patients in the least restrictive setting while training the workforce necessary for trusted, coordinated, people-centered care. For more information, see "Technology Innovation in Healthcare" in the Contributions to Society section of this report.

Standards. Intel actively participates in the standards development process for the information and communications technology sector. Standards are essential to Intel's business and provide important benefits to industry, consumers, and governments worldwide, including interoperability and consistency in quality.

"Intel has long been a strong proponent for the concept of 'accountability' in privacy and data protection. We believe private sector companies should work together with all stakeholders—governments, non-governmental organizations, and users—to create and increase trust in the use of digital devices."

David Hoffman
Intel's Director of Security Policy and Global Privacy Officer

Political Accountability

In the past few years, we have continued to expand our disclosure regarding corporate political contributions.

Intel's Political Accountability Guidelines outline our approach to making political contributions, including details about accountability at the senior management and Board of Directors levels. In drafting the guidelines, we referred to the Center for Political Accountability's (CPA) Model Code of Conduct for Corporate Political Spending. In early 2011, we updated our guidelines to provide additional transparency and clarification on certain practices regarding independent expenditures. Later in the year, Intel was recognized in the first CPA-Zicklin Index of Corporate Political Accountability and Disclosure for the steps we have taken in recent years to improve our transparency and oversight processes.

On an annual basis, we report Intel's corporate political contributions for the previous year. In 2011, our corporate contributions to state and local candidates, campaigns, and ballot propositions totaled approximately $22,000. We also contributed approximately $280,000 to local chambers of commerce. For a list of our contributions, see Intel 2011 U.S. Corporate Contributions. On a quarterly basis, Intel files reports with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives detailing our lobbying activities. These reports can be found in the Senate's Lobbying Disclosure Act Database. In 2011, our reported lobbying expenditures totaled $3.8 million, compared to $3.7 million in 2010.

Trade Association and Business Coalition Memberships

Our memberships in industry and trade associations help us work collaboratively with other companies and groups to address key public policy issues. The organizations that received the largest contributions from Intel in 2011 were the Semiconductor Industry Association, the Information Technology Industry Council, the Open Data Center Alliance, the Business Roundtable, and the U.S. Chamber of Commerce. Information on trade association payments is included in the list of Intel 2011 U.S. Corporate Contributions.

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We also have increased transparency by providing a breakdown of dues payments applied toward political activities of associations that received more than $50,000 in payments during the year.

Over the past few years, attention has increased on the role of trade associations in political activities and the potential for misalignments between a company's stated policy positions and the political activities of the trade association in a given political cycle. We recognize that our positions do not always align 100% with those of the industry and trade organizations to which we belong, given the wide range of issues addressed by these organizations. To address potential misalignment concerns, we are increasing the transparency of our trade association dues; putting in place systems that enable us to understand where there may be risks of misalignment; and posting our positions on our Corporate Governance and Ethics and Public Policy web sites to ensure that stakeholders understand our policies on various matters.

During 2011, significant controversy continued around the U.S. Chamber of Commerce and the National Association of Manufacturers' (NAM) public statements and actions on the topics of climate change, U.S. Environmental Protection Agency regulations, and conflict minerals. Some stakeholders asked Intel and other companies to clarify their positions on climate change or to pull out of the organizations altogether. We believe that the overall benefit of our memberships in these organizations outweighs our differences, and have decided to remain a member of the U.S. Chamber and NAM. Intel will continue to evaluate our memberships during the planning process each year. We may also take proactive steps to educate associations on our positions or provide background information on key issues. For example, to help provide additional context and highlight some of our company's key learnings about the issue of conflict minerals, we shared our conflict minerals white paper with the U.S. Chamber.

Intel Political Action Committee

The Intel Political Action Committee (IPAC) was created in 1980 as a way to enable employees to support candidates whose legislative goals align with Intel's public policy priorities. Although Intel pays the administrative expenses of IPAC, corporate funds are not contributed to the IPAC fund, and all employee contributions to it are voluntary. An IPAC Executive Committee made up of Intel employees reviews and evaluates candidate requests. U.S. congressional and some state legislative candidates are eligible to receive IPAC contributions and are evaluated on a number of factors, including their proximity to locations where Intel operates and their support for Intel strategic business issues, such as export/import controls, customs policy, intellectual property, and patent reform. Whenever possible, IPAC donations are made directly to candidates rather than through leadership PACs and 527 organizations. For the 2012 election cycle, the sum of political contributions from IPAC to candidates as of December 31, 2011 was $244,500. For a list of contributions, see Intel 2011 PAC Contributions–2012 Election Cycle.

Performance Summary and Goals

In 2011, we continued to take steps to improve transparency by increasing disclosure related to our corporate contributions, as well as strengthening our ethics and compliance reporting mechanisms. In 2012, we will increase engagement with key stakeholders on human rights, and will continue to assess risk and execute our training and ethics programs globally to help ensure that we act with uncompromised integrity worldwide.

Governance, Ethics, and Public Policy Goals for 2012
Increase stakeholder engagement and disclosure with regard to human rights issues such as privacy, security, and conflict minerals.
Continue to improve transparency related to our corporate political contributions, including expanding disclosure around trade association dues.

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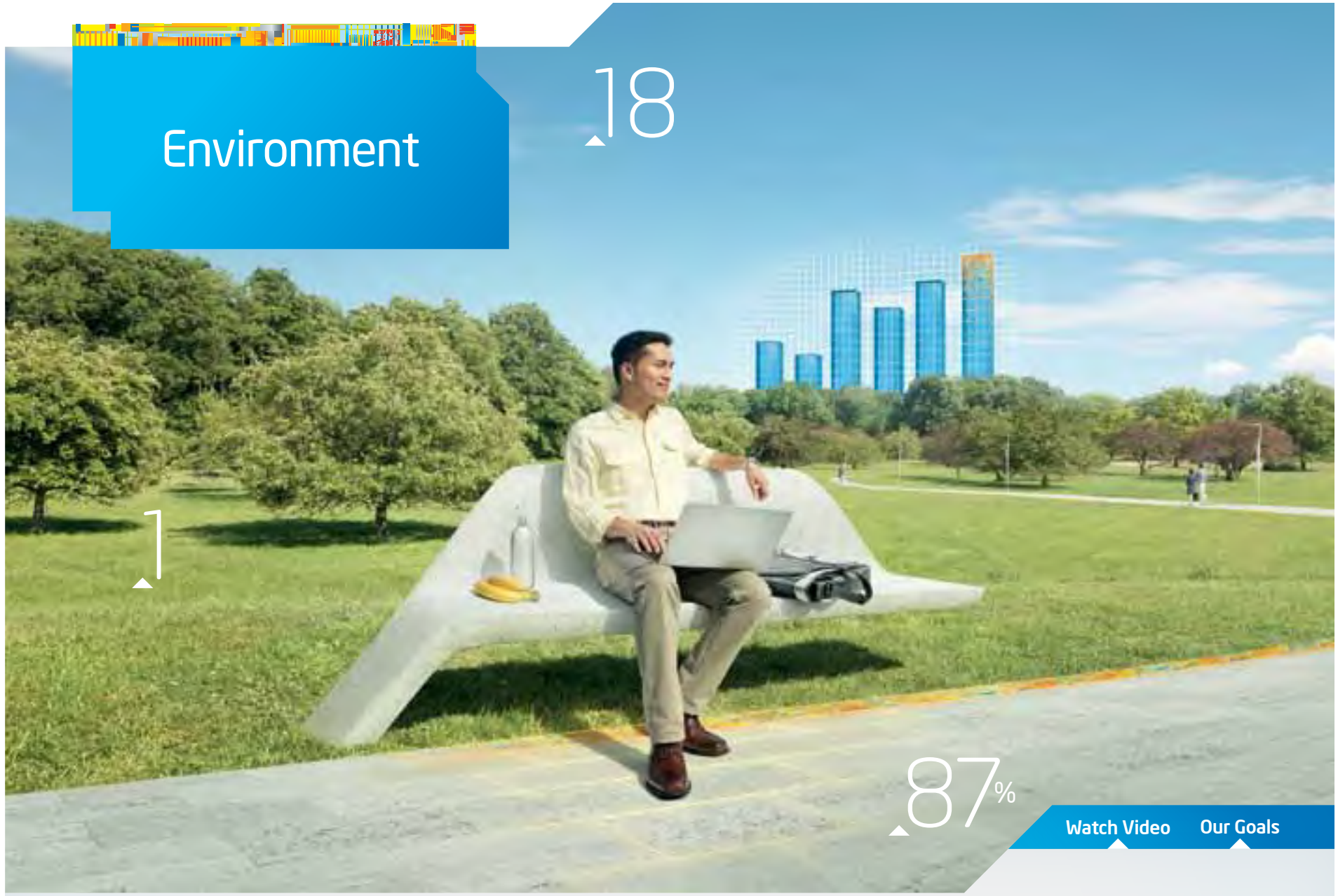
Environment



Watch Video | Our Goals

We incorporate environmental performance goals throughout our operations, seeking continuous improvement in energy efficiency, emissions reductions, resource conservation, and other areas. We focus on improving the energy-efficient performance of our products and collaborate with others to develop innovative ways that technology can help address long-term sustainability challenges.

Key Environment Links

Intel Environment Site

Product Energy Efficiency

Intel's Environmental, Health, and Safety Policy

Intel's Climate Change Policy

Intel's Water Policy

Explore Intel

Our Approach to Environmental Sustainability

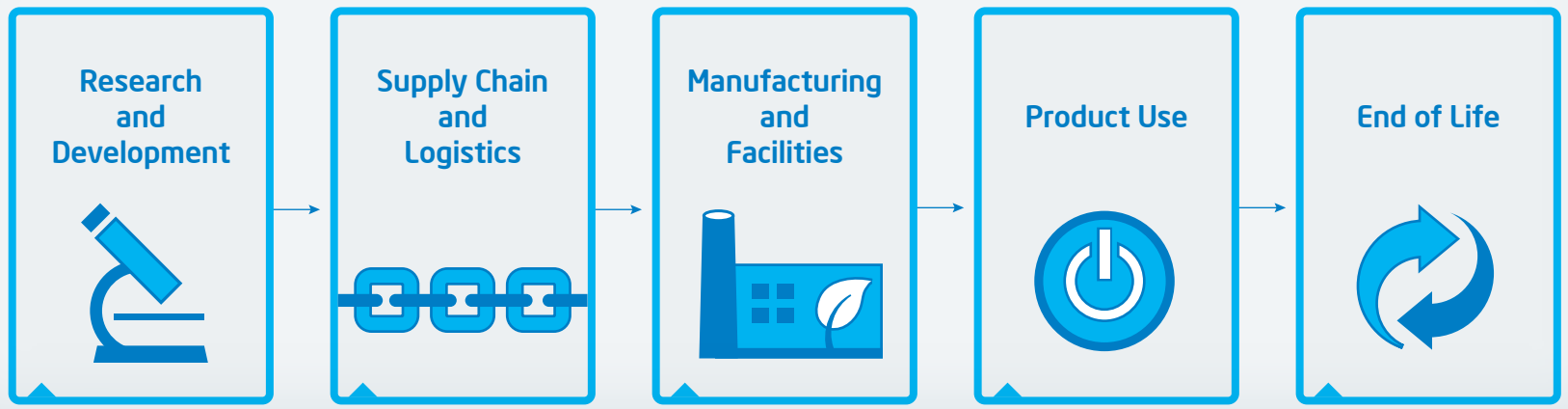
Building and designing the world's most sophisticated products in a sustainable manner requires careful management of energy consumption, air emissions, and resource conservation. We incorporate Design for the Environment principles throughout all phases of our product development process.

While many companies in the electronics industry now outsource most of their manufacturing, we continue to design and manufacture the majority of our products in our own factories. As a result, we place a strong emphasis on driving environmental sustainability across our global operations. Our teams consider environmental impact when we perform site selections, design Intel buildings, set performance levels for manufacturing tools, and establish goals for new production processes and product energy efficiency. We support a precautionary approach to the materials that we use in our products. We seek alternatives for hazardous materials, and when we must use them, we take steps to ensure that they are handled safely from the time they enter our operations until they are recycled or properly disposed of.

Watch Video Learn about how Intel technology is helping Denmark harness renewable energy resources.

Intel® Product Life Cycle and Value Chain

Mouse over diagram elements for additional information.



We consider environmental impact throughout the stages of our products' life cycles, from research and development to materials selection, energy-efficient performance, and end-of-life management.

About the Performance Graphs: Throughout this section, we have included graphs for some of the key indicators that we use to manage our environmental, health, and safety performance. For close to 20 years, our senior managers have reviewed these indicators on a regular basis. We report our performance both in absolute terms and on the basis of a "per unit of production" or "per chip" normalized production index (NPI). The NPI is derived directly from our worldwide wafer production and is indexed to a baseline year of 1999 (NPI = 100 for baseline year 1999), with the exception of our greenhouse gas emissions and energy use indicators, which use a baseline year of 2000. With this direct correlation to Intel's global manufacturing levels, the NPI enables year-to-year comparisons and supports trending comparisons. References to "per chip" assume a typical chip size of 1 cm^2, but actual chips vary in size depending on the specific product. In 2009, manufacturing output was significantly reduced to match lower demand, a result of the worldwide economic downturn. Because of this, many of the normalized environmental indicators that we track saw steep increases in 2009, leading to atypical results in that year. Underlying data for the performance graphs is available for download using the Report Builder on our Corporate Responsibility Report web site.

Product energy efficiency has become increasingly important in our industry, given the growing demand for more computing, the increasing cost of energy, and the corresponding impact on the environment. According to Gartner Research, about 2% of the world's emissions come from the information and communications technology (ICT) industry. In addition to improving computing-related energy efficiency, the ICT industry has an important role to play in reducing "the other 98%" of global emissions. We are focused on reducing the environmental impact of our products, including driving to new levels of energy-efficient performance. We have also joined forces with businesses, academic institutions, and governments worldwide to find and promote additional ways that technology can be used to address environmental challenges across other sectors of the economy. We recognize that this represents a market opportunity for Intel and are helping to drive initiatives aimed at using technology to enable better energy and resource management.

Our commitment to environmental sustainability is embodied in the Intel Code of Conduct and Intel's Environmental, Health, and Safety Policy. To learn more about our approach to climate change and water conservation, see Intel's Climate Change Policy and Intel's Water Policy. We also establish clear environmental expectations for our suppliers and have initiated a number of sustainable purchasing initiatives. To learn more, see the Supply Chain section of this report.

Many of the major trends in semiconductor manufacturing inherently improve energy efficiency. For example, the industry's move from 200-millimeter (mm) to 300mm wafers increased manufacturing energy efficiency by about 20%, primarily because more chips could be produced at a time. The trend toward smaller chips, such as the Intel® Atom™ processor, generates savings for similar reasons, as do advancements through Moore's Law that enable the sizes of features on chips to shrink over time.

However, this pace of innovation also creates some challenges in the areas of water conservation and chemical waste reduction, due in part to the increasing complexity of our manufacturing processes. This complexity can be understood by comparing our manufacturing process to building a city. For example, we used to be able to continue to build outward, as cities are expanded into suburban areas. To continue on our path of innovation, we are now "building up," similar to building more skyscrapers in the downtown area of a city. The vertical nature of this new technology results in more layers and requires increased chemical use and water rinses. In addition, our track record of driving reductions for well over two decades means that many of the available efficiencies have already been realized, making it difficult to achieve additional large reductions over time.

Over the past decade, we have achieved reductions in key environmental impacts such as greenhouse gas emissions while nearly doubling our manufacturing output. In 2011, we made further progress toward achieving a number of our 2012 environmental goals, but did not achieve our water and chemical waste goals. We remain committed to driving continuous improvements in our environmental management over the next decade. To this end, we have established new 2020 goals that will help us extend our path of innovation and environmental responsibility. Intel will take steps to reduce the environmental impact of our operations while we continue to grow, and drive significant increases in the energy-efficient performance of our products by 2020. For more information, see "Performance Summary and Goals" at the end of this section.

Intel will take steps to reduce the environmental impact of our operations while we continue to grow, and drive significant increases in the energy-efficient performance of our products by 2020.

Managing Environmental Performance

Multiple groups across Intel play critical roles in driving strategy, operational and product improvements, and policy initiatives related to environmental responsibility. Our Environmental Health and Safety (EHS) organization has primary responsibility for managing our environmental compliance and driving performance improvements in our operations. Product-related sustainability is managed by a number of groups across the company. The sustainable design of our products is driven by the Corporate Products Regulations and Standards Group, working with our EHS and Technology Development groups. Our Eco-Technology Strategy and Pathfinding Group promotes the importance of energy-efficient performance in our products and identifies new opportunities for our technologies.

The Eco Management Review Committee, led by our Chief Operating Officer and made up of senior leaders from across the company, meets monthly to review environmental sustainability, performance, and strategy. A broad cross-section of Intel organizations—including Corporate Services, Information Technology, Human Resources, Corporate Affairs, Global Public Policy, Intel Labs, and Supply Chain—meet regularly as part of our Eco-Stakeholder Council to coordinate business group strategies and employee engagement initiatives.

For over a decade, Intel has maintained a multi-site, third-party-verified ISO 14001 registration. This registration evaluates the effectiveness of our environmental management system (EMS). Since 2010, Intel has also maintained a multi-site certification for OHSAS 18001, the internationally recognized standard for occupational health and safety management systems. In 2011, we successfully completed our annual audit of Intel's Corporate EHS Group, in addition to certifying our new assembly and test facility in Vietnam. All audits are conducted by the National Standards Authority of Ireland (NSAI), an independent third-party registrar. Intel's fully integrated multi-site registration (MSR) to both ISO 14001 and OHSAS 18001 extends through December 31, 2013. In 2012, Intel will complete initial certification audits for our new manufacturing facility in Dalian, China. As new sites are built, we will continue to complete the necessary certification audits to maintain our ISO 14001 and OHSAS 18001 MSR.

Green Building Design and LEED Certification

Our engineers have incorporated green design standards and building concepts into the construction of our facilities for many years. Intel now has a policy of designing all new buildings to a minimum Leadership in Energy and Environmental Design (LEED) Silver level. Over the past two years, we also have been pursuing certification for a number of our existing facilities. As of the end of 2011, we had achieved certification for a total of 18 buildings across five sites, including Arizona, Costa Rica, China, Israel, and Malaysia. We are exploring certification for another 14 existing buildings in Arizona, India, Israel, Mexico, Oregon, and Vietnam.

In March 2011, we achieved LEED for Existing Buildings Silver certification for our entire Ocotillo manufacturing campus in Chandler, Arizona. The scale and complexity of the project was significant, since the campus consists of three wafer fabrication (fab) plants; two central utility plants that house chillers, boilers, and waste and wastewater treatment systems; three office buildings with cafeterias; two process waste buildings; one sort manufacturing building; and one emergency generator building. Buildings on the campus—many of which were built 10 years ago—met LEED criteria without major additional capital investment, providing validation of our building standards. We learned from the certification experience that some of the current LEED standards can be difficult to implement for complex manufacturing sites, since many of the factors are designed for office environments. Intel is working with the U.S. Green Building Council and other companies to share our learnings and provide input into criteria changes that would make it easier to pursue LEED certification for manufacturing sites.

We continue to invest in facility improvements in support of our great place to work objectives. In 2011, we renovated more than 500,000 square feet of office space, cafeterias, and fitness centers, bringing the total to more than 1.5 million square feet over the past two years. The renovations included LEED criteria such as use of low-VOC paints, low-flow faucets and toilets, no-adhesive carpets, and furniture that contains recycled material and is recyclable at end of life.

Engaging Employees

In 2011, we further encouraged our employees to help reduce Intel's environmental footprint through a number of initiatives.

Linking Compensation to Environmental Performance. Since 2008, we have linked a portion of every employee's variable compensation—from front-line employees to our CEO—to the achievement of environmental sustainability metrics. The 2011 metrics focused on carbon emission reductions in our operations and energy-efficiency goals for new products. While the environmental component represents a relatively small portion of the overall Employee Bonus (EB) calculation, we believe that it helps focus executives and employees on the importance of achieving our environmental objectives. Benchmarking and discussions with external stakeholders reveal that it is rare for companies to link compensation to sustainability goals for all employees and executives. Environmental metrics for our 2012 EB calculation will focus on energy efficiency in our operations and our products. For more information, see the Our People section in this report and our 2012 Proxy Statement.

Employee Sustainability Groups. Intel supports employee-initiated grassroots sustainability efforts and employee "green" teams around the world, including the Intel Employee Sustainability Network (IESN). IESN, which was formed in 2004, provides employee networking, volunteering, and educational opportunities that align with our corporate environmental focus areas. The group's activities have included Northwest Earth Institute discussion group courses delivered at several Intel sites around the world. The Green Initiative Troupe (GREENit), another employee sustainability group, focuses on actions that employees can take to be more sustainable at work and at home. The GREENit group also coordinates a sustainability event around Earth Day each year, in addition to the other Earth Month events organized by employees across the company, such as volunteer events, speakers, and educational resources.

The 10 winning projects in the 2011 Intel Environmental Excellence Awards yielded not only significant environmental improvements, but also resulted in estimated cost savings of more than $70 million.

Highlight Learn how Intel employees helped turn an empty city lot into a science project.

Sustainability in Action Grant Program. Through this program, employees can apply for funding for innovative environmental projects. Employees are encouraged to include external stakeholders in their projects, and many focus their efforts on addressing environmental issues in their local communities. In 2011, Intel provided $125,000 in funding for nine employee projects—including the installation of a rainwater harvesting project at a school in Israel, design of a zero-emissions heating and cooling control and supply system for a local community building in China, development of a system to convert cooling tower waste discharge energy to generate green energy in Malaysia, recycling of plastic reels from our manufacturing process to create pencil boxes to donate to local schools in Arizona, and sustainability discussions with students in Oregon schools. For more information, see the Intel Involved map in the Contributions to Society section of this report.

Intel Environmental Excellence Awards. Since 2000, Intel has presented these awards to employees who have helped reduce Intel's environmental impact. In 2011, 62 teams from around the world were nominated for their work to promote recycling and waste reduction, lower the environmental impact of our products and processes, and educate others on sustainability topics. Contributors to 10 winning projects from seven countries received monetary awards and trophies. Teams were recognized for their efforts to: reduce Intel's perfluorocompound (PFC) emissions below 1995 levels by 2012; redesign a process that saved 5 million gallons of water per year in our assembly and test operations; roll out new solar installations at multiple Intel sites; and redesign the entire retail CPU Boxed Processor product line to reduce overall packaging size, eliminate the use of polyvinyl chloride (PVC) materials, and avoid the use of 400 pounds of paperboard materials and 2.5 million pounds of plastics. To learn more about this packaging project, see the Supply Chain section of this report.

In addition to yielding environmental benefits, these employee projects frequently save money for Intel. Estimated annual cost savings from the 2011 winning projects exceeded $70 million. For example, a team developed a new chemistry process that reduced waste by 84%, resulting in a reduction of 900,000 gallons of chemical waste and savings of over $45 million annually. Another team developed a plan to reuse and optimize networking systems in our office environments, reducing annual energy costs by more than $22 million.

Tools and Resources. In 2011, we continued to provide a number of other programs, resources, and tools to empower employees to reduce their environmental impact at work and at home. We expanded green purchasing options for employees (including new hybrid car rental options) and rolled out a new how-to guidebook and training materials for hosting "greener" Intel meetings and events. We also launched a pilot for charging electric vehicles at our sites in California and Oregon, which resulted in new stations being rolled out in early 2012. We expanded our employee vendor purchase discounts to cover home solar installations. In addition, we piloted a new carbon calculator in our manufacturing organization to help employees better quantify the environmental benefits of their projects using a consistent methodology.

We maintain an environmental employee portal and an interactive online employee community, "Green Intel," to promote awareness and engage employees in discussions about sustainability initiatives and connect them with local green teams and projects at their sites.

Community Impact and Engagement

We are committed to collecting input from local communities about our environmental performance. Transparency and open communication guide our approach. Regular reports from our Arizona and New Mexico community environmental groups, for example, are posted online.

Our employees participate in environmentally focused volunteer projects in their communities around the world, and a number of our education programs, such as the Intel Global Challenge at the University of California at Berkeley and the Intel International Science and Engineering Fair,

Highlight In 2011, Intel launched two new innovative web sites to improve community engagement on our environmental performance.

encourage study and innovation in environmental sustainability. For more information, see "Stakeholder Engagement" in the Our Business and Integrated Value Approach section of this report, and the Contributions to Society section of this report.

Assessing Potential Biodiversity Impacts

Environmental impact assessments (EIAs) look at the possible positive and negative impacts that a proposed project may have on the environment, including social and economic aspects. Each country, state, or county/municipality has its own EIA requirements depending on the type of project. Intel completes EIAs as part of our new site selection process and continues to assess ongoing impacts of our operations on biodiversity.

Based on analysis and mapping, we do not believe that any of our manufacturing or assembly and test operations are located near or have direct impact on the protected areas on the United Nations List of Protected Areas. A few of our operations are located in areas considered by some to be rich in biodiversity, but we know of no major negative impacts from our operations on threatened species or protected areas. In recent years, we have undertaken voluntary biodiversity efforts at our sites. For example, since 1994 Intel has been a sponsor of conservation measures to protect the River Rye, a tributary to the River Liffey in Ireland and an important salmon spawning ground. During the last decade, studies have indicated improvements in water quality and in salmon and brown trout density as a result of our conservation activities. This area is also home to the whorl snail species, which appears on the Irish Red List published by the National Biodiversity Data Centre.

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Climate Change and Energy Efficiency

We consider climate change an important environmental issue, and many years ago began taking steps to mitigate our impact and publicly report on our carbon footprint.

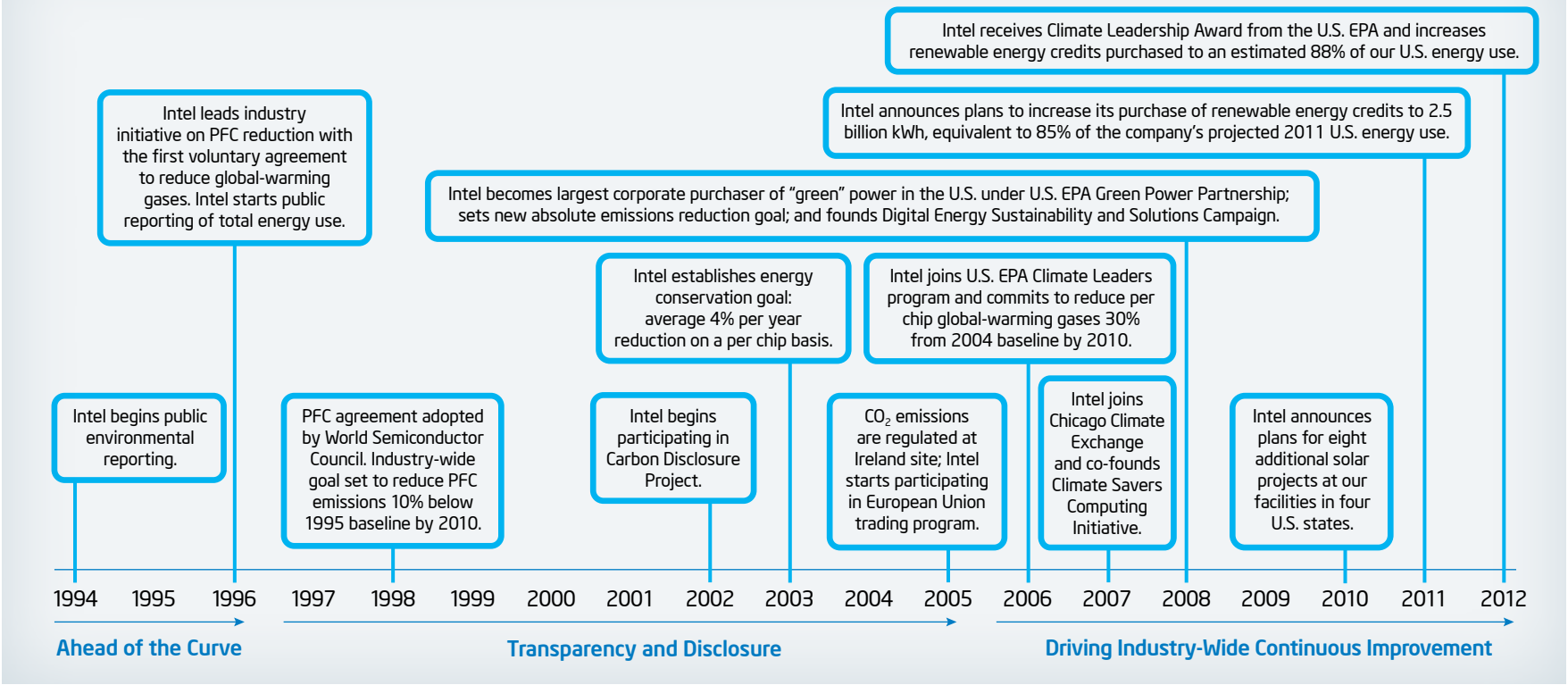
Intel believes in a portfolio approach to emissions reductions and energy management. Through a wide variety of efforts—including but not limited to conservation, energy efficiency, solar installations, green power purchases, and efficient building designs—Intel has built a strong and sustainable approach to buying and using energy in an economical and environmentally conscious manner. Since 2008, we have been the largest voluntary corporate purchaser of green power in the U.S., according to the U.S. Environmental Protection Agency (EPA). We have earned numerous recognitions for our actions to address climate change, including a Climate Leadership Award presented in early 2012 by the EPA and a number of climate groups.

As part of our commitment to transparency, since 2003 we have disclosed our greenhouse gas emissions and climate change risk through the Carbon Disclosure Project (CDP). To view our public submissions, visit the CDP web site. In addition, the Intel Annual Report and Form 10-K includes a discussion of climate risk, and our Climate Change Policy outlines our formal position on global climate change.

Reducing Greenhouse Gas Emissions

In 1996, Intel and other U.S. semiconductor manufacturers entered into a voluntary agreement with the EPA to reduce emissions of PFCs, materials used in semiconductor manufacturing that are known to have high global-warming potential. The agreement later expanded into a worldwide semiconductor industry agreement to reduce PFC emissions 10% below 1995 levels by 2010, representing what we believe is the world's first voluntary industry greenhouse gas reduction commitment. In 2010, Intel met this goal, reducing PFC emissions 45% in absolute terms and over 80% on a per chip basis from the 1995 baseline. In 2006, Intel set a goal to reduce

Intel's Climate Awareness Timeline



Since the mid-1990s, we have taken voluntary steps and set aggressive goals to reduce our greenhouse gas emissions.

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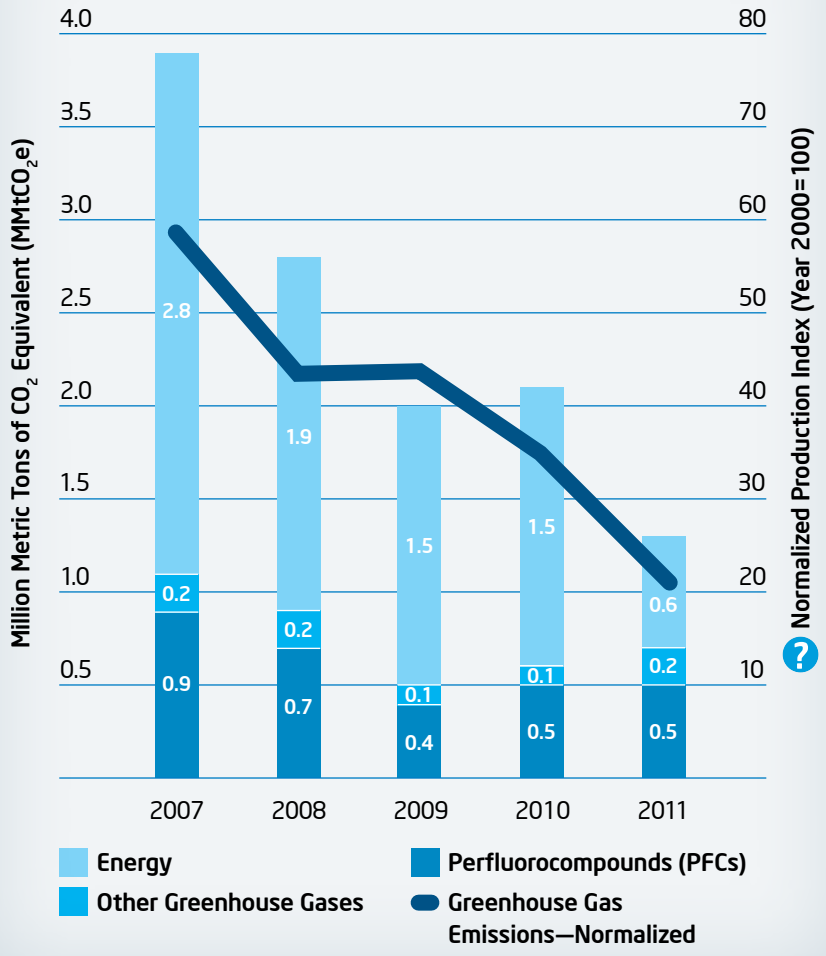
its greenhouse gas emissions by 30% per unit of production from 2004 to 2010; Intel exceeded this goal, achieving a 45% reduction below 2004 levels. In 2008, we set a goal to reduce the absolute global-warming gas footprint from Intel operations 20% below 2007 levels by 2012. As of the end of 2011, we had reduced our absolute emissions more than 60% below 2007 levels. Over this same time frame, our annual revenue increased by 41%. Our new 2020 environmental goals include a commitment to further reduce our direct greenhouse gas emissions 10% on a per chip basis from 2010 levels, while we continue to expand our manufacturing capacity.

Greenhouse Gas Emissions



Intel's absolute Scope 1 and Scope 2 emissions were down 34% in 2011 compared to 2010, while emissions on a per chip basis were down 39%. Our purchase of renewable energy credits (RECs) contributed to the significant decrease in absolute emissions from 2007 to 2008, and our increase in REC purchases in 2011 contributed to the decreased emissions in 2010. The RECs resulted in an annual reduction of approximately 1 $MMtCO_2e$ in Scope 2 emissions from 2008 through 2010, and a reduction of approximately 1.8 $MMtCO_2e$ in 2011. The table on this page shows our emissions data with and without taking into account our REC purchases. In 2011, our REC purchases represented approximately 85% of our U.S. electricity use.

2011 Greenhouse Gas Emissions Reported by Type

Scope	Emissions[1]	Notes
Scope 1 Emissions	1,000,000	
Scope 2 Emissions[2]	2,200,000	
Total Scope 1 and 2 Emissions (excluding RECs)	3,200,000	
Total Scope 1 and 2 Emissions (including RECs)	1,400,000	
Scope 3 Emissions (estimated)		
▪ Direct materials supplier emissions	1,000,000	
▪ Transportation and distribution of inputs and waste generated in operations	500,000	
▪ Business travel	200,000	

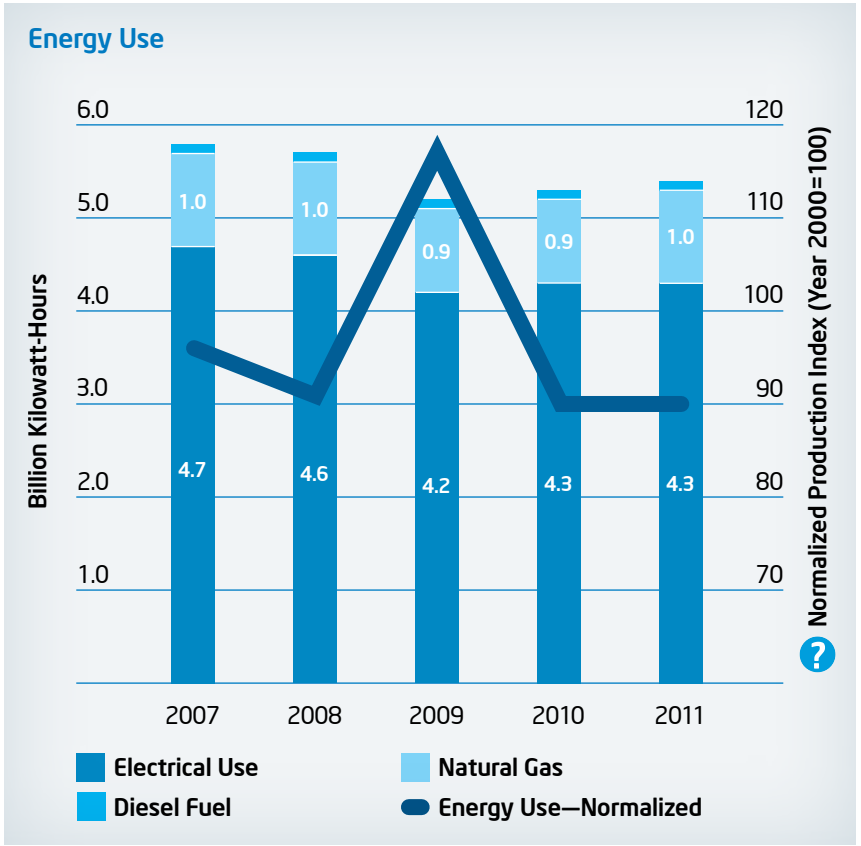
[1] Reported in metric tons of CO_2e
[2] Excluding RECs

Related Links:
World Resources Institute (WRI) Global Greenhouse Gas Protocol (GHG Protocol) Mobile Combustion CO_2 Emissions Calculation Tool
GHG Protocol CO_2 Emissions from Business Travel Tool
Inventory of Greenhouse Gas Emissions and Sinks: 1990–2004

In addition to the summary data provided above, we have completed an estimate of emissions associated with the consumer use of our products. For more information, see "Improving Product Energy Efficiency" later in this section. A more detailed breakdown and discussion of our emissions by country and by type is publicly available in our CDP questionnaire response. Note that slight variations between the data in this report and our final CDP filing may exist, due to additional data received following publication of this report, differences in the treatment of RECs under the CDP methodology, and the timing of certain changes in the GHG Protocol.

Energy-Efficient Operations

In 2011, Intel allocated $13 million for resource conservation and efficiency projects to reduce energy use in our operations. Projects included installation of more efficient lighting and system controls; boiler and chilled-water system improvements; and cleanroom heating, ventilation, air conditioning, and heat recovery improvements. Intel has invested more than $58 million and completed over 1,563 projects, saving more than 825 million kWh of energy since 2001, or the approximate CO_2 emissions from the electricity use of more than 70,933 average U.S. homes for one year.[1] These investments have enabled Intel to reduce energy costs in 2011 by $10.9 million.



In 2011, energy use in our operations increased 3% from 2010 on an absolute basis and remained flat on a per chip basis. The significant increase in the 2009 per chip figure was due primarily to lower manufacturing levels. Energy use at our U.S. operations was 3.9 billion kWh, or 74% of our total energy use. We did not achieve our energy use goal but did achieve an absolute reduction in energy use from 2007 to the beginning of 2012.

[1] Source: U.S. EPA Green Power Equivalency Calculator.
[2] Source: U.S. EPA Green Power Equivalency Calculator and World Resources Institute (WRI) commercial travel assumptions.

Watch Video The Intel IT department shares best practices with other companies for Earth Day 2011.

Intel's Information Technology (IT) Sustainability Framework uses data center, compute, and office infrastructure, as well as our client offerings, to contribute toward Intel's emissions reduction goal. Our IT organization has met growing computing demands within our operations while reducing Intel's consumption of IT-related and office energy.

Intel IT's ongoing focus on sustainability enables our data centers to accommodate growth without increasing energy consumption or our physical IT footprint. In 2011, we ranked in the International Data Group (IDG) InfoWorld Green 15 Awards for our innovative NUMA Booster algorithm. Deployed on Intel® Xeon® processor-based servers, this algorithm accelerates jobs by up to 17%, helping to avoid the addition of incremental server capacity and to decrease energy consumption. For the second year in a row, Intel was named to Computerworld's Top 12 Green-IT list, which recognizes organizations committed to using technology to conserve energy and lower CO_2 emissions. Over the past two years, Intel IT has completed projects that saved nearly 120 million kWh in energy.

Videoconferencing has proven to be a highly successful tool for facilitating collaboration among Intel's global teams—improving productivity while reducing travel costs and travel-related emissions. During 2011, we nearly doubled the number of meeting rooms that have videoconferencing capabilities and introduced new rooms that have videoconferencing capabilities in 12 additional countries. We also provided easy-to-use videoconferencing tools that run on mobile business PCs, enabling employees to connect with colleagues around the world from their desks or from remote locations. On average, Intel IT supports more than 600 videoconferences per week. We estimate that videoconferencing saved $73 million in travel expenses and 435,000 travel hours in 2011—more than double the number of hours saved in 2010. The reduction in travel also contributed to Intel's sustainability goals by avoiding more than 65,000 metric tons of CO_2 emissions.[2] To read more about the Intel IT group's efforts to reduce Intel's energy use and share our learnings with our customers, read the Intel IT Performance Report 2011–2012.

Investing in Renewable Power

Since 2008, Intel has been the largest voluntary purchaser of green power in the U.S., under the U.S. EPA's Green Power Partnership program. We initially committed to purchase RECs to support the generation of more than 1.3 billion kWh per year as part of a multi-year contract. In January 2010, we increased our purchase commitment to over 1.43 billion kWh of RECs per year. In February 2011, we increased our commitment to 2.5 billion kWh—equivalent to approximately 85% of our projected 2011 U.S. energy use. For our actions and leadership, Intel received an EPA Green Power Partner of the Year Award in 2011, the fourth year in a row.

According to the EPA, our 2011 REC purchase commitment—which included a portfolio of wind, solar, small hydroelectric, geothermal, and biomass sources—has the equivalent environmental impact of eliminating the CO_2 emissions from the annual electricity use of nearly 218,000 average American homes, or nearly 202 million gallons of gasoline consumed.[1] Intel's renewable energy efforts are intended to provide leadership and help spur the market and make renewables cheaper and more accessible over the long term to reduce the overall carbon emissions from electricity generation. All purchases will be certified by the nonprofit Center for Resource Solutions' Green-e* program, which certifies and verifies green power products in order to meet the requirements of the EPA's Green Power Purchasing Program. In early 2012, we announced that we will increase our 2012 purchase 12% over our 2011 purchase to nearly 2.8 billion kWh, equivalent to 88% of our U.S. energy use.

Solar Installations. Since 2009, we have partnered with third parties to complete 15 solar electric installations across nine Intel campuses in Arizona, California, New Mexico, Oregon, Israel, and Vietnam—collectively generating more than 5 million kWh per year of clean solar energy. The projects include a 1-megawatt solar field that spans nearly 6 acres of land on Intel's Folsom, California campus; 5 rooftop installations; and 8 solar support structures in Intel parking lots. Each U.S. installation was ranked among the 10 largest solar installations in its respective utility territory when installed. The RECs generated by these installations are often transferred to the local utility to support their regulatory obligations and programs.

In addition to these new installations, we had previously installed solar energy systems in India, New Mexico, and Oregon. Solar hot water systems now supply close to 100% of the hot water used at our two largest campuses in India, saving approximately 70,000 kWh annually.

Cleantech Investments. Since 2008, Intel Capital, Intel's global investment organization, has invested more than $175 million in the renewable energy, smart grid, and energy-efficiency sectors to accelerate innovation in over two dozen start-up companies in the U.S., China, India, and Latin America that are developing alternative power sources. For more information, visit the Intel Capital web site.

Improving Product Energy Efficiency

As noted in the Intel Product Life Cycle and Value Chain illustration earlier in this section, consumer use of our products represents a large portion of our overall carbon footprint. As a result, we have invested significant resources in recent years to drive higher levels of energy efficiency in our products. For a detailed discussion, see "Energy-Efficient Performance and Product Ecology" later in this section.

Climate Leadership Activities and Public Policy

The Smart 2020: Enabling the Low Carbon Economy in the Information Age report, published in 2008 by The Climate Group and the Global e-Sustainability Initiative, estimated that the ICT sector could reduce up to 15% of business-as-usual emissions globally by 2020. A follow-up report put the potential reduction in the U.S. even higher—to as much as 22% by 2020. Intel collaborates on initiatives with multiple stakeholders to reduce ICT-related emissions, and to identify ways that the ICT industry can help reduce energy consumption and carbon emissions across other sectors of the global economy. For more information, see "Public Policy and Advocacy" in the Governance, Ethics, and Public Policy section of this report.

[1] Source: EPA Green Power Equivalency Calculator.

Climate Savers Computing Initiative (CSCI). Intel, Google, and the World Wildlife Fund jointly launched CSCI in June 2007, with the goal of building awareness and encouraging the use of more efficient components and power management features to reduce compute-related CO_2 emissions. The initiative is unique in that it unites industry, consumers, government, and conservation organizations—securing commitments from manufacturers to produce and sell more energy-efficient products and encouraging consumers to purchase computers with better efficiencies. Intel has chaired the group for the past four years.

At the end of 2011, CSCI had more than 700 members in more than 50 countries. Members take a leadership role in deploying smarter computing practices and improving the energy efficiency of their computing fleets, thereby eliminating significant energy waste and carbon emissions. Nearly 11,000 people and companies have joined by pledging to use power management and to purchase energy-efficient computing products. In 2011, the organization released a new Energy Efficiency Guide for Networking Devices—developed by CSCI members from Cisco, Broadcom, Intel, and Juniper Networks—which discusses practical aspects of energy efficiency of operational management and vendor and product selection.

As of the end of 2011, CSCI and its partners had helped decrease CO_2 emissions from computing equipment by 32 million to 36 million metric tons, equal to more than $2 billion in annual energy savings. CSCI estimates that the global IT industry can offset 38 million metric tons of CO_2 emissions by 2015 through the development and deployment of more energy-efficient networking equipment. To help achieve this goal, CSCI is taking a leadership role in ensuring that the next generation of public and private clouds are built using sustainable ICT and energy-efficient power supplies.

Digital Energy Sustainability and Solutions Campaign (DESSC). Intel founded and co-chairs DESSC, a coalition of ICT companies, non-governmental organizations (NGOs), and trade associations dedicated to promoting the adoption of public policies that will enable ICT to realize its full potential to improve societal energy efficiency and reduce carbon emissions. The campaign, launched in 2008, is now hosted by the Information Technology Industry Council. Intel and Verizon are currently co-chairs of DESSC.

DESSC believes that governments can take many actions to encourage ICT-enabled energy efficiency, clean energy innovation, and sustainable growth. While policies will vary depending on national circumstances and cultures, key recommendations include: establishing a national strategy or roadmap for the use of ICT to improve energy efficiency and reduce greenhouse gas emissions; expanding the availability of broadband throughout society to encourage the many energy efficiencies and innovations possible through intelligent connected devices; and increasing funding for research, development, and deployment in energy efficiency and clean energy innovations. The organization also advocates for the creation of agreed-upon protocols and approaches for measuring the energy-efficiency and climate impacts of ICT in other economic sectors, and works to ensure that consumers have access to tools to better manage their electricity use.

DESSC members are committed to leading by example and sharing best practices in smart grids, smart transportation, travel substitution, smart buildings and technologies, and green procurement. Intel helped launch DESSC India and DESSC China. DESSC India has released a series of white papers outlining ICT-related opportunities to help India achieve the goals of the country's climate change action plan. DESSC China has engaged with the Chinese government in a cooperative program to identify opportunities for ICT to play a larger role in helping China become a less carbon-intensive economy.

The Green Grid. Intel serves on the board of the Green Grid, a global consortium founded in 2007 made up of companies dedicated to energy efficiency in business computing ecosystems. The Green Grid provides industry-wide recommendations on best practices, metrics, and technologies to improve overall data center energy efficiency.

In 2011, at the request of the local IT industry and with the support of the Chinese government, the Green Grid signed a memorandum of understanding with the China Communications Standards Association (CCSA) to help promote the improvement of resource efficiency in business computing throughout China, a country with huge potential for energy efficiency increases. The Green Grid will work with the CCSA to provide input on resource efficiency recommendations, tools, and specifications, and will help disseminate those materials throughout China.

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Water Conservation

We continue to focus on sustainable water management at our sites worldwide, to meet our business needs as well as those of our communities.

We consider efficient and environmentally sound water management throughout all stages of our operations. Water and energy experts at our locations around the world help us manage and research opportunities for reductions, such as incorporating water conservation elements into the design of our facilities and establishing specific water goals for new process technologies. We also work to understand the potential impact of our water use at the community level, and engage in discussions about responsible water use and the human right to water. For more information about our commitment to water conservation and responsible water management, read the Intel Water Policy.

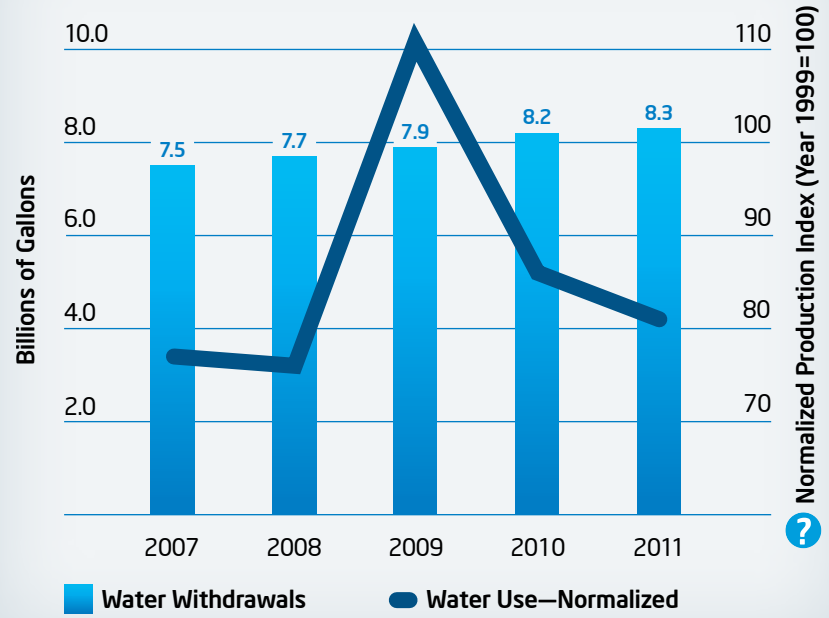
Investing in Responsible Water Management

Since 1998, we have invested more than $100 million in water conservation programs at our global facilities. To date, our comprehensive and aggressive efforts have saved over 40 billion gallons of water—enough for roughly 400,000 U.S. homes for an entire year.[1] We estimate that it takes 16 gallons of water to produce a single chip[2]; by comparison, producing one pair of jeans takes 2,900 gallons, one hamburger 634 gallons, and one cup of tea 9 gallons.[3]

Over time, we have improved the efficiency of the process used to create the ultra-pure water (UPW) required to clean silicon wafers during fabrication. In the past, we needed almost 2 gallons of water to make 1 gallon of UPW, but today we can make 1 gallon of UPW from between 1.25 and 1.5 gallons of water. After we use UPW to clean wafers, the water is suitable for industrial purposes, irrigation, and many other needs. Our factories are equipped with complex rinse-water collection systems, with separate drains for collecting lightly contaminated wastewater for reuse. With this reuse strategy, we harvest as much water from our manufacturing processes as possible and direct it to equipment such as cooling towers and scrubbers. In addition, at some of our locations, we have arrangements to take back gray water from local municipal water treatment operations for use at our campuses. In 2011, we internally recycled approximately 2.4 billion gallons of water, equivalent to approximately 30% of our total water withdrawals for the year.

Highlight Read about two innovative water conservation pilot projects led by Intel employees in 2011.

Water Withdrawals for Operations Use



While this graph details our water withdrawals, approximately 80% of the water that we use in our operations is returned to the local water system. In 2011, water use at our U.S. operations was 5.6 billion gallons, or 67% of our total water use. In 2011, our global water use increased 2% from 2010 levels on an absolute basis, and decreased 6% on a per chip basis. The spike in the 2009 per chip use figure was due in part to low manufacturing levels related to economic conditions. We did not meet our goal to reduce water use per chip below 2007 levels by 2012; water use was up 12% on a per chip basis over our 2007 goal baseline. We are investing resources to continue to drive reductions in the coming years.

[1] Equivalency estimate based on information from the U.S. Environmental Protection Agency Office of Water.
[2] Based on our estimated Scope 1, 2, and 3 water use. References to "per chip" assume a typical chip size of 1 cm^2, but actual chips vary in size depending on the specific product. In order to be more conservative in our estimate, per chip water excludes the impact from renewable energy credit purchases.
[3] Source: Water Footprint Network.

While our ultimate vision is to achieve the continuous reuse of water in semiconductor manufacturing, we currently discharge water from our operations in compliance with local permits. In 2011, we sent an estimated 80% of the water used at our sites back to municipal water treatment operations, where it could be treated for reuse for irrigation or other purposes in the community or returned to the water source. The balance was lost to evaporation (roughly 20% of incoming supply, or 1.5 billion gallons).

Our water discharge methods vary by site, based on the needs of the community. While we work with local water management agencies to determine different solutions for each manufacturing location, we establish wastewater goals for each element based on the site with the most stringent standards. For example, if a particular element is most stringently regulated in Oregon, we will apply Oregon's standard across all of our other manufacturing sites worldwide.

To set our goals, we complete a comprehensive review for each element based on a number of aspects, including but not limited to permit limits for our sites and municipal treatment plants, activated sludge inhibition criteria, and receiving-stream water quality. We use a number of key tenets derived from the U.S. Clean Water Act to guide our actions globally, including never causing pass-through or interference at local municipal treatment plants or impacting their ability to reuse their wastewater or sludge. In recognition of our proactive approach to goal-setting, wastewater discharge, and related policies, we were invited to present at a March 2011 regional training conference of the Pacific Northwest Clean Water Association in the U.S. for municipal wastewater operators and regulators.

Looking ahead, we anticipate challenges in further driving water reductions due to the increasing complexity in our manufacturing processes, described earlier in this report. To continue to drive future improvements, we have set a new goal to reduce water used in our operations on a per chip basis below 2010 levels by 2020.

By 2020, we will reduce water used in our operations on a per chip basis below 2010 levels.

Highlight Read about our local water conservation projects and collaborations.

Collaboration and Opportunity

We regularly benchmark our performance on water use and reuse with other semiconductor companies to identify and share best practices. We have participated in environmental performance benchmarking activities with other members of the World Semiconductor Council (WSC), the Semiconductor Industry Association (SIA), and the International SEMATECH Manufacturing Initiative (ISMI), which enables us to better understand how Intel compares to others in the semiconductor industry on total normalized water and UPW use. Intel also helped found the Washington, D.C.-based Water Innovations Alliance, an industry association that focuses on developing funding, reducing regulatory barriers, increasing collaboration, and raising awareness of cutting-edge water technologies and the problems they address.

In 2011, Intel participated in the development of the Global Environmental Management Initiative (GEMI) Local Water Tool* (GEMI LWT), a free, publicly available tool developed to help companies understand their local water challenges. Launched in early 2012, the tool helps companies and organizations identify the external impacts, business risks, and opportunities related to water use and discharge at a specific site or operation. The information generated in the GEMI LWT may be used by companies and organizations at their discretion for developing management plans and communicating outcomes.

Intel also partnered with the Harvard Business School on a case study to explore the market opportunities for Intel technologies in addressing global water challenges. The case study built on previous strategy investigations and provided insights for Intel and business students. In early 2012, we also launched a project with the Global Institute of Sustainability at Arizona State University to support the ongoing development of CH2M Hill's WaterMatch web site, which promotes the beneficial reuse of municipal effluent for industrial and agricultural use at the local level.

Water Footprint Analysis

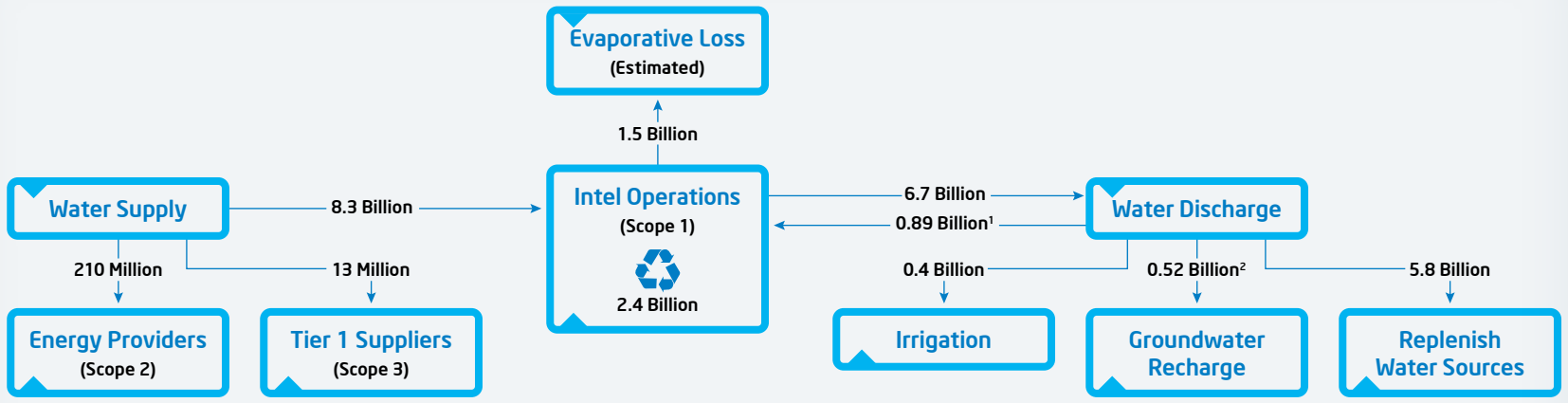
Universally accepted step-by-step instructions on how to calculate a water footprint are not yet available, but in the past three years, we have drawn on a number of emerging frameworks and research to complete detailed water footprint assessments[1] for our operations. Our largest operational impact on water use was from our direct operations and factories. This is the area where we have historically focused our water conservation investments and where we have achieved significant savings to date. Recent studies and publications have found a direct correlation between water consumption and the production of electricity—referred to as the "energy-water nexus." In our assessments, we found that water associated with our energy use represented our second largest use of water. Estimated water use related to direct materials suppliers that provide the raw materials (such as chemicals, wafers, and gases) used in our manufacturing process represented the smallest portion of our operational water use.

In early 2011, we partnered with Quantis on an IEEE paper[2] to further analyze and test assumptions related to our Scope 2 and Scope 3 water use.[3] Since a number of our operations are located in arid regions—including Arizona, China, Israel, and New Mexico—one of the areas we focused on was completing a "water equivalency" analysis, which adjusts total water use by site based on the location's water stress level and incorporates more qualitative impacts related to human health. The study found that our sites with the greatest absolute water use were not necessarily the four arid sites with the highest potential impact.

The same study also revealed that water use associated with electricity consumed during the use phase of our products was significant, indicating that Intel's continued focus on driving energy-efficient performance in our products is critical in helping to reduce our overall water footprint.

Intel's Operational Water Footprint (in gallons)

Mouse over diagram elements for additional information.



[1] Reclaimed water from the municipal water treatment operations in Chandler, Arizona for use at our site. This amount includes 450 million gallons in our manufacturing operations, such as in cooling towers and air scrubbers, and 440 million gallons by a farmer who we lease land to on our campus in order to help control soil erosion and dust. Note that the 0.89 billion gallons is not additive to irrigation, recharge, or replenishment because this water comes from non-Intel discharges to the municipal water treatment facility.

[2] Intel worked with the City of Chandler to fund construction of a reverse osmosis facility, which since 1996 has resulted in over 4.5 billion gallons of water being put back into the aquifer. This strategy supports a key Chandler effort to store water in the underground aquifer to assure that the needs of local citizens and businesses are met for many years to come.

With the exception of the 8.3 billion gallons of water withdrawal figure, the 2.4 billion gallons in recycled water in operations, and the 1.5 billion gallons in estimated evaporation, this water footprint illustration includes figures from our water footprint analysis completed in 2010.

[1] ©2010 IEEE. Reprinted with permission from "Performing a Water Footprint Assessment for a Semiconductor Industry."
[2] ©2011 IEEE. Reprinted with permission from "A Semiconductor Company's Examination of Its Water Footprint Approach."
[3] Scope 2 relates to water use associated with our energy use. Scope 3 relates to water use associated with our direct suppliers and the consumer product-use phase.

Local Water Use Data

The following table details the fresh-water use and sources for our larger sites around the world. As mentioned above, approximately 80% of the water used at our sites is sent back to municipal water treatment operations, where it is treated so that it can be reused for other purposes. For additional details, see the water footprint diagram earlier in this section.

2011 Water Use[1] by Manufacturing Location

Location	Water Withdrawn	Water Discharged	Internal Water Recycled	Estimated Water Lost to Evaporation	Primary Water Source[2]
China					
Chengdu	144	106	29	38	Surface: Fuhe River
Dalian	346	271	71	75	Surface: Biliu and Yingna Rivers
Costa Rica					
San Jose	129	101	–	28	Ground: Colima Superior Aquifer
India					
Bangalore	15	7	2	8	Surface: Kabini River
Ireland					
Leixlip	865	837	81	29	Surface: River Liffey
Israel					
Jerusalem	27	23	7	5	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
Qiryat-Gat	648	513	118	135	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
Malaysia					
Kulim	226	151	20	95	Surface: Muda River
Penang	232	140	5	97	Surface: Muda River
United States					
Chandler, Arizona	166	112	1	54	Surface and ground: Salt and Verde Rivers, local aquifer
Ocotillo, Arizona[3]	1,834	1,660	706	278	Surface and ground: Salt and Verde Rivers, local aquifer
Folsom, California	127	32	–	96	Surface: American River
Santa Clara, California	123	116	1	6	Surface: Tuolumne River
Hudson, Massachusetts	194	147	95	47	Ground: Assabet River Basin Aquifer
Rio Rancho, New Mexico	1,547	1,307	881	240	Ground: Santa Fe Aquifer
Aloha, Oregon	244	196	–	48	Surface: Tualatin River
Ronler Acres, Oregon	1,353	1,124	362	229	Surface: Tualatin River
Vietnam					
Ho Chi Minh City	101	35	6	66	Surface: Dong Nai River

[1] In millions of gallons. Figures represent water use/withdrawals by site. [2] For each water source, our 2011 water use did not exceed 5% of that source.
[3] In addition to fresh water used at the site, we used gray water from the local municipal water treatment facility, further reducing our use of fresh water.

Waste: Reduce, Reuse, Recycle

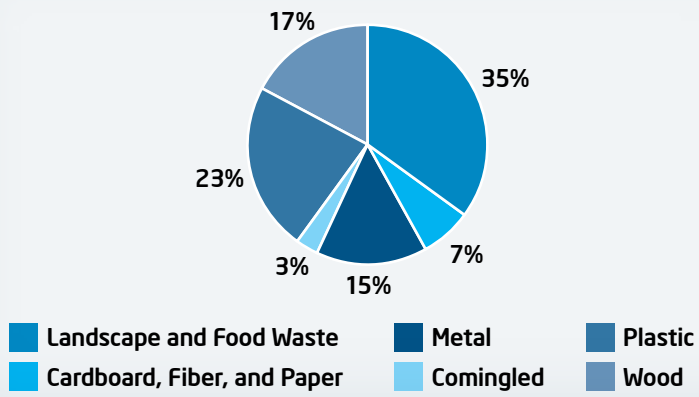
Each year, we recycle a high percentage of the waste from our operations. In 2011, our employees continued to identify new opportunities to minimize waste and recycle or reuse materials, from large-scale process improvements to everyday actions.

Solid Waste

Since 2007, we have recycled at least 80% of the solid waste generated in our operations each year. Waste generated during construction makes up a significant portion of our solid waste. In 2011, we saw an increase in solid waste generation due to large fab conversion and construction projects, including two new fabs being built, in Arizona and Oregon. Our global solid waste recycle rate increased to 87%, up from 83% in 2010.

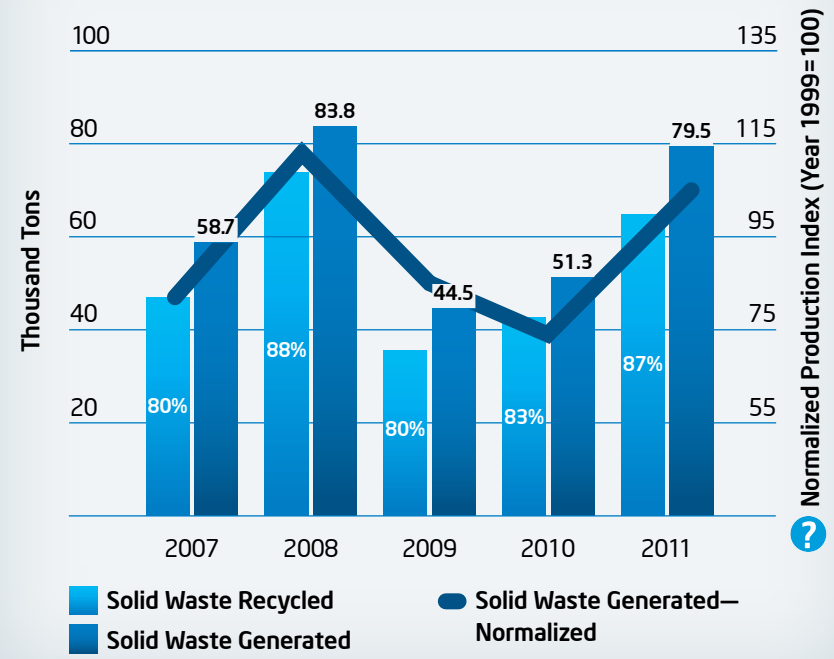
We have implemented several programs to reduce, reuse, and recycle the solid waste resulting from construction activities and other Intel operations. In 2011, Intel donated over 275 tons of materials to schools and other nonprofits. We reused or recycled 4,935 tons of carpeting and 427 tons of furniture as part of our office renovation activities during the year. We have also instituted composting programs for cafeteria waste at a number of our sites. In recent years, our recycling efforts have generated millions of dollars in cost savings. We have reinvested a portion of these funds saved through our recycling activities to reward our employees for their recycling efforts, including providing rebates in our cafeterias, purchasing employee fitness center equipment, and making other site improvements.

Solid Waste Recycled



Landscape and food waste are turned into mulch and compost, respectively.

Solid Waste Generated/Recycled



Solid waste generated was up 55% on an absolute basis and up 43% on a per chip basis in 2011 compared to 2010. The spike in 2011 in total solid waste generated was due to construction-related waste from the building of fabs in Oregon and Arizona during 2011. We estimate that 34% of the solid waste generated figure was related to construction projects; without these projects, our absolute solid waste would have been relatively flat to 2010 levels. We exceeded our goal to recycle at least 80% of our solid waste in 2011.

Access the Report Builder

2011 Corporate Responsibility Report
www.intel.com/go/responsibility

Chemical Waste

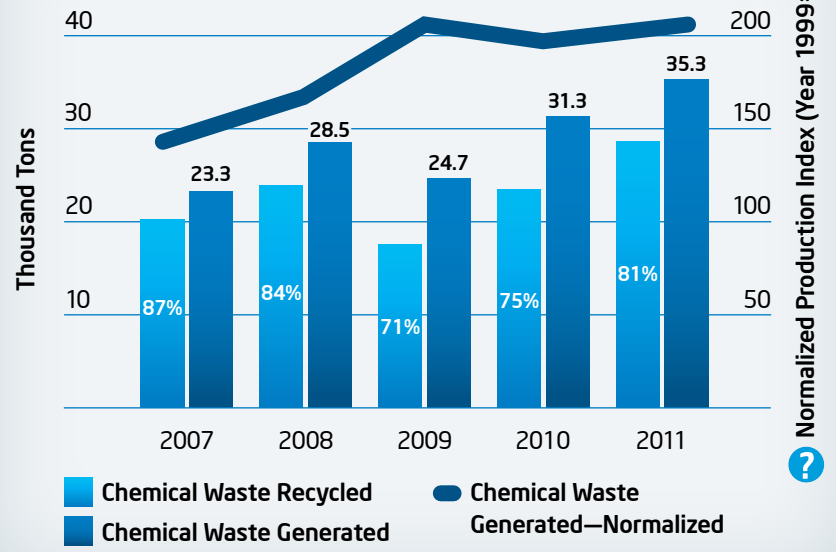
In 2008, we announced a goal to reduce our generation of chemical waste per chip by 10% by 2012 compared to 2007 levels, and to recycle at least 80% of our chemical waste.

In 2011, our chemical waste recycling rate was 81%, up from 75% in 2010. However, our chemical waste generated has risen both on an absolute and per chip basis since 2007, due to the increasing complexity of our manufacturing processes, described earlier in this report.

In 2011, we continued to take steps to reduce two of our largest chemical waste streams. We installed a new system that will enable us to recover dissolved metallic copper on-site. This new system will eliminate off-site shipment of this chemical waste stream and associated transportation emissions. In addition, by optimizing feed control systems to reduce the lime and sulfuric acid used in another of our wastewater treatment processes, we reduced the amount of calcium fluoride waste generated in those systems.

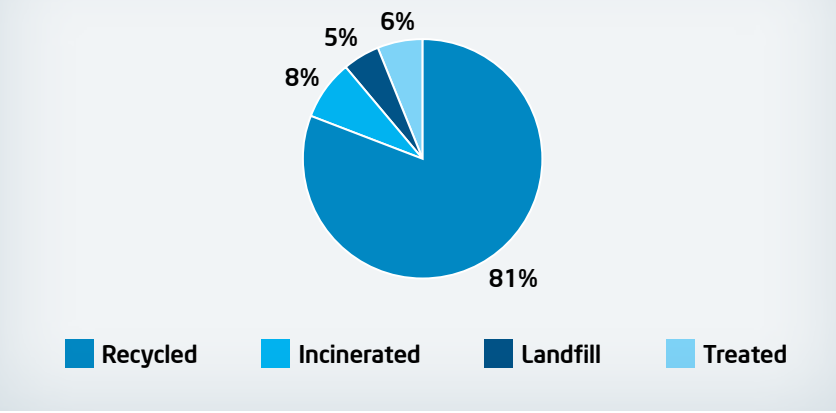
We expect to face continuing challenges in reducing chemical waste in our operations, and therefore will continue to focus on recycling as much of this waste as possible. Multiple groups across Intel are committed to addressing these challenges in 2011 and beyond. To help drive improvements, we have set an ambitious goal of zero chemical waste to landfill by 2020 and to reduce chemical waste generation 10% on a per chip basis below 2010 levels.

Chemical Waste Generated/Recycled



Chemical waste generated was up 13% on an absolute basis and up 4% on a per chip basis in 2011 compared to 2010. In 2009, the per chip basis was higher than in other years, in part because of lower manufacturing volumes. While we met our goal to recycle at least 80% of our chemical waste in 2011, we did not meet our 2012 goal to reduce chemical waste generated below 2007 levels.

Chemical Waste Management Methods



The recycled amount includes chemicals directly reused, chemicals recycled, and fuel-blending activities.

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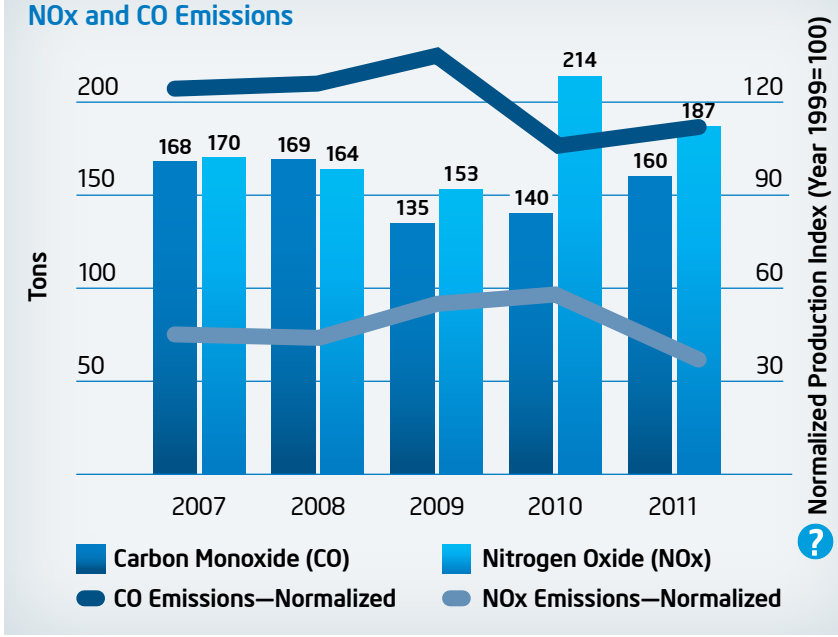
Reducing Air Emissions

Through careful design of our production processes, we have reduced our absolute air emissions since 2000, while expanding our operations more than two-fold.

We work to minimize our emissions of both volatile organic compounds (VOCs) and hazardous air pollutants (HAPs). Where we cannot eliminate VOCs and HAPs entirely, we install thermal oxidizers and wet scrubbers to neutralize and absorb gases and vapors. Thermal oxidizers concentrate VOCs and then oxidize them into carbon dioxide and water vapor. A heat exchanger warms the incoming air for this process to boost the fuel efficiency of the unit. Wet scrubbers re-circulate water that contains a neutralizing agent to remove acidic gases and other contaminants.

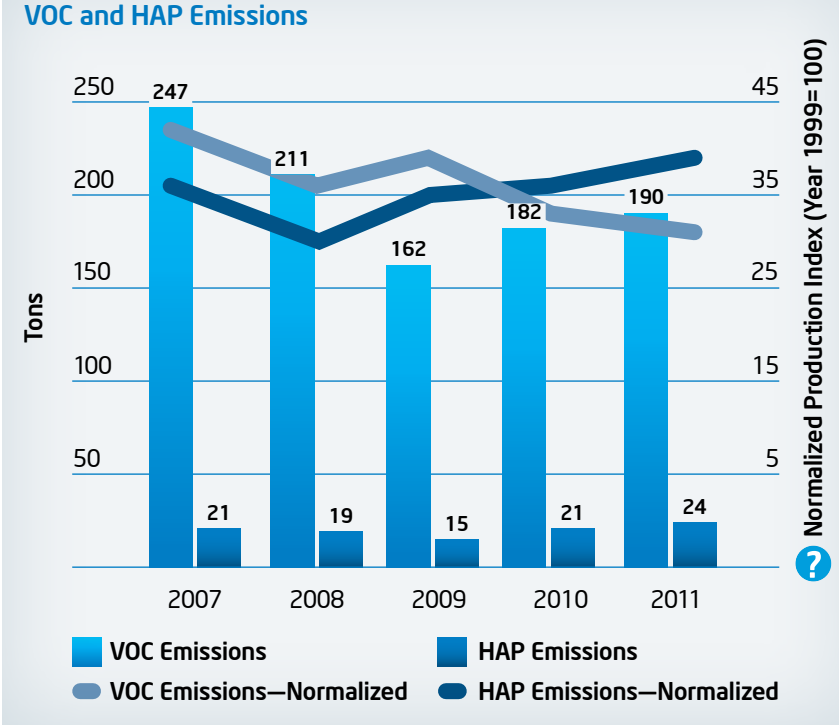
Intel eliminated the use of ozone-depleting substances (ODSs) from manufacturing in the 1990s. We have also eliminated the use of Class I ODSs from refrigerant systems. Although some of our refrigerant systems still use Class II ODSs, the units are managed in accordance with the U.S. EPA's refrigerant management standards and other local requirements to ensure that emissions are minimized.

NOx and CO Emissions



Absolute CO emissions were up 14% and per chip CO emissions were up 6% in 2011 compared to 2010. Absolute NOx emissions were down 12% compared to 2010 and per chip NOx emissions were down 19%. Note that we restated the 2009 NOx figure from the 2010 report from 130 to 153 to correct an error.

VOC and HAP Emissions



In 2011, absolute VOC emissions were up 4% and VOC emissions were down 4% on a per chip basis. Absolute HAP emissions were up 16% and per chip HAP emissions were up 9%. Our long-term trend is positive, however, as we have achieved absolute reductions in HAP emissions compared to 2000 levels.

Energy-Efficient Performance and Product Ecology

Through our Design for the Environment principles, we strive to minimize the environmental impact of our products at all phases in their life cycle: development, production, use, and ultimate disposal. Energy-efficient performance is a key element of our product design and overall environmental footprint reduction efforts.

Improving Product Energy Efficiency

Transistors are the building blocks of the electronics industry, so the creation of more energy-efficient transistors leads to more energy-efficient computers. With each new generation of process technology, we can fit more transistors onto Intel processors, while also reducing the energy required to power them. Moore's Law describes the pace of these trends, which—when combined with Intel architecture and circuit design innovations—have enabled us to reduce the amount of energy consumed per transistor by a factor of approximately 1 million over the past 30 years.

Our goal is to drive energy-efficient performance across all of our major product lines—from netbook and embedded processors to those used in laptops, desktops, and servers. We estimate that Intel technology will enable the billion PCs and servers installed between 2007 and 2014 to consume half the energy and deliver 17 times the compute capacity of the first billion PCs and servers (installed between 1980 and 2007).

In 2011, we announced the first 3-D Tri-Gate transistors, which are based on Intel's 22-nanometer (nm) process technology. The new transistors enable chips to operate at lower voltage with lower leakage, providing significantly improved performance and energy efficiency compared to previous state-of-the-art transistors. The capabilities give designers the flexibility to choose transistors targeted for low power or high performance, depending on the application. The 22nm 3-D transistor technology enables up to a 37% increase in performance at low voltage versus Intel's 32nm planar transistors. Alternatively, the new transistors consume less than half the power when at the same performance as 2-D transistors on 32nm chips. In early 2011, we introduced the Intel® Centrino® Advanced-N 6230 wireless card for laptops, which combines WiFi and Bluetooth* capabilities on a single card. A laptop equipped with the new card requires less material for manufacturing and can use less energy compared to a laptop equipped with two separate wireless cards.

Watch Video See how Intel is helping people make better decisions about energy.

Highlight Read about our efforts to estimate the Scope 3 emissions associated with consumer use of our products.

Intel® Xeon® processor-based servers help IT organizations around the world drive higher value into their businesses by virtualizing their data centers to reduce costs and adding automation to improve service levels, energy efficiency, and agility. They account for the majority of all servers in today's virtualized data centers and clouds, and they also power many of today's highest performing workstations. The latest Intel Xeon processor E5-1600/2600[1] product families (launched in early 2012) have up to 80% higher performance than the prior generation and improved energy efficiency. Importantly, these processors also include advanced technologies to help solve the storage, networking, and security challenges arising in today's increasingly dynamic computing environments. Read the product brief for more information.

Intel has pioneered a diverse set of hardware and software technologies that help measure and optimize energy use in computers and data centers. The Intel® Intelligent Power Node Manager and Intel® Data Center Manager allow IT managers to monitor the energy consumption of their servers, potentially resulting in increased rack density and lower power consumption.

[1] Intel processor numbers are not a measure of performance. Processor numbers differentiate features within each processor family, not across different processor families. For more information, visit www.intel.com/products/ processor_number.

We are committed to helping our customers lower the energy costs associated with their computing and data center needs. For example, 3M saved $91,000 on annual energy costs and avoided 661 tons of annual emissions by virtualizing the company's data centers using the energy-efficient Intel® Xeon® processor 5600 and 5500 series. These measures also helped 3M earn a $34,000 energy incentive credit from the Xcel Energy Data Center Efficiency* program while providing more flexible, reliable infrastructure to business and development teams. Read the case study and see our online community for IT professionals for additional examples.

Product Ecology

We work to reduce the environmental footprint of our products from design through disposal, which includes evaluating the environmental impact of the materials used in our processes and working with others on responsible management of electronic waste (e-waste).

Over the last decade, Intel has worked with suppliers and customers, and participated in several industry consortia, in an effort to eliminate lead and halogenated flame retardants from our products. The European Union (EU) Restriction of Hazardous Substances (RoHS) Directive sets limitations on the use of six materials, including lead. We have taken a leadership role with industry, governments, and NGOs to balance environmental protection with workable technical solutions for the recently revised RoHS Directive. Intel also worked with China to ensure consistency with its regulation restricting the use of the same materials as the EU's RoHS Directive.

While legislation does not require the elimination of halogenated flame retardants, Intel has taken steps to reduce our use of these materials. We have played a role in facilitating industry consensus around low-halogen practices and chairing industry standards committees on materials selection and eco-design.

Registration, Evaluation, and Authorization of Chemicals (REACH) is an EU regulation that went into effect in 2007, affecting the use of approximately 30,000 chemical substances. As part of REACH, registration is

Watch Video Learn how the Intel® Intelligent Power Node Manager helps our customers better manage their energy consumption.

required for all existing chemical substances manufactured or imported into the EU in quantities greater than 1 ton per year. The process requires "registration" by the manufacturer or importer for most substances that we use at our site in Ireland. To prevent supply chain interruption, we are collaborating with suppliers to ensure that they meet REACH requirements. Under certain conditions, REACH regulates chemical substances of very high concern (SVHC) within products. We have reviewed our products against the initial SVHC list, have met current obligations, and will continue to monitor the list as other substances are added.

Electronic Waste

Managing e-waste, such as computers, televisions, and mobile phones, is a global concern. Since 2005, the EU's Waste Electrical and Electronic Equipment (WEEE) Directive has required producers of certain electrical and electronic equipment to develop programs that allow consumers to return products for recycling. Most of our products—including motherboards, microprocessors, and other components—are generally not considered to be within the scope of the directive until they are incorporated into a final product, generally by an original equipment manufacturer (OEM). Although the final assembly and configuration of our chassis-level server products are commonly completed by commercial customers, Intel considers the products to be within the scope of the directive and provides ways to recycle them. In some countries, our distributors provide recycling options for products covered by the directive. Information is available on the Intel WEEE Directive Recycling Program web site.

While our components are not typically subject to recycling or e-waste laws, we work with OEMs, retailers, customers, and others to identify shared solutions for used electronics. As a components manufacturer, we believe that the biggest impacts on a product's environmental footprint

occur at the design phase. Intel has participated in an initiative to develop an international Design for the Environment standard for IT products: IEC 62075 Environmentally Conscious Design (IEC-62075). We are working to integrate the elements of IEC-62075 into our own design practices, and are completing internal studies of design-related opportunities to improve recyclability.

Over the past seven years, Intel has collected more than 7.8 million pounds of e-waste at community collection events, helping individuals and organizations to recycle their used electronics responsibly. Collected materials—computers, printers, monitors, TVs, and more—are sent to qualified recycling facilities for materials recovery. In 2011, we hosted or sponsored community electronics recycling events in Costa Rica and Massachusetts, collecting over 90,000 pounds of used electronics. Since many U.S. states now provide opportunities for e-waste recycling, we are shifting our focus and reducing the number of collection events held each year.

Our PC Services department manages our internal assets. Products that can no longer be used within the company but are in working order may be sold or donated. Electronic equipment that is obsolete is processed by qualified recyclers. Intel's surplus electronic equipment, such as idle manufacturing tools, may be donated or sold as part of Intel's equipment surplus program.

The Electronic Product Environmental Assessment Tool (EPEAT*) is a rating system designed to help purchasers in the public and private sector evaluate, compare, and select laptops, desktops, and monitors based on environmental attributes. The tool was developed through a multi-year, multi-stakeholder effort that included representatives from the IT industry, the EPA, federal and state purchasers, recyclers, and non-governmental environmental organizations. The EPEAT system provides consistent criteria for product evaluation, including energy performance, recyclability, and packaging. We provide information to channel partners and customers about EPEAT through our Intel® Reseller Center web site.

Watch Video See how Intel technology enables technicians to remotely manage and repair off-shore wind turbines.

Applying Technology to Environmental Challenges

People are using technology to help solve environmental challenges around the world. Through technology, individuals, families, companies, and governments gain information that can empower them to drive more sustainable practices in homes and across industries—helping to reduce the environmental footprint of cities and countries.

Today, nearly every segment of industry is either in the process of (or beginning to explore) transforming their energy management and IT practices to achieve new levels of energy and environmental efficiency. Intel continues to explore opportunities to design, develop, and deliver new technologies to address sustainability challenges, including development of more energy-efficient production and transportation systems, and application of IT to help measure (sense), model (analyze), and manage (control) energy and natural resources more efficiently.

Our researchers are developing whole-system energy management solutions for commercial buildings, homes, data centers, and utility distribution networks. We are also working with leading scientific institutions to develop high-performance computational models to enable more accurate climate and weather predictions. In addition, we are conducting research into the use of sensors, analytics, modeling, and decision support systems for urban and rural water management. A recent Intel white paper outlines the benefits that Intel technology can bring to the smart grid.

In 2011, our Intel Labs research organization created the Intel Energy and Sustainability Lab (Intel ESL). Intel ESL will be based at Intel's Ireland site and will drive Intel's research agenda in the application of IT to enable a high-tech, low-carbon economy with strong alignment to the EU 2020

sustainability goals. In conjunction with the launch of Intel ESL, Intel became a member of Friends of the Supergrid (FOSG), a group of companies focused on creating the European Electrical Supergrid. The supergrid is an electricity transmission system based primarily on direct current, designed to facilitate large-scale sustainable power generation in remote areas for transmission to centers of consumption.

Intel ESL is also a key participant in the Sustainable Electrical Energy Systems research consortium at University College Dublin and the ICT for Sustainable and Optimised Building Operation, a strategic research cluster for smart and energy-efficient buildings funded by Science Foundation Ireland. In addition, Intel ESL is a key research collaborator with the Fraunhofer Institute (Germany), KEMA (Netherlands), and VTT (Finland) on the EU Framework 7 REViSITE research project, which is defining the EU's ICT for Energy Efficiency research roadmap for Europe.

Intel and Intel Labs research projects and collaborations include:

- **ESB eCars.** A program that involves researching the integration and optimization of electric vehicles into Ireland's energy system to maximize the use of renewable energy.
- **Wireless Energy-Sensing Technology (WEST).** A plug-in device that helps consumers understand their electricity bills, identify devices that consume high amounts of energy, and better manage and reduce energy costs. Pilot testing of the Intel-designed device started in 2011.
- **Personal Office Energy Manager (POEM).** A device that reads sensors in a modern office PC network and displays the energy "footprint" of an individual, as well as the aggregate energy of an office floor or entire building. It uses the visual metaphor of a garden of flowers to convey the electricity consumed by PCs, printers, and other equipment. POEM helps reduce overall energy consumption by informing individual office workers of their electricity consumption and providing tips about how to reduce it. Working with a large French utility company, Intel ESL launched a pilot of POEM in late 2011. For more information, read the white paper.

Watch Video Learn about the new Intel Energy and Sustainability Lab, launched in 2011.

- **SmartBay Project.** Focuses on understanding and managing oceans in a sustainable manner. Intel is a key partner on the project, which is led by the Irish Marine Institute. The project aims to use technology to detect pollution or naturally occurring toxins and monitor long-term shifts in ocean conditions that may be caused by global climate change.
- **Sustainable Cities.** A research partnership with Trinity College Dublin and the Dublin City Council. Announced in 2011, the project led to pilot deployments of sustainable city technologies, including a prototype ambient intelligence sensing platform.
- **Smart Water Management Pilot.** In partnership with KLG Systel, a company in which Intel Capital has invested, the project, which started in Pune, India in 2011 and spans multiple sections of the city, is aimed at improving the efficiency of municipal water operations by reducing leaks, reducing energy consumption, improving water quality, and addressing inequitable water distribution to residents.
- **Progress thru Processors (P2P).** An initiative that allows users to share a portion of their processor's idle computing power and apply it toward life-changing research, such as forecasting climate conditions. The initiative is a collaboration between Intel, BOINC, and GridRepublic volunteer computing. As of March 2012, P2P users had contributed the equivalent of more than 200,000 GigaFlop years of computing power; if P2P were a single machine, it would be one of the top 80 supercomputers in the world.

Performance Summary and Goals

In 2011, we continued to take steps to reduce our carbon footprint. We remained the largest purchaser of green power in the U.S., according to the U.S. EPA, made new investments in energy-saving projects in our operations, and linked variable compensation to energy reduction goals to further encourage our employees to take action. We continued to face challenges in achieving reductions in both water use and chemical waste generated, and continued to take steps to reverse these trends, but did not meet our 2012 goals in both of these areas. We achieved our product-related environmental goals, including energy-efficiency targets, and collaborated with others in our industry to drive more efficient computing and application of technology to address the world's energy and sustainability challenges, including launch of the Intel Energy and Sustainability Lab.

Environmental Goals and Performance

2012 Goals	Progress Against Goals	
Reduce water use per chip[1] below 2007 levels by 2012.	We did not meet our 2012 goal. Water use on a per chip basis was up 12% over our 2007 baseline. As described earlier in this report, this was due mainly to the increasing complexity of our manufacturing processes. We have set a new 2020 goal to continue to drive improvements in this area.	○
Reduce absolute global-warming gas footprint by 20% by 2012 from 2007 levels.	We exceeded our 2012 goal, achieving a 60% absolute reduction in our GHG emissions by 2012 from our 2007 baseline.	●
Reduce energy consumption per chip 5% per year from 2007 through 2012.	While we did not meet our goal of reducing energy use on a per chip basis an average of 5% per year, we did achieve absolute reductions in energy use. Absolute energy use in 2011 was 8% below our total energy use in 2007.	◒
Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.	We did not meet our 2012 goal. Chemical waste on a per chip basis increased 54% over our 2007 baseline. As described earlier in this report, this was due mainly to the increasing complexity of our manufacturing processes. We have set a new 2020 goal to continue to drive improvements in this area.	○
Recycle 80% of chemical and solid waste generated per year.	We achieved our goal, recycling 87% of our solid waste and 81% of our chemical waste in 2011.	●
Achieve engineering and design milestones to ensure that Intel products maintain the energy-efficiency lead in the market for our next two product generations.	We achieved our product-related energy efficiency goals, and have set new product energy-efficiency targets as part of our new 2020 goals.	●

● **Achieved** ◒ **Partially Achieved** ○ **Not Met**

[1] Assuming a typical chip size of approximately 1 cm^2 (chips vary in size depending on the specific product).

Subsequent to setting new 2012 environmental goals, we completed the divestiture of our NOR flash memory business in exchange for an ownership interest in Numonyx B.V. To avoid the possibility of overstating reductions by including amounts that would be attributed to the sale of these operations, we created a revised 2007 baseline for the goals, with the Numonyx data removed. We believe that using this revised baseline has allowed us to better track results arising from the direct actions that we have taken in our operations to reduce our environmental footprint. Percentages in the table show our progress as of the end of 2011 against the revised 2007 baseline; tables, graphs, and data in the rest of the report use historical 2007 figures.

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Compliance Information and Reporting

In 2011, we continued to maximize our EHS performance through our comprehensive, corporate-wide EHS compliance assurance program. In addition to third-party audits completed to maintain our ISO 14001 and OHSAS 18001 multi-site certifications, our site operations conducted EHS program self-assessments to validate site-level EHS compliance. The self-assessments form the backbone of our site-driven compliance checks and improvements. They cover compliance points in all EHS functions across a broad range of regulations and standards. Self-assessment includes reviews of environmental performance, site health and safety performance, ergonomics, and health and well-being programs.

Another key aspect of our EHS compliance assurance program is the deployment of internal EHS audits at various Intel sites, led by senior corporate EHS professionals in partnership with EHS Legal Counsel. These formal internal audits include evaluation of areas related to EHS business risk and management systems, such as in-depth documentation and records reviews, interviews with site leadership, and physical inspections related to EHS compliance programs.

On an annual basis, we report Intel's emissions releases, waste transfers off-site, and treatment of reportable chemicals in the U.S., in accordance with state and U.S. EPA regulations. For our most recent SARA Title III Reportable Chemicals by Site Report, access the Report Builder on our Corporate Responsibility Report web site.

2011 Inspections and Compliance

Location	Type	Violation	Fine	Intel's Corrective Action
Chandler, Arizona	Environmental	The City of Chandler issued a Notice of Violation (NOV) for various wastewater permit findings.	None	Intel has redirected potential sources to waste collection, collected additional samples to demonstrate continued compliance, and installed an ion exchange treatment system for process wastewater streams.
DuPont, Washington	Environmental	The Washington State Department of Ecology issued an NOV for administrative findings in hazardous waste storage.	None	Corrective actions were taken to resolve the error shortly after the audit. Intel added the appropriate section to the hazardous waste storage area inspection log and added proper waste containers.
Shanghai, China	Environmental	The Minhang District Water Affairs Bureau issued an NOV for administrative procedural findings.	None	Improved procedures were developed and implemented.
Jones Farm and Hawthorn Farm, Oregon	Environmental	The Oregon Department of Environmental Quality (OR DEQ) issued an NOV for an administrative finding regarding posting the contact information for an emergency coordinator in a certain area.	None	Intel believes that its post-emergency response team contact information meets the intent of the standard. Intel and OR DEQ are still in discussions, and the NOV was pending as of April 2012.
Berkeley, California	Environmental	A leased lab was found to be operating without a hazardous materials permit for universal waste stored in the lab.	None[1]	Proper documentation was sent to the authorities and the issue was closed.

[1] No fine or penalty assessed, but charged an administrative fee of $675.

EHS officials from various regulatory agencies made 88 visits (including audits and inspections) to Intel sites across the globe in 2011. Intel received five NOVs in 2011, resulting in no penalties or fines, but they did result in an administrative fee of $675. Most of the notices were administrative in nature, with no impact to employee health and safety or to the environment.

Five-Year Compliance Summary (EHS-Related Notices of Violation)

	2007	2008	2009	2010	2011
Number of NOVs	6	4	5	2	5
Fines or Fees	$800	$1,794	$1,620	$27,400	$675

Many of the NOVs that were recorded did not have any fines or penalties associated with them. Corrective actions were put in place and tracked to completion for all identified concerns. Details on these NOVs are available in our previous Corporate Responsibility Reports posted on our web site.

In 2012, we will begin work toward attaining our new 2020 goals, placing a strong emphasis on reducing water use and chemical waste, two areas where we did not meet our 2012 goals. We will continue to drive toward higher levels of energy-efficient performance in our products, and have set new 2020 product energy-efficiency goals. We will continue our collaborations with external organizations on sustainability issues, particularly in identifying the role that ICT can play in addressing global environmental challenges.

2020 Environmental Goals

Greenhouse Gas Emissions. Reduce direct greenhouse gas emissions by 10% on a per chip[1] basis by 2020 from 2010 levels

Water. Reduce water use on a per chip[1] basis below 2010 levels by 2020

Energy. Achieve additional energy savings of 1.4 billion kWh from 2012 to 2015, and publish additional energy conservation targets for 2016–2020 in our 2012 report

Waste Reduction and Recycling:

- Achieve zero chemical waste to landfill by 2020
- Achieve 90% solid waste recycle rate by 2020
- Reduce chemical waste generation by 10% on a per chip basis[1] by 2020 from 2010 levels

Green Chemistry. Implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020

Green Buildings. Design all new buildings to a minimum LEED* Silver Certification between 2010 and 2020

Product Energy Efficiency. Increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels[2]

[1] Assuming a typical chip size of approximately 1 cm^2 (chips vary in size depending on the specific product).
[2] Data center energy efficiency is determined by server energy efficiency (as measured by SPECPower_ssj2008 or equivalent publications and using a 2010 baseline of an E56xx series processor-based server platform) as well as technology adoption that raises overall data center work output (such as virtualization technology). Notebook computer energy efficiency is determined by average battery life, battery capacity, and number of recharge cycles of volume notebook computers in that model year.

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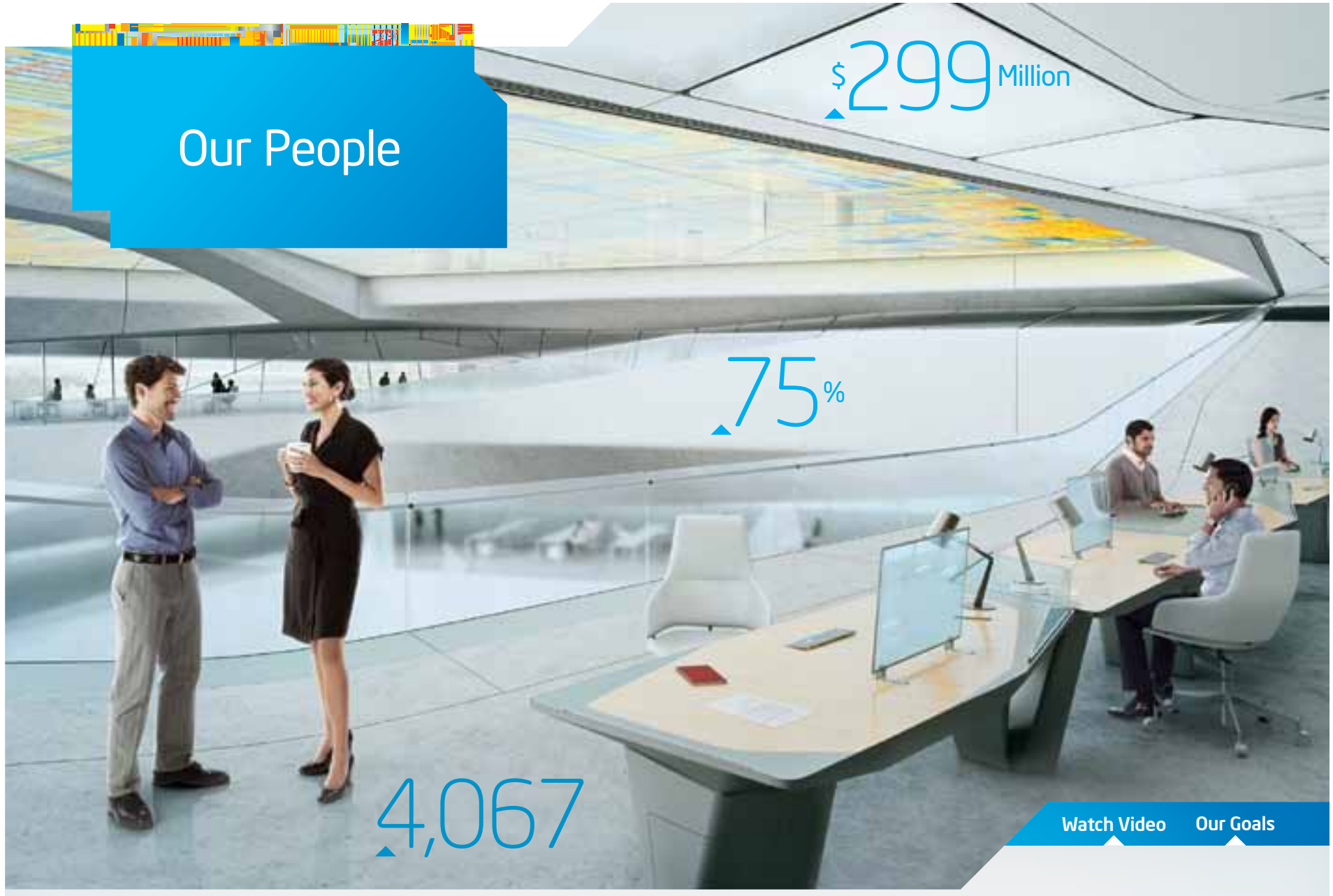
Our People



Watch Video | Our Goals

For over 40 years, Intel employees have been making history—collaborating to tackle some of the world's toughest challenges and developing technical innovations that have improved lives everywhere. Our success depends on recruiting and cultivating the best talent. Intel is known for its technology, but the people behind the technology are what make the company great.

Key Our People Links

Intel Values

Innovation at Intel

Life at Intel

Diversity at Intel

Compensation and Benefits

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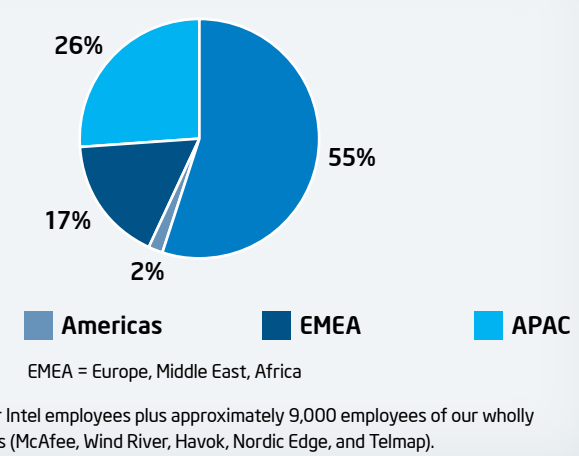
Our Approach to Empowering Employees

Intel's success rests on our employees' ongoing passion for innovation. We cultivate a safe, respectful, and ethical work environment that enables employees to thrive both on the job and in their communities. One of the six Intel Values reflects the strategic importance that we place on investing in our people: "Great Place to Work."

Our Global Workforce

As of December 31, 2011, Intel had 100,100 employees worldwide (including employees of our wholly owned subsidiaries), approximately 55% of whom were located in the U.S. Intel's workforce is highly educated, with over 80,000 technical roles and an estimated 10,400 master of science, 5,200 PhD or equivalent, and 4,000 master of business administration degrees.

Global Workforce as of Year-End 2011[1]



[1] Includes all regular Intel employees plus approximately 9,000 employees of our wholly owned subsidiaries (McAfee, Wind River, Havok, Nordic Edge, and Telmap).

Our employees' faces reflect those of our customers, vendors, and colleagues in the global market. This worldwide perspective helps us to anticipate and provide for the growing needs of a diverse marketplace.

Watch Video Our employees talk about their roles in Intel's corporate vision to create and extend computing technology to connect and enrich the lives of every person on earth.

Our Philosophy and Management Practices

Intel's incoming Chairman, Andy Bryant, once said, "The ingredient we start with is sand. Everything else is value added by people." We invest significant resources to develop the talent we need to keep Intel at the forefront of innovation, including building a strong engineering pipeline and recruiting top talent, and offering career development and work/life programs that make Intel an employer of choice. We measure our progress by soliciting employee feedback through our annual Organizational Health Survey. In 2011, our workplace practices again earned Intel a spot on Fortune magazine's annual "100 Best Companies to Work For" list. Read employee views about the list in this recent blog post.

Our Human Resources (HR) organization has primary responsibility for the management of our workplace and talent development activities. Our senior vice president and director of HR oversees groups such as global diversity, employee communications, compensation and benefits, and training and development. A dedicated research team is responsible for tracking and analyzing HR data to help managers and leaders improve our workplace performance. HR also collaborates closely with many other groups across Intel, such as working with Corporate Services on office redesigns and on-site conveniences, and with Corporate Affairs on employee volunteer programs and initiatives. In addition, a number of Management Review Committees on key HR topics such as diversity bring together senior leaders from across the company to regularly review performance.

Our "open door" policy enables employees to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with managers to address workplace issues. Quarterly Business Update Meetings provide two-way communication venues where employees can ask questions and share their views about our business directly with senior leaders. People at Intel grow by continuously learning—on the job, in the classroom, and by connecting with others.

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Regular conversations between employees and their managers help identify development opportunities and objectives. Through our Intel University program, employees connect with one another, acquire new skills, and share their knowledge as volunteer instructors. Celebrating the accomplishments of our employees is a top priority, from everyday thank-yous to formal reward programs. We have made significant investments in the development of strong leaders, recognizing that having skilled managers throughout the organization is critical to our success. We conduct succession planning and set clear management and leadership expectations. Through our Intel Involved program and our Intel Employee Service Corps, we empower our employees to share their expertise and skills with others in communities around the world.

Education is critical to innovation and the development of a qualified workforce. Over the past decade, Intel has invested over $1 billion to improve education globally, including a focus on creating opportunities for girls, women, and under-represented minorities. We are also investing in innovative partnerships related to job creation and entrepreneurship to help address current economic challenges. In 2011, Intel CEO Paul Otellini was invited to join U.S. President Barack Obama's Council on Jobs and Competitiveness. Otellini co-leads the Council's high-tech education task force, which launched the Stay With It™ campaign to increase the number of engineering graduates in the country. In 2011, Intel launched Intel® Veteran's Employment Training to help speed the transition from military service to corporate employment for veterans and their partners by providing technology and job search training. Intel veterans also mentor participants in the program. For more information on our investments in education and entrepreneurship programs, see the Contributions to Society section of this report.

Promoting Innovation

Intel's employees are prolific inventors of technologies that solve real-world challenges. In 2011, the company was granted 1,585 patents and was once again named to Fast Company's annual list of the world's 50 most innovative companies. Driven by our ongoing pursuit of Moore's Law, innovation has always been an integral part of Intel's culture. At Intel, innovation isn't simply something we pursue; it's who we are.

Watch Video Intel Fellow Genevieve Bell talks about innovation.

We believe that innovation depends on correctly defining challenges, setting aggressive goals, and putting the right people on the right problems. Innovation also means removing barriers—the ones between research and development and between development and manufacturing—and giving employees the appropriate mix of autonomy and direction. Intel researchers are working in the field—at universities and at our laboratories around the world—to advance knowledge in areas such as energy conservation, biotechnology, and optical communications. Our product development teams and manufacturing engineers, in turn, transform research into an array of products that are improving every facet of life.

We conduct an ongoing dialogue with employees about our innovation goals and investments, and provide resources for managers on innovation-related best practices, methods, and tools, including how to encourage creative behavior and foster innovation in their teams. We use recognition and reward programs, leadership resources, and interactive forums to create the cultural support for risk taking and the open exchange of ideas that are essential to sustained innovation. We maintain an employee intranet portal on innovation that describes concrete methods to use at each stage of the innovation process and serves as a repository of employee ideas for product design enhancements, business process improvements, and more. In 2011, we created a new award to recognize employees who file high-quality invention disclosures that result in patents.

Intel collaborates with others to advance innovation. In 2011, Intel Labs, our research organization, announced plans to invest $100 million directly into U.S. university research over the next five years, including the establishment of several Intel Science and Technology Centers. We also launched a unique multi-year partnership that teams recording artist Will.i.am with Intel scientists, researchers, and computer programmers to co-develop new ways to communicate, create, inform, and entertain using technology.

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Measuring Our Progress

Managing a complex, geographically dispersed workforce is extremely challenging, so we have instituted a number of ways to regularly assess the health of our overall organization and business groups, and obtain feedback so that adjustments can be made as needed.

Organizational Health Survey. Our annual Organizational Health Survey (OHS) tells us what employees think about our workplace. This assessment provides insight into current business-specific issues, historical trending on a core set of questions, and comparisons to external benchmarks. It helps us identify strengths and areas for improvement in our business groups and geographies, and provides data for planning and improvement. Survey results are openly shared with employees.

In 2011, some 63,000 people—a record 75% of our employees (up from 73% in 2010)—responded to the 52-question OHS. Improvements were registered in all 10 categories covered in the survey. Since 2008, we have achieved a 10% improvement in employees' view of Intel as a great place to work. Only one score declined meaningfully from 2010 to 2011, "Intel is making the changes necessary to compete effectively," which was down from 76% to 71%. We are focusing on making improvements in this area while continuing to take steps to reduce bureaucracy, increase employee development opportunities, and find new ways to recognize people and reward great performance.

> "Without employees, we have no company. The Organizational Health Survey helps us hear and respond to their concerns and needs. While we have consistently improved over the last several years, there is always more that we can do to make this a great place to work."
>
> Richard Taylor,
> Senior Vice President and Director of Human Resources

Selected 2011 Organizational Health Survey Results

	2011	2010	2009	2008
I am proud to work for Intel	**87%**	85%	82%	83%
I would recommend Intel as a great place to work	**83%**	80%	74%	73%
My job makes good use of my skills/strengths	**77%**	76%	74%	74%
I have the flexibility to balance the needs of my work and personal life	**80%**	79%	77%	77%
I hope to continue working at Intel for another five years or more	**78%**	75%	77%	76%
Open and direct communication is practiced effectively in my work group	**80%**	78%	77%	78%
In my business group, innovation and creative thinking are actively encouraged	**78%**	76%	73%	73%
At Intel, I am treated with dignity and respect[1]	**85%**	83%	85%	85%

[1] In 2010, we replaced our previous diversity question, "I understand why a diverse workforce is important to Intel's success," with this new question to more broadly measure respect for diversity in our culture.

The OHS includes questions in 10 categories: business process, code of conduct, commitment, compensation and benefits, employee development, organizational direction, work environment (including diversity), teamwork and trust, performance management, and organization health progress. Percentages shown in the table are for "favorable" responses to these statements. Through benchmarking, we have found that 80% represents world-class performance levels.

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Workforce Data

Intel has published comprehensive workforce statistics in our Corporate Responsibility Report since 2002.

2011 Employee Data

Type of Employee	Employee Category	Greater Americas	Greater Asia	Greater Europe	U.S.	Total
Regular Employees[1]						
	Exempt Full Time	2,721	16,798	11,760	36,065	67,344
	Exempt Part Time	2	5	171	80	258
	Total	**2,723**	**16,803**	**11,931**	**36,145**	**67,602**
	Non-Exempt Full Time	1,252	7,061	3,266	11,511	23,090
	Non-Exempt Part Time	–	–	88	7	95
	Total	**1,252**	**7,061**	**3,354**	**11,518**	**23,185**
	Regular Total	**3,975**	**23,864**	**15,285**	**47,663**	**90,787**
Intel Contract Employees and Interns						
	Exempt Full Time	184	943	90	278	1,495
	Exempt Part Time	89	15	1,315	42	1,461
	Total	**273**	**958**	**1,405**	**320**	**2,956**
	Non-Exempt Full Time	25	292	275	247	839
	Non-Exempt Part Time	–	1	208	46	255
	Total	**25**	**293**	**483**	**293**	**1,094**
	Contract/Intern Total	**298**	**1,251**	**1,888**	**613**	**4,050**
	Grand Total	**4,243**	**25,115**	**17,173**	**48,306**	**94,837**

[1] Regular Intel employees only. Regular employee definition does not include Intel contract employees and interns, or employees of our wholly owned subsidiaries.

At the end of 2011, the breakdown of total employees (including Intel contract employees and interns, and employees of our wholly owned subsidiaries) was: 55% in the U.S., 26% in Greater Asia, 17% in Greater Europe, and 2% in the Greater Americas.

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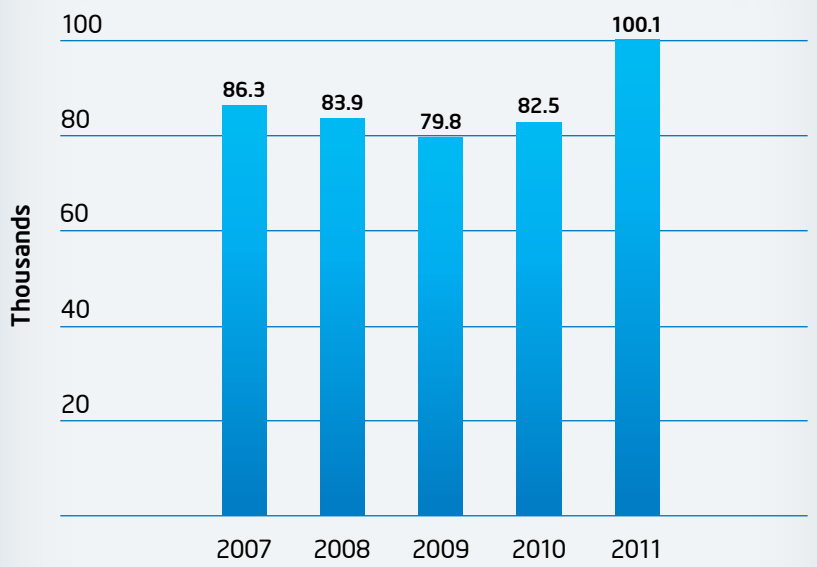
Turnover by Region[1]

Region	Year-End Headcount 2011	Turnover 2011	Turnover (%) 2011	Turnover (%) 2010	Turnover (%) 2009	Turnover (%) 2008
Greater Americas	3,975	243	5.8%	5.7%	6.9%	9.8%
Greater Asia	23,864	1,535	6.0%	5.9%	4.8%	6.6%
Greater Europe	15,285	512	3.1%	3.3%	2.7%	4.7%
United States	47,663	1,099	2.3%	2.4%	2.1%	4.3%
Total	**90,787**	**3,389**	**3.6%**	**3.6%**	**3.1%**	**5.3%**

[1] Regular employees only. Does not include Intel contract employees and interns, or terminations due to divestiture, retirement, or redeployment. Redeployment is the movement of employees to areas of greater return when there has been a change in business conditions. Intel's redeployment program provides job-search time and support for eligible employees whose jobs have been eliminated. Redeployment is generally not a layoff, as employees have the opportunity while in redeployment to look for other positions within the company at their regular pay and benefits, or they can choose a separation package. Turnover related to divestiture, retirement, or departures out of redeployment totaled 1,811 employees in 2011.

In 2011, our turnover rates remained low across all regions, and unchanged from 2010 levels. Regular monitoring of turnover by performance rating (top, middle, and low) helps us spot and address issues and trends swiftly. We also compared turnover rates for female and male employees to identify whether there are significant differences in rates: in 2011 there was no difference between the average turnover rates for female and male employees.

Total Number of Employees[1]



[1] 2011 figure includes all regular Intel employees as well as employees of our wholly owned subsidiaries.

The majority of the increase in total employees in 2011 was due to the acquisitions of McAfee, Inc. and the Wireless Solutions business of Infineon Technologies AG.

"Why do I think Intel is a great place to work? It is fun identifying new potential business solutions from the position of a lone nut who is working on cutting-edge technology or a new futuristic direction and be able to influence and impact Intel's roadmap. Throughout the years I have worked at Intel, I always picked my next role, and the ability to make these lateral moves always kept me energized and passionate. Intel allows me to be a startup entrepreneur in a safer, more supportive environment."

Intel employee, Israel

Career Growth and Development

We combine a mix of resources and learning methods to create our rich career development culture.

Our development model is a holistic approach with three focus areas:

- **Learn.** Provide employees with a robust range of resources and tools including: Intel University courses focused on job skills, professional development, and managerial training; external professional certification programs; and access to world-class institutions via tuition reimbursement.
- **Connect.** Encourage employees to connect with managers, senior leaders, and one another through Open Forums, quarterly events, mentoring and coaching relationships, employee groups, and online and social media channels.
- **Experience.** Give employees opportunities to expand their skills through rotational, temporary, or sabbatical coverage assignments.

We encourage employees to work with their managers to align their job assignments with their talents and passions, as well as the needs of the organization. Although every employee goes through an annual review process, career development at Intel is viewed as a continuing conversation between employees and their managers. Managers meet with each employee at least quarterly to review the prior quarter's goals, the employee's development and performance against expectations, and the upcoming quarter's priorities and goals. These meetings provide opportunities to recognize excellence and discuss performance issues, thus contributing to individual development and improvement in a team's performance, execution, and business results.

When employees are ready to try new challenges, they can "test-drive" short-term assignments by providing coverage for employees on sabbatical leave or by taking advantage of one of our rotation programs. Our sabbatical program creates regular opportunities for 90-day rotations and has contributed to a culture that views rotations as a positive and standard practice. A total of 4,067 employees completed sabbatical coverage assignments in 2011, with many of the employees covering for their direct managers, gaining valuable management experience. Intel also launched an innovative development assignment web tool in 2011 that allows employees to apply for part-time or temporary job opportunities across the company. Over 30,000 employees visited the site in 2011. Those who pursued the 2,000 assignments posted on the tool expanded their networks and acquired new skills.

Employees also use our internal global job-posting system to learn about and apply for new positions at Intel. Many employees pursue career growth by taking assignments in other countries, where they are exposed to unique cultural experiences while acquiring new business skills; approximately 1,300 employees were on global assignment in 2011. We also tailor development programs to promote career growth in particular markets.

Our Career Development Workshop is designed to help employees at all levels think strategically about their career development plans, and to facilitate discussions with their managers. Some 45,000 employees have participated in the workshop since its launch in 2008. This workshop and Intel's commitment to career development have led to increased manager capability, a stronger infrastructure, and improved employee satisfaction.

Management/Leadership Development

We set clear, consistent expectations for our managers and leaders, and give them opportunities to gain critical skills and knowledge by attending internal and external courses, connecting with other managers, and taking on new challenges. In 2011, Fortune magazine placed Intel on its "25 Top Global Companies for Leaders" list, in recognition of our development of current and future managers and leaders.

Through our Manager and Leader Feedback Survey (administered twice a year) employees evaluate how well their managers are communicating, motivating, and developing their teams. Managers share the survey results—both strengths and areas for improvement—with their teams and develop action plans. We also factor the results into our annual manager performance reviews. In 2011, more than 95% of managers and leaders received constructive feedback through this process.

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To support learning and development in response to the survey results, we have invested in a number of management and leadership development programs. Programs focus on supporting employees during transition periods, such as when they assume leadership roles for the first time or advance to more senior positions. We have seen continuous improvement in our manager and leader performance to expectations since we began implementing these programs.

New Managers. "New to Management" is a program designed to support new managers throughout their first year of leading people. Intel welcomed 1,500 new managers in 2011. Participants attend workshops facilitated by senior leaders, take advantage of self-study resources, and have access to transition coaching. Throughout the year, they have a strong support network that enables them to lead highly engaged teams and obtain great business results.

Experienced Managers. To support the ongoing development of our seasoned managers and leaders, we offer 20 core instructor-led courses, as well as online performance training and support modules that provide "just-in-time" help. Over 15,000 employees completed manager training in 2011. An online Manager Dashboard tool includes resources to help managers run the "people" side of their business.

Senior Leaders. In 2011, Intel CEO Paul Otellini hosted the first Intel Leaders Summit. The two-day conference was designed to educate, align, and inspire 800 of Intel's top leaders from around the globe. Otellini highlighted the leadership behaviors needed for Intel's future success, and learning forums were created to support building these new behaviors. The impact has been far-reaching throughout Intel, as the 800 leaders have committed to positive changes and have started building these new behaviors into the next level of leaders in their organizations.

Our senior leaders also have access to courses that cover personal leadership, execution, strategy, and organizational leadership. All courses are offered globally, and Intel executives teach many of them. Over 1,000 senior leaders completed this curriculum in 2011. We also offer action learning programs that blend strategic business needs with senior leader learning and growth. These programs focus on current business challenges to ensure that real work is accomplished during leadership development. In addition, we have an executive coaching program that links senior leaders with professional internal and external coaches.

Intel University

In 2011, Intel invested approximately $299 million in employee training and development, including instructor-led and e-learning courses and tuition reimbursement. That amount translates to an investment of approximately $3,297 and an average of 34.6 hours of training per employee.

Intel University provides a comprehensive development curriculum, including new employee orientation, cultural integration, skills training, professional certification, and external education. Training programs cover a broad range of topics, such as project management, problem-solving, effective decision-making, cross-cultural training, and technical subjects. Training magazine again recognized our strong focus on employee development by ranking Intel number 21 on its list of the top 125 global training organizations in 2011 (up from 37 in 2010).

2011 Intel University Statistics	
Total learning hours delivered[1]	3,139,858
Total number of training attendees	1,336,087
Number of employee volunteer instructors	4,801

[1] Includes a mix of training methods, such as instructor-led classroom, virtual classroom, web-based, and other (multimedia/on-the-job activity).

Most of Intel University's internal courses are led by employee volunteers, who leverage their skills and knowledge of a particular subject to teach other employees.

Tuition Assistance

Our Tuition Assistance Program provides financial assistance to eligible U.S. employees who are completing job-related degree programs or coursework. In 2011, we invested $8.6 million in the program, helping more than 1,100 employees—2.3% of those eligible—pursue educational opportunities. Read about Intel employee Nabil Mistkawi, who earned his PhD through the program.

Communication and Recognition

Open and direct communication has been a hallmark of Intel culture since the company's founding. Employees report that they value getting the straight scoop from their leaders and managers, and appreciate being able to speak freely about issues that concern them.

Intel's open door philosophy gives employees access to all levels of management to address work-related concerns. Employee surveys indicate that this philosophy promotes two-way communication, contributes to organizational health, improves productivity, and decreases turnover.

Because Intel's success depends upon all employees understanding how their work contributes to the company's overall vision and business strategy, we use a broad range of electronic and interpersonal channels to keep employees informed. Those channels include intranet news articles, Open Forums, webcasts, collaborative webjams, cyber-chats, quarterly Business Update Meetings, small-group executive roundtables, and informal brown-bag lunches. Our overall goal is to ensure that employees receive timely information and candid answers to their questions.

Circuit, our employee intranet portal, provides corporate and local Intel news, and information about workplace services and benefits. Approximately 90% of our employees use Circuit as their web browser's home page. We also reach employees through a network of digital video screens that broadcast news and information in our factories, lobbies, and cafeterias.

Employees are encouraged to utilize Intel's internal social media channels, such as blogs, wikis, and online forums, for both business and collaboration purposes, and to build a sense of community across our global sites. Senior leaders and other employees publish personal essays to open dialogue about business issues, challenges, and opportunities. Employees have the opportunity to comment on news articles and features, adding their valuable knowledge and perspectives to the corporate dialogue. We also encourage employees to participate in external social media channels, as we believe that they are the best and most knowledgeable ambassadors for our company. Over the past few years, we have received numerous external recognitions for our Social Media Guidelines and Digital IQ social media training courses for our employees.

We also strive to embed a culture of recognition and appreciation. From simple and sincere personal thank-yous to formal banquets, we offer multiple levels of recognition that reward employees for their accomplishments. Recognition ranges from corporate-wide programs to local programs created by individual business groups to acknowledge the achievement of specific goals. We also host company-wide celebrations for reaching major milestones, product launches, and company anniversaries.

Corporate-wide Recognition Programs

Formal programs recognize employees for: performance to Intel Values; years of service; technology innovation; volunteerism; Intel University instructor contributions; and efforts to conserve energy, prevent pollution, and bring environmental innovation to our operations.

- **Intel Achievement Award (IAA).** The IAA is the company's highest honor for personal and small-team accomplishments. Less than one-half of 1% of all employees receive an IAA each year. Winners are rewarded with company stock and an invitation to a banquet hosted by Intel President and CEO Paul Otellini.
- **Intel Quality Award (IQA).** IQAs are given annually to a few Intel organizations that have made long-term commitments to operational excellence and have demonstrated performance to Intel Values. Organizations complete applications that are presented to a panel of executive judges, who select the winners. Winning organizations are expected to act as role models and mentors for groups that subsequently enter the IQA application process.
- **Intel Inventor Award.** Launched in 2011, Inventor Awards recognize Intel employees who file high-quality invention disclosures that result in issued patents. Winners across Intel receive restricted stock units (RSUs), except for employees in countries where local law requires a cash award.
- **Division Recognition Award (DRA).** DRAs recognize employees for reaching critical milestones or completing projects that demonstrate a strong commitment to Intel Values. DRAs are presented to employees in front of their peers at quarterly Business Update Meetings.
- **Spontaneous Recognition Award (SRA).** Spontaneous recognition can be given at any time to show appreciation to a peer, subordinate, or manager, and may include cash, a gift card, or other reward.

Diversity and Inclusion

Our ability to innovate depends on ideas, and great ideas come from great people. The wide range of perspectives that we gain by hiring and developing talent from a diverse, global labor pool gives us a better understanding of the needs of our customers, suppliers, and communities, and helps us advance our leadership in both technology and corporate responsibility.

Diversity is an integral part of Intel's competitive strategy and vision. Studies show that employees working in a diverse environment tend to feel more fulfilled, creative, and productive on the job, resulting in increased productivity, efficiency, and innovation. We strive to continuously advance a work environment that honors, values, and respects all of our employees.

Intel complies with applicable laws and provides equal employment opportunity for all applicants and employees without regard to race, color, religion, gender, national origin, ancestry, age, disability, veteran status, marital status, gender expression, gender identity, or sexual orientation. Intel also makes reasonable accommodations for disabled employees. Intel prohibits harassment of any individual on any of the bases listed above.

Our goal is to be world-class in diversity, and we develop annual diversity action plans that are monitored quarterly, with rigorous indicators related to recruitment and performance management. We have been recognized for our diversity practices, including being named in 2011 to Working Mother magazine's "100 Best Companies" list for the ninth time, and earning a spot on the Human Rights Campaign's Corporate Equality Index for 10 consecutive years for our policies and practices that support our lesbian, gay, bisexual, and transgender (LGBT) employees.

Intel is also proud to be the founding corporate sponsor of the 10x10 initiative, which is dedicated to raising awareness about the critical importance of educating girls. For more information on our collaborative efforts to advance educational and economic opportunities for girls and women, see the Contributions to Society section of this report.

Watch Video Intel's LGBT employee group (IGLOBE*) added its voice to the "It Gets Better" video campaign with a message of hope to LGBT youth facing harassment, bullying, and lack of acceptance.

Increasing Leadership Diversity. We have improved the diversity of Intel's workforce in several key categories in recent years. Intel was again named a Top Company for Executive Women by the National Association for Female Executives (NAFE) in 2011. We continue to work on increasing the number of technical females and under-represented minorities in managerial positions, and have key initiatives designed to improve recruitment, retention, and development of African Americans, Hispanics, Native Americans, and technical women in leadership positions.

We have three leadership councils made up of Intel's most senior African American, Hispanic, and female leaders, who serve as visible role models, sponsors, and passionate voices for employees at Intel. They are each actively engaged in activities focused on hiring, retaining, and developing our diverse talent.

Managers regularly hold in-depth career discussions with employees, challenging them to take on assignments that increase their capabilities and opportunities for growth. The company also recently launched the Blueprint for Extraordinary Performance, a leadership development series targeted at advancing career development and retention of African American and Hispanic employees. The program covers business acumen, organizational leadership, strategic thinking, communication skills, and more. In addition to customized internal career development and training, we offer employees external leadership training opportunities at places such as the African American Leadership Institute and the Latino Leadership Institute, which are both located at the University of California in Los Angeles.

Cultivating a Supportive Network. We provide managers with tools and resources for rewarding and recognizing diversity efforts within their groups. We also encourage employees—from recent college graduates to long-time Intel employees—to join one of 20 chartered Intel employee

affinity groups. These groups are organized around ethnicity groupings, national origin, military service, religious beliefs, gender, sexual orientation, or gender identity, as well as other affinities such as parenthood and disability. They provide a powerful means of support and integration for employees, as well as opportunities to participate in a variety of programs, such as cultural awareness events, mentoring, and community projects. Intel provides funding for group activities; dedicated support staff; space for meetings, study, or prayer; and communications vehicles.

Investing in Intel's Technical and Leadership Pipelines. To build stronger pipelines for employees who are pursuing technical and leadership careers, Intel provides a variety of development experiences, including site-based leadership training and a networking series targeted for African American, Hispanic, and female employees. Internal and external research has validated the importance of providing experiences for various populations that may feel isolated in their environment. These programs deliver specific leadership tools; career-enhancing strategies; and access to peers, coaches, and some of Intel's most senior leaders and technologists.

Building Multicultural Awareness. Several Intel programs are designed to promote cultural awareness among employees. For example, frequent company events give employees opportunities to share their heritage and connect with others. We provide intercultural training, such as "Microinequities" and "Gender Differences in Communication," and numerous discussion forums within our employee communications portal foster respectful dialogue among employees.

Building External Alliances. Intel is active on the boards and industry committees of national diversity organizations, such as the Anita Borg Institute, Society of Hispanic Professional Engineers, Society of Women Engineers (SWE), National Society of Black Engineers, American Indian Society of Engineers and Scientists, Out & Equal Workplace Advocates, National Urban League, and National Action Council for Minorities in Engineering. By establishing Intel as a trusted advisor and by building strong relationships with external organizations, we continue to enhance our own learning, help to achieve our diversity goals, share our best practices with others, and advance diversity beyond our own organization.

Highlight Read about the Intel Global Women's Initiative, designed to support the development and retention of female employees.

In the last four years, the SWE has recognized 10 Intel engineers as "Emerging Leaders," and in 2011 the SWE awarded an Intel engineer with a Distinguished New Engineer Award. We also work with a number of organizations on supplier diversity issues. For more information, see "Supplier Diversity" in the Supply Chain section of this report.

Moving forward, we will increasingly evolve our diversity practices to ensure a genuine focus on global diversity and inclusion, and work to implement programs based on a global assessment—not on a primarily U.S.-centric point of view.

Diversity Data

We continue to focus on efforts to increase the representation of women in our global workforce, including investing in the talent pipeline for women in engineering and technical disciplines.

2011 Worldwide Workforce by Gender[1]

	Female	Male	Total
U.S. Workforce	11,329	36,334	47,663
	23.8%	76.2%	
Non-U.S. Workforce	12,621	30,503	43,124
	29.3%	70.7%	
Worldwide Total	**23,950**	**66,837**	**90,787**
Average % Worldwide	**26%**	**74%**	

[1] Regular Intel employees only (does not include employees of our wholly owned subsidiaries, Intel contract employees, or interns).

This table shows our worldwide workforce by gender. Despite our continued investments and improvements in recruiting and retention programs, the overall percentage of women has remained relatively flat since 2006. The worldwide percentage of women was 28% in 2010, 28% in 2009, 29% in 2008, and 29% in 2007. Since the creation of Intel's Women's Initiative in 2004, the number of women in technical mid- to senior-level Intel jobs has grown by 24%.

2011 U.S. Workforce by Reporting Category[1]

	African American	Asian/Pacific Islander	Caucasian	Hispanic	Native American	Other[2]	Total
Workforce							
Female	418	3,927	5,843	950	84	107	11,329
	3.7%	34.7%	51.6%	8.4%	0.7%	0.9%	100%
Male	1,281	10,088	21,183	2,815	236	731	36,334
	3.5%	27.8%	58.3%	7.7%	0.6%	2.0%	100%
Total	**1,699**	**14,015**	**27,026**	**3,765**	**320**	**838**	**47,663**
Officials and Managers							
Female	29	273	711	58	5	7	1,083
	2.7%	25.2%	65.7%	5.4%	0.5%	0.6%	100%
Male	94	1,287	3,283	235	17	74	4,990
	1.9%	25.8%	65.8%	4.7%	0.3%	1.5%	100%
Total	**123**	**1,560**	**3,994**	**293**	**22**	**81**	**6,073**

[1] Regular Intel employees only (does not include employees of our wholly owned subsidiaries, Intel contract employees, or interns).
[2] "Other" includes employees who reported as multi-racial and those who did not report race.

This table provides a high-level summary of our U.S. workforce by reporting category.

2011 U.S. Hiring Data[1]

Year	Total Number of Employees Hired	Minorities[2] as Percentage of U.S. Hires	Females as Percentage of U.S. Hires
2011	4,837	53% (2,572 of 4,837 hires)	22% (1,064 of 4,837 hires)
2010	2,354	57% (1,336 of 2,354 hires)	24% (576 of 2,354 hires)
2009	1,676	42% (701 of 1,676 hires)	24% (396 of 1,676 hires)
2008	4,060	56% (2,275 of 4,060 hires)	31% (1,246 of 4,060 hires)
2007	3,045	52% (1,587 of 3,045 hires)	26% (787 of 3,045 hires)

[1] Regular Intel employees only (does not include employees of our wholly owned subsidiaries, Intel contract employees, or interns).
[2] Includes African American, Hispanic, Asian American/Pacific Islander, and Native American.

In 2011, the percentages of females and minorities as percentages of total hires were slightly down from 2010.

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2011 Worldwide Senior Management and Governance Bodies

		Board of Directors		Corporate Officers		Top 50 in Total Compensation	
Male							
	African American	–	–	–	–	–	–
	Asian/Pacific Islander	–	–	4	10%	9	18%
	Caucasian	8	73%	30	75%	29	58%
	Hispanic	–	–	–	–	–	–
	Native American	–	–	–	–	–	–
	Unidentified	–	–	–	–	3	6%
Female							
	African American	–	–	–	–	1	2%
	Asian/Pacific Islander	–	–	1	3%	1	2%
	Caucasian	3	27%	5	13%	7	14%
	Hispanic	–	–	–	–	–	–
	Native American	–	–	–	–	–	–
	Unidentified	–	–	–	–	–	–
Total		**11**	**100%**	**40**	**100%**	**50**	**100%**

This table provides 2011 year-end diversity information for Intel's Board of Directors, corporate officers, and top 50 executives in terms of compensation worldwide. The position of Chairman has been held by Dr. Jane Shaw since May 2009. At our Annual Stockholders' Meeting in May 2012, she will retire from the Board, and if all of the director nominees are elected, the percentage of women on the Board will be 20%. Over the past five years, the number of women as a percentage of total corporate officers has increased by 50%.

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Compensation, Benefits, and Work/Life Effectiveness

Intel's comprehensive compensation and benefits program is designed to attract, retain, and reward the people responsible for the company's long-term growth and continuing record of innovation.

We strive to provide tools and benefits that support the work/life needs of different employees—from working parents and those with elder-care responsibilities to those in the military reserves.

Compensation

Intel's Total Compensation, or "T-Comp," approach aligns company, employee, and stockholder interests, and provides employees with incentives to focus on meeting or exceeding business objectives. T-Comp is based on five guiding principles that support our philosophy of rewarding both individual performance and corporate success: meritocracy and egalitarianism, market competitiveness, alignment with business performance, promotion of health and welfare, and balance between employee and stockholder needs.

Intel targets employee cash compensation (base pay plus bonuses) at above-market averages compared to a peer group of leading technology companies. We also invest in communication and education efforts to increase transparency of the competitiveness and design of our compensation principles. For more information on compensation and benefits at Intel locations worldwide, visit our Compensation and Benefits web site or read our 2011 Annual Report and Form 10-K and 2012 Proxy Statement.

Our bonus programs are cornerstones of the T-Comp philosophy, linking employees' compensation directly to Intel's financial and operational performance metrics. Higher level employees, who have a wider job scope and greater ability to affect the company's performance, receive a higher percentage of their compensation at risk through our bonus programs.

The Employee Cash Bonus Program (ECBP) is a profit sharing program that pays cash awards to employees twice a year based on Intel's success. On top of their ECBP payouts, employees may receive two days of pay each year based on the results in our Customer Excellence Program (CEP), which is explained in the Intel Quality System Handbook. CEP measures overall customer satisfaction and drives corporate or business unit improvement actions. In 2011, employees received the additional two days of pay under the program as a result of the company receiving a record 93% "Delighted" score from customers. Intel has exceeded the 75% "Delighted" score goal since 2006, enabling employees to receive two extra days of pay for six years in a row. In January 2011 and January 2012, our employees also received special bonuses of three additional days of pay in recognition of their contributions to Intel's record financial results in each of the two years.

In addition to ECBP, Intel shares profits with employees worldwide by paying annual incentive cash payments through our Employee Bonus (EB) plan. The formula for determining EB payouts is based on three equally weighted components: relative financial performance, absolute financial performance, and operational performance. Intel executive officers participate in a plan identical in all respects to the employee plan, with the added feature of an individual performance adjustment. Since 2008, we have included criteria related to environmental sustainability metrics, and in 2010 we added other metrics related to corporate responsibility, such as performance on the OHS and external reputation measures. For more information, see the Environment section of this report. Instead of the EB program, eligible sales and marketing employees participate in our Commission program, which provides incentives linked to sales performance. For more information on Intel's executive compensation programs, see our 2012 Proxy Statement.

Since 2008, a portion of employee and executive compensation has been linked to environmental sustainability metrics.

	Employee Cash Bonus Program (ECBP)		Employee Bonus (EB) Plan
Year	Annual Payout in Days of Pay	% of Pay	EB Multiplier
2007	17.3	6.7%	3.49
2008	15.2	5.9%	2.66
2009	16.7	6.4%	3.92
2010	29.4	11.3%	4.24
2011	26.4	10.2%	3.50

This table illustrates our historical ECBP payouts and EB multipliers. The 2010 and 2011 ECBP figures also include an additional three days of pay awarded to all employees for exceptional company performance. The EB multiplier is applied to each eligible individual employee's target amount. If an employee's target in 2011 was $1,000, the employee's payout would have been 3.50 x $1,000, or $3,500.

Equity Programs

To enable employees to share in Intel's success and align employee interests with those of our stockholders, we grant equity to more than 95% of our employees annually, including restricted stock units (RSUs) and stock options. Share-based compensation totaled $1.1 billion in 2011.

Through stock options and RSUs, employees may receive an equity interest in the company, acquire a stake in Intel's long-term growth, and potentially benefit from capital appreciation. Regular full-time and part-time employees at mid-level exempt grades and above are eligible to receive RSU and/or stock option grants at the time of hire, and all employees may be recommended for grants during annual or mid-year performance reviews. Our more senior-level employees generally receive a percentage of their RSUs as performance RSUs, and a percentage of their total grants in the form of stock options.

Under our Stock Purchase Plan, eligible employees can purchase stock through payroll deductions at 85% of Intel's stock price at the lower of the beginning or the end of a subscription period. All regular full-time and part-time employees and interns are eligible to participate in this plan.

Health Benefits

Intel's innovative approach to healthcare focuses on providing comprehensive plan coverage to employees and their families to ensure a healthy, productive, and engaged workforce. Our basic benefits package includes medical, dental, vision, and prescription drug benefits. Our healthcare programs provide 100% coverage for preventive services as well as financial protection against a serious illness. Intel has developed a strategy that recognizes the varying coverage needs of our employees and focuses on controlling costs by engaging our workforce with appropriate financial incentives to foster cost-conscious choices. Intel offers choice through five different medical plans (copayment, coinsurance, high deductible, consumer-driven, and HMO); each offers comparable coverage and quality.

Intel has been a leader in offering consumer-based health plans; approximately 65% of our employees participate in such plans. By encouraging our employees to use available decision-support tools, find less expensive or intensive actions, access nurse advice lines for supportive guidance, or visit on-site clinics and urgent care centers before seeking care in the emergency room, we can help them spend on average about 35% less than employees enrolled in traditional plans, while receiving the same level of coverage and quality of services. Intel shares these savings with employees in the form of no or low monthly premiums. We also extend medical and dental benefits coverage to same-sex domestic partners. In addition, we provide autism, infertility, transgender, and adoption benefits.

Our total spending on healthcare benefits for Intel employees in 2011 was $444.7 million, including medical coverage for active employees, prescription drug coverage, and dental insurance. Intel's health premium spending averages approximately $825 per month per employee, boosting each employee's compensation package by approximately $9,906 annually (individual amounts vary depending on the plan and usage). We also offer an Employee Assistance Program that provides free short-term professional counseling services to help employees and their dependents through difficult times. See "Wellness Programs" later in this section for information on our award-winning Health for Life wellness program.

Retirement Benefits

Planning for retirement is a shared responsibility between Intel and each employee. We encourage our employees to leverage all possible resources to create a savings and investment strategy that will provide a secure and comfortable retirement. Our benefits vary by country but can include post-retirement medical benefits as well as 401(k) savings, Intel contributions to employee retirement plans, and defined benefit plans. Eligibility for these plans varies by country, legal requirements, and employee tenure. Intel considers market practice, retirement readiness, regulatory requirements, and company affordability when funding employee retirement plans. In the U.S., in 2011 we contributed 6% of eligible earnings to each employee's retirement account irrespective of the employee's ability to save. For employees who retire from Intel in the U.S., we also provide funds based on tenure, which enable employees to purchase retirement medical coverage.

In 2011, Intel introduced an employee retirement savings awareness campaign and a new investment lineup in the 401(k) Savings Plan in the U.S. The primary goals of these initiatives were to increase the number of employees with an appropriately diversified asset allocation and to increase participant savings rates. We introduced a three-tiered structure to meet the needs of different types of investors, required employees to reselect investment elections, and offered new, flexible deferral options. Intel also initiated automatic enrollment of existing employees who were not participating in the plan, with an option to opt out. To support employees through these changes, we offered all employees financial planning resources, including seminars, roadshows, a dedicated web site, and one-on-one financial counseling with a certified financial planner. The effort resulted in best-in-class 401(k) participation levels and a significant improvement in the number of employees with plans that are properly asset-allocated for their age and circumstances.

In 2011, Intel also expanded retirement benefits by piloting a new program, Intel Encore Career Fellowships, through which U.S. employees eligible for retirement can take a subsidized, temporary position with a nonprofit organization upon retirement from Intel. In addition to helping employees transition into retirement, the program has the benefit of providing a new source of experienced talent to nonprofit organizations.

Special Leave Programs

Intel provides special paid time off in addition to our vacation and personal absence policies. Our approach creates a robust leave program for employees through a combination of federal and state leave entitlements and Intel's leave guidelines.

Sabbatical Program. Full-time employees in the U.S. and Canada receive 8-week paid sabbaticals upon completion of each seven years of service. Annual vacation time can be added to sabbaticals, resulting in up to 12 weeks of paid time off. Employees can apply to extend their sabbaticals for up to six months to teach, volunteer, or complete educational opportunities that significantly enhance our business or benefit the community. Our sabbatical program creates a culture that anticipates and responds to extended periods of leave and encourages active career development for other employees through temporary assignments. In 2011, 4,067 employees took sabbaticals, returning refreshed and revitalized.

Pregnancy Leave. Through a combination of legal requirements and Intel's own leave guidelines, female employees can take advantage of Intel's Pregnancy Leave benefit. Although unpaid, it allows employees to take time off when their doctors say they are unable to work. Employees often supplement their income during Pregnancy Leave with short-term disability benefits. In 2011, 435 female employees used our Pregnancy Leave benefit. Additionally, either parent may take leave to bond or care for a newborn or adopted child, or a child placed with them through foster care.

Personal Leave. U.S. employees who are experiencing compelling personal situations may be eligible for unpaid Personal Leave. Employees can apply for Personal Leave to handle family crises or emergencies, provide care for an ill family member (i.e., when such leave is not otherwise covered by the Family and Medical Leave Act), or address certain situations not covered under Intel's other leave programs. In 2011, 135 employees used our Personal Leave program.

Military Leave and Support for Returning Veterans. Intel supports employees who serve in the U.S. uniformed services or National Guard. Military Adjustment Pay compensates for the difference between an employee's base pay and military pay. Intel has expanded Military

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Adjustment Pay for service in Iraq and Afghanistan and other emergencies, including extending the duration of this benefit to up to two years per deployment. The U.S. government has publicly recognized Intel for its commitment and continuing efforts in this area. In 2011, 86 employees used this benefit.

Intel employs more than 3,500 U.S. veterans, including veterans and active Guard and Reserve soldiers across all segments of our business—from IT to engineering, finance, and our high-tech factory floor. Military veterans frequently find the transition into Intel relatively easy. The skills critical to success in the military are the same skills that we need in our business. Our sabbatical program creates a culture that is accustomed to extended temporary assignments, which makes supporting our employees on active deployment or annual training straightforward for our managers. Intel is actively recruiting and hiring returning veterans for jobs across the U.S., including a high concentration of open positions in Arizona and New Mexico. We have targeted recruiting efforts at a number of military bases, and we use numerous military job web sites to advertise and recruit for positions. We expect to launch a customized web intake for military candidates in July 2012. We also allow military experience to be substituted for the equivalent of college technical degrees in our manufacturing facilities, and have rewritten job descriptions to enable veterans to more easily match their military experience to skills in demand at Intel. We expect that these efforts will result in an expansion of opportunities for returning veterans through meaningful Intel careers.

In support of the White House "Joining Forces" initiative, in 2011 we launched a pilot program to address the needs of returning veterans and their families. The Intel Veteran's Employment Training (Intel VET) initiative provides behavioral interview training, mock interviews, mentor matching, one-on-one coaching, and computer skills training. Resume decoding and translation training will also be provided, helping veterans to translate their military occupation specialties and career experience into key corporate language. In addition, members of the American Veterans at Intel Employee Group serve as mentors to participants, sharing their own experiences in making the transition from the military to the corporate sector. Intel VET is being piloted at one Intel Computer Clubhouse, with plans for three additional locations.

Intel Benefits and Work/Life Programs at a Glance

- Paid sabbatical benefit for U.S. and Canadian employees
- Multiple leave programs, including personal, pregnancy, bonding, and military
- Near-site childcare centers and back-up childcare programs
- Elder-care and adoption assistance programs
- Voluntary benefits, including critical illness insurance and group legal insurance
- Comprehensive health benefits, including medical, dental, vision, and employee assistance programs
- Multiple retirement plan options, including 401(k), retirement contribution, defined benefit, and post-retirement medical benefits
- Employee discount programs for online and local shopping, as well as Intel products
- On-site fitness and recreation facilities, as well as fitness programs and numerous classes, such as yoga
- Free fruit and beverages at multiple locations
- Commute reduction options
- Employee use of Intel facilities for book clubs, music events, birthday parties, baby showers, etc.
- Scholarships for dependents of Intel employees (300 recipients in 26 countries in 2011)
- "Live Homework Help" for employees' families, which included 34,000 tutoring sessions in 2011
- Family fun events, which reached over 90% of employees and their families in 2011
- Employee Marketplace, an online forum for Intel employees where they can exchange items with their colleagues (about 400 items are sold or traded every month)

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Work/Life Effectiveness

Intel is committed to fostering a culture that reduces barriers to work/life effectiveness. Our commitment to flexibility is driven by the demands of our global business environment, which require ongoing collaboration across multiple locations and time zones. Program options may vary by business unit and job type, and are tailored for each country based on market needs and statutory requirements. Our work/life effort focuses on the following areas:

Flexibility. To help employees manage their work and personal responsibilities, we support a wide range of flexible work options, including alternative start/stop times, compressed work weeks, part-time schedules, job sharing, flex time, compensatory time off, and telecommuting. Corporate guidelines govern each of these options, and managers and employees have discretion in developing solutions that meet both business and employee needs. Because most of these arrangements are negotiated directly between employees and their managers, Intel does not track usage centrally. However, surveys indicate that about 22% of our employees work a compressed work-week schedule (a significant portion of these employees work on manufacturing shifts), and more than 80% telecommute on a regular or temporary basis using company-provided laptops and remote access to the corporate network.

Child and Elder Care. Our childcare programs are customized to meet the specific needs and market conditions at each site. Intel sponsors 17 near-site childcare centers in the U.S. that offer priority enrollment, back-up childcare, and holiday care. We also provide up to $50 a day (five days a year) for back-up childcare reimbursement to all U.S. employees. In addition, we sponsor family childcare networks at our Arizona, New Mexico, and Oregon sites. To meet the scheduling needs of our manufacturing workforce, many family childcare network providers offer extended-hours care.

Through our Dependent Care Assistance Program, employees can set aside up to $5,000 in pre-tax funds each year to pay for dependent care expenses. Employees can be reimbursed up to $5,000 per adoption, with a lifetime maximum of $15,000 (three adoptions). Intel is committed to supporting employees who have children or other dependents with special needs, and we provide a comprehensive intranet site with resources for employees and their families. We also provide on-site caregiver training for employees who are caring for an elder relative, and we maintain an elder-care intranet site with easy access to resources such as a nationwide elder-care support and referral service.

Resources. Our intranet site includes a wide variety of work/life resources, and our Work/Life team sponsors ongoing seminars on topics such as weight management, coping with depression, identity theft, managing stress, caring for elder relatives, and working parent strategies. Our Employee Assistance Program provides employees with online resources and articles on a variety of work/life topics, as well as 24/7 access to consultants.

Services and Conveniences. Several discount programs offer employees reduced pricing on products and services, such as computers, cars, cell phones, home mortgages, banking, and home solar energy systems. We also have on-site cafeterias, fitness centers, ATMs, dry-cleaning services, and private rooms for nursing mothers. More than 90% of our employees in the U.S. have access to commute reduction options, such as vanpool and transit subsidies and carpool matching services, as well as air shuttles between major sites. "Great Place to Work" volunteer employee teams at Intel sites worldwide are provided with funds and are empowered to plan social events for employees and their families, including parties and outings to local art and sporting events.

Work Environment. We strive to provide comfortable, attractive work spaces that promote collaboration among employees. To that end, over the past two years, we have redesigned more than 1.5 million square feet of office space, replacing tall gray cubicle walls with brightly colored, lower walls that encourage collaboration and team-building. We have added glass-walled conference rooms, and open lounges with flat-screen TVs, armchairs, and kitchens where free fruit and beverages are available throughout the day. The redesigned areas promote innovation, with plenty of space for people to work in groups. We also have incorporated "green" design principles into the plans. For more information, see the Environment section of this report.

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Health and Safety, and Employee Wellness

Our safety and wellness programs help employees enjoy a better quality of life and contribute to Intel's success, since employees who are physically and mentally fit can be more productive.

We are guided by the Intel Environmental Health and Safety (EHS) policy to "provide a safe and injury-free workplace" through our core safety programs and injury-reduction initiatives.

2011 Safety Update

Intel ended the year with an Occupational Safety and Health Administration (OSHA) recordable rate of 0.63, which is two times better than the U.S. semiconductor industry average. Our recordable rate was up 7%, and our days away case rate remained flat compared to 2010. We believe that all workplace injuries are preventable, and our ultimate goal is to achieve zero injuries through continued investment in and focus on our core safety programs; injury reduction initiatives; and our Everybody, Everywhere, Everyday! (E3!) safety culture strategy.

Ergonomic-related or "cumulative trauma disorders" (CTDs) remained the most prevalent type of injury experienced at Intel in 2011 and accounted for 55% of all injuries reported. We continued to make improvements in identifying symptoms and treating employees earlier, resulting in a decrease in injury severity. Emphasis on early reporting in recent years has also resulted in an improvement in the First Aid to Recordable Ratio for CTDs from 6.4:1 in 2010 to 6.5:1 in 2011 (we continue to strive toward our ambitious goal of 9.1:1). More than 20,000 employees have participated in a proactive ergonomics risk reduction program designed to limit exposure to repetitive strain associated with computer use. Business groups share responsibility for driving safety awareness and programs throughout their organizations. For example, in 2011, Intel's IT organization put in place a comprehensive safety and ergonomics program for its employees, including an awareness campaign and the deployment of software solutions such as speech recognition and ergonomics risk management software.

Since 2010, Intel has maintained certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems.

Employees and contractors receive a wide range of safety training, starting with orientation sessions and continuing on the job. Over 250,000 hours were invested in EHS training in 2011 through 65 web-based and 98 instructor-led classes. These training resources help employees understand their safety responsibilities and cover materials needed for specific jobs (such as electrical safety, ergonomics, control of hazardous materials, and chemical safety). Many courses have long been available in multiple languages.

We also regularly survey our employees regarding their perceptions of our safety culture and the success of our programs. Through the 2011 E3! Safety Culture Survey, over 23,500 employees were invited to provide feedback on their organization's safety culture; 55% of them responded to the survey. The survey gauges perceptions regarding our eight core expectations of a positive safety culture against Intel's five stages of a safety journey. Key opportunities identified by the survey were in the areas of management safety leadership and actions, supportive communications, and employee engagement.

While our safety performance remained exceptional in 2011 compared to our peer companies, we continue to focus on opportunities for improvement each year and drive toward our aggressive safety goals. In 2012, we will continue to deliver effective global programs and standards, and will continue to expand Intel's safety culture so that even more employees go home injury-free.

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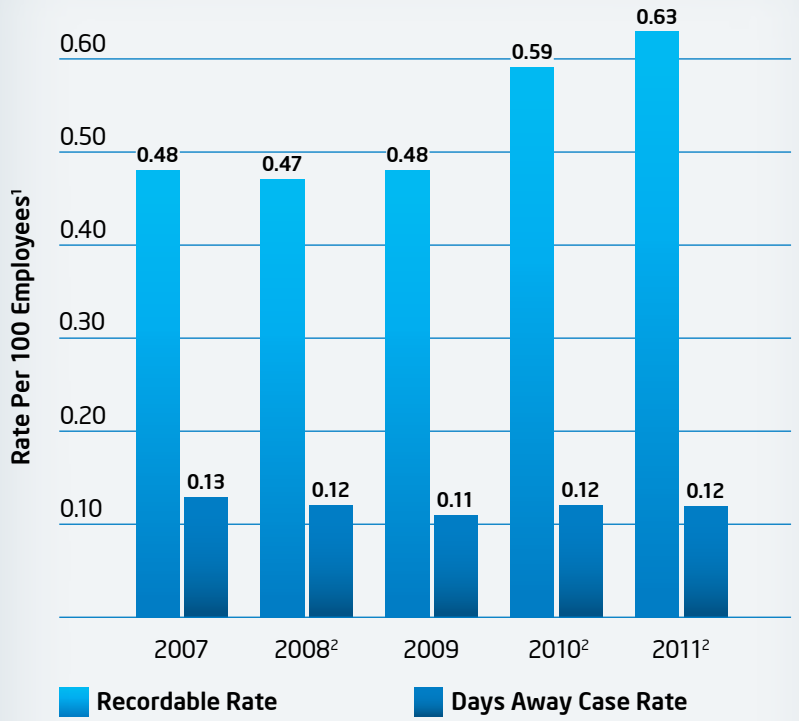
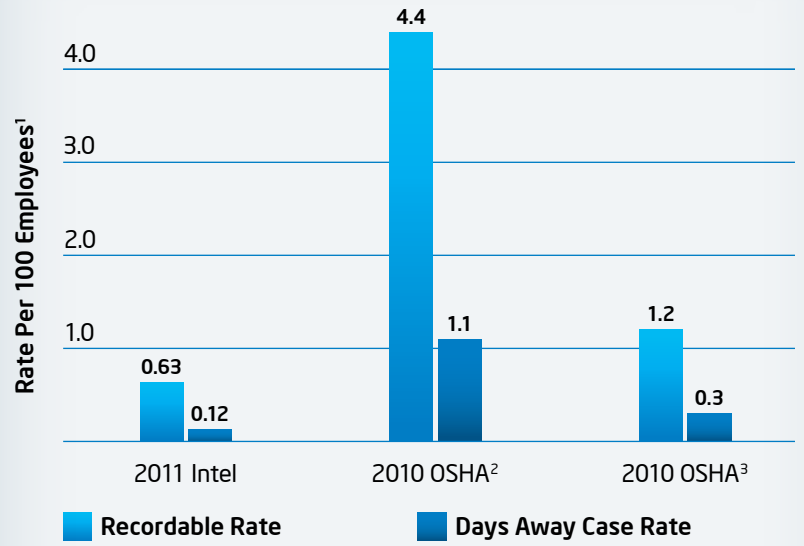
Intel Recordable and Days Away Case Rates



[1] Rate based on 100 employees working full time for one year.
[2] Some of the historical figures have been restated due to new cases being reported after the close of the previous period. In our 2010 report, the 2010 recordable rate was stated as 0.56 and the days away case rate as 0.11. Note that 2011 data is as of April 2012.

Intel's days away case rate remained flat from 2010 to 2011, and our recordable rate for injury and illness was up 7% over 2010 levels.

Health and Safety Benchmarks



[1] Rate based on 100 employees working full time for one year.
[2] 2010 Occupational Safety and Health Administration (OSHA) rate for U.S. manufacturers.
[3] 2010 OSHA rate for semiconductor and device manufacturers.

Each year, Intel compares its health and safety performance with established benchmarks relative to the latest data available for all U.S. manufacturers and U.S. semiconductor manufacturers. We continue to outperform both benchmarks in terms of injury prevention. External data is from the U.S. Bureau of Labor.

Health and Safety Management Systems

Since 2010, Intel has maintained company-wide certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems. As a result, Intel now maintains a fully integrated multi-site registration to both ISO 14001 and OHSAS 18001 that extends through December 31, 2013. In 2011, we did not receive any safety-related notices of violation as a result of EHS regulatory visits or audits.

As we add new sites, we will continue to complete the necessary certification audits to add them to our integrated ISO 14001 and OHSAS 18001 multi-site registration. In 2011, we successfully completed our annual audit of our Corporate EHS Group and certified our newest assembly and test facility in Vietnam. In 2012, we expect to complete initial certification audits for our new manufacturing facility in Dalian, China. For more information about our EHS management systems and our compliance and self-assessment activities, see "Managing Environmental Performance" and "Compliance Information and Reporting" in the Environment section of this report.

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Wellness Programs

Intel is committed to developing a culture in which employees and their families are healthy, productive, and engaged in living wellness-oriented lifestyles every day. We have created a portfolio of health benefit plans and wellness programs designed to encourage employees to evaluate, improve, and maintain their health and the health of their families.

Intel's Health for Life program is designed to inspire and motivate employees to take action toward achieving their best possible health and quality of life. The voluntary program includes on-site primary care (providing employees with convenient access to quality care at low cost), on-site biometrics, annual health assessments, fitness programs, wellness seminars, flu prevention, and personalized wellness coaching. These programs are deployed through Health for Life Centers at Intel's major U.S. and international sites. The centers are designed to be hubs for corporate and site-level wellness activities.

The Health for Life Wellness Check is now available in 10 countries. It provides biometric screening, which includes cholesterol and glucose testing, basic measurements of blood pressure and body mass index, a health risk assessment, and wellness coaching. In 2011, 56% of Intel employees participated in the Wellness Check, receiving critical information about their health status. Intervention programs, such as weight management, fitness, stress management, and tobacco cessation, are available for lifestyle behavior modification. We also maintain on-site fitness centers at our sites around the world.

In 2011, Intel was again recognized at the platinum level as part of the National Business Group on Health's Best Employers for Healthy Lifestyles Awards. In addition, Intel was one of two companies to receive a Global Distinction Award from the U.S.-based organization in recognition of our comprehensive efforts to develop and improve approaches that affect the physical, psychological, and emotional health, well-being, and productivity of global employees and their dependents.

Other Health Initiatives

We collaborate regularly on research and leadership initiatives and other health-related issues that may impact our industry or our workforce. For example, Intel continues to collaborate with multiple stakeholder groups to further define, characterize, and manage the EHS implications of nanoelectronics—the manufacture of extremely small transistor devices—in the semiconductor industry. Intel is also taking the lead in developing EHS standards on the use of nanomaterials in manufacturing, and is currently the Chair of the U.S. Technical Advisory Group to the International Standards Organization (ISO) Technical Committee charged with developing international EHS standards on the use of nanomaterials. We continue to support the International Council on Nanotechnology, a multi-stakeholder group of industry, academic, and government institutions dedicated to promoting the sound use of nanomaterials in future applications.

We believe that employees affected by Acquired Immune Deficiency Syndrome (AIDS) or the Human Immunodeficiency Virus (HIV) do not present a health risk to other employees under normal working conditions. We strive to ensure that affected employees have the same working conditions and performance requirements as other Intel employees. We have also developed employee education programs, and our employees have initiated community outreach efforts related to HIV/AIDS, with particular emphasis in areas of the world that have limited access to information on this topic.

> "I walk around in a perpetual state of gratitude working for Intel. We have a physician who calls you personally, and we can get lab results returned over a weekend!"
>
> Anonymous employee feedback,
> Health for Life Center, Arizona

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Performance Summary and Goals

In 2011, our Organizational Health Survey results remained strong and provided valuable feedback on areas where we have made significant improvements over the past few years, as well as areas that we can improve. A number of external groups recognized Intel for our leadership, training, diversity, and safety programs. We continued to engage in good-faith efforts under our affirmative action plans to meet our hiring goals. In the area of health and safety, we continued to make progress on improving early reporting of ergonomic-related injuries and continued to expand our Health for Life wellness program to reach more employees at our sites around the world.

Our People Goals and Performance

2011 Goals	2011 Performance	
Drive key improvements and hire at full availability for technical under-represented minorities and women.	While the overall percentage of females in our global workforce declined slightly, we continued to invest in both internal and external initiatives to strengthen the pipeline of talent and advance our diversity objectives.	◒
Improve the organizational health of the company, as measured by our company-wide Organizational Health Survey.	Scores improved on indicators in all 10 areas of the survey in 2011, with 75% of employees participating.	●
Maintain our world-class safety performance, achieving a target safety recordable rate of 0.40.	We continued to perform at world-class safety levels compared to our peers and industry benchmarks. However, we did not meet our aggressive goal of 0.40, as Intel's 2011 recordable rate was 0.63, up 7% from 2010.	○
Improve early reporting of ergonomic-related injuries, specifically CTDs, with a targeted First Aid to Recordable Ratio goal of 9:1.	We continued to see improvements in early reporting of ergonomic-related injuries. However, we did not meet our aggressive 2011 goal.	○

● **Achieved** ◒ **Partially Achieved** ○ **Not Met**

In 2012, we will focus on making improvements in key areas identified in our 2011 Organizational Health Survey, including career development, decision-making, and manager effectiveness; driving continuous improvement in workforce diversity; and building on the solid foundation that we have established in health and safety performance by working toward our aggressive safety goals.

Our People Goals for 2012

Drive key improvements and hire at full availability for technical under-represented minorities and women.
Target over 70% participation and maintain or improve scores in at least 95% of the questions on our annual Organizational Health Survey.
Maintain our world-class safety performance, achieving a target safety recordable rate of 0.40.
Improve early reporting of ergonomic-related injuries, specifically CTDs, with a targeted First Aid to Recordable Ratio goal of 9:1.

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Supply Chain

Watch Video | Our Goals

Respect for people and our planet. This principle underlies our business practices, and we expect the companies we work with to apply the same principle. Because the most reliable, sustainable companies honor their employees and care about the environment, Intel is working to continuously improve transparency and promote corporate responsibility throughout the global electronics supply chain.

Key Supply Chain Links:

Intel Supplier Site

Intel Code of Conduct

Intel Human Rights Principles

Electronic Industry Citizenship Coalition

Intel Statement on Human Trafficking and Slavery

Conflict Minerals White Paper

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Our Approach to Supply Chain Responsibility

Our strategy is to balance our goal of reducing Intel's supplier-related environmental and social footprint with our need to ensure the most technologically advanced, cost-effective, resilient, and predictable supply chain. From respecting human rights and promoting worker safety to reducing environmental impact, we look for leadership and collaboration opportunities to bring about lasting change.

Many companies in the electronics industry outsource the majority of their manufacturing, so the environmental and social impacts of their supply chains can be significantly larger than those of their own operations. This is not the case with Intel, since we design and manufacture the majority of our products in our own factories. In addition, although we do business with thousands of suppliers each year, over 91% of our production materials, capital equipment, and logistics spends are with approximately 75 suppliers. We focus many of our engagement efforts on a broader group of "top Tier 1" suppliers[1] to drive maximum impact, while continuing to advance accountability and improved performance across our entire supply chain.

As a major supplier to other leading electronics companies, we know that Intel's actions and those of our suppliers can impact the performance and reputation of our customers and their products. We proactively scan trends to understand where there are significant risks and opportunities for supply chain leadership. Where appropriate, we also enlist the help of others to effect broader change throughout the industry.

We believe that integrating corporate responsibility factors into our supply chain management systems creates business value for Intel and our customers by helping us to: improve the quality and reduce the environmental impact of our products through collaboration on design and materials sourcing practices; achieve our operational 2020 environmental goals by working with suppliers on factory tool selection and "green" chemistry; and improve the overall quality, ethics, and accountability of companies in our global supply chain.

In 2011, we continued to integrate corporate responsibility factors across our supplier management processes and systems, and took steps to achieve higher levels of legal compliance, business ethics, accountability, and transparency. To increase accountability and to enable better analysis of systemic issues and root causes, we significantly expanded the number of supplier audits conducted. We also took actions to lead our industry toward our goal of having a conflict-free supply chain.

Intel's Supply Chain Responsibility Approach

- **Setting clear expectations with our suppliers.** We set clear legal compliance, ethics, and corporate responsibility expectations through training events and annual communications from our senior executives. We collaborate with our suppliers, as well as with the Electronic Industry Citizenship Coalition (EICC) and other industry associations, on broad initiatives where we believe we can have a lasting impact.
- **Holding suppliers accountable.** We provide infrastructure, direction, and tools to measure results and help suppliers improve their performance. We incorporate corporate responsibility requirements into our management systems, scorecards, and assessments, and work proactively with suppliers to source products and tools that help reduce our environmental impact.
- **Recognizing and rewarding performance.** We provide regular feedback to suppliers on their achievements and progress. To reinforce our expectations, we integrate corporate responsibility considerations into our supplier awards and Supplier Continuous Quality Improvement Program.
- **Building internal skills and capabilities.** Through training programs and enhancements to our internal tools and systems, we encourage our employees to further integrate corporate responsibility considerations into purchasing decisions and supplier management processes.

The foundation of our approach is our commitment to promote higher levels of transparency in our reporting and in our supply chain.

[1] "Top Tier 1" suppliers refers to our top ~250 suppliers that are actively managed based on our spends with them and/or their strategic importance to Intel.

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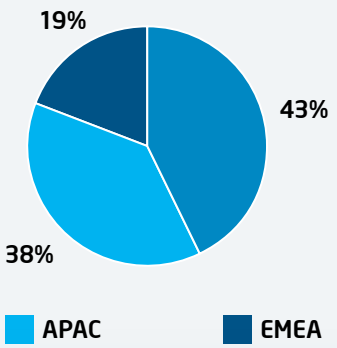
Our Global Supply Chain

Intel depends on a complex, multi-tiered global supply chain that comprises more than 10,000 suppliers in over 100 countries. Our suppliers provide a myriad of parts, equipment, materials, and services for our factories and offices worldwide. We have suppliers that provide direct materials for our production processes, tools and machines for our factories, and logistics and packaging services; we also have suppliers that provide non-production materials and services, such as office supplies and travel services. In 2011, we were again recognized in the Gartner Supply Chain Top 25 list for excellence in supply chain management, with a ranking of number 16, up from 18 in 2010 and 25 in 2009.

To promote transparency, since 2009 we have published a list of our top suppliers. The following list shows our top 75 suppliers as of the end of 2011.

2011 Supplier Spends by Region



The geographic breakdown of our supplier spends was similar to that of 2010; in 2010, 44% were in the Americas, 40% in APAC, and 16% in EMEA.

Top 75 Production Materials, Capital, and Logistics Suppliers[1]

- Advanced Semiconductor Engineering Inc.
- Advantest Corp.
- AEM Holdings Ltd.
- AGC Electronics America
- Air Products and Chemicals, Inc.
- Applied Materials Inc.
- Arvato
- ASM International N.V.
- ASML Holding N.V.
- Cymer, Inc.
- Daifuku Co., Ltd.
- Dainippon Screen Mfg Co. Ltd.
- Delta Design
- Delta Electronics, Inc.
- DHL Global Forwarding
- Ebara Corp.
- Edwards Ltd.
- Essai Inc.
- Federal Express
- Flextronics
- Fujifilm Electronic Materials USA, Inc.
- Gemtek Technology Co., Ltd.
- GlobalFoundries Inc.
- Grohmann Engineering GMBH
- Harbor Electronics Inc.
- Hirata Corporation
- Hitachi High Technologies America
- Hitachi-Kokusai Electric Corp
- Hon Hai Precision Industry
- Honeywell Electronic Materials
- Hoya Corp. USA
- Ibiden Co. Ltd.
- JSR Micro, Inc.
- JX Nippon Mining & Metals Corp.
- Kintetsu World Express
- KLA Tencor Corporation
- KMG Chemicals, Inc.
- LAM Research Corporation
- Linde
- LSI Corporation
- Marvell Semiconductor, Inc.
- MEMC Inc.
- Microprobe Inc.
- Micron
- Mitac International Corporation
- Mitsubishi Gas Chemical Company, Inc.
- Muratec Automation Co. LTD
- Nan Ya PCB Corp.
- Nanometrics Inc.
- Nidec Corporation
- Nikon Corp.
- Nordson Asymtek
- Novellus Systems, Inc.
- Nuflare Technology Inc.
- Pegatron Corporation
- Praxair Electronics
- Samsung Electro-Mechanics
- Schenker Logistics, Inc.
- SEH America Ltd.
- Senju Metal Industry Co. Ltd.
- Shinko Electric Industries Co., Ltd.
- Siliconware Precision Industries Co., Ltd.
- Siltronic AG
- StatsChipPac
- Sumco Corp.
- Texas Instruments Incorporated
- Tokyo Electron Ltd.
- Tokyo Ohka Kogyo America, Inc.
- TSMC
- Ultratech, Inc.
- United Microelectronics Corp.
- United Van Lines
- Universal Scientific Industrial Co.
- UTI IMS Inc.
- VWR International

[1] As of December 31, 2011

The suppliers in this list represent 91% of Intel's annual purchasing spends in production materials, capital, and logistics. Some were recipients of Intel's 2011 Supplier Continuous Quality Improvement and Preferred Quality Supplier awards.

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Our Expectations

We expect our suppliers to support Intel's supplier responsibility goals by developing their own corporate responsibility strategies and policies, establishing robust legal compliance and business ethics policies and processes, setting aggressive goals, engaging and auditing their own suppliers, and reporting and sharing their ideas and successes. Setting these expectations is critical to increasing the overall maturity of the entire supply chain, as some of our suppliers, in turn, have thousands of suppliers themselves. Each year, our senior executives send letters to reinforce our expectations.

In 1998, Intel first codified its expectations of suppliers regarding human resources, environmental management, worker safety, and business ethics. In 2004, we joined the Electronic Industry Citizenship Coalition (EICC) and adopted the Electronic Industry Code of Conduct (EICC Code), which is consistent with Intel's own Code of Conduct and Human Rights Principles. Our EICC Commitment Letter, Code of Conduct, Human Rights Principles, Statement on Conflict Minerals, and other corporate governance and business ethics documents are available on our Governance and Ethics web site.

We expect our employees and suppliers to comply with the EICC Code, which describes best practices adopted and implemented by major electronics companies, our customers, and their supply chains. We also expect our suppliers to ensure that their suppliers abide by the EICC Code. The EICC Code sets forth performance, compliance, management system, and reporting guidelines, as well as assessment and audit procedures, across key areas of social responsibility and environmental stewardship. It covers human rights issues and labor standards related to: child labor, forced labor and human trafficking, freedom of association and collective bargaining, diversity and nondiscrimination, working hours and minimum wages, ethical practices, and worker health and safety.

The EICC Code also embodies principles from external standards, such as pertinent International Labour Organization conventions, the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. For more information, see "Respecting Human Rights" in the Governance, Ethics, and Public Policy section of this report.

Governance and Management

An internal organization is dedicated to managing Intel's supply chain, and we have chartered specific leadership teams to focus on integrating corporate responsibility into our management practices, including responding to requests from our customers on corporate responsibility topics. The primary leadership team chartered with setting the direction and strategy for supply chain corporate responsibility issues is our Supply Chain Management Review Committee (MRC). Chaired by Intel's Chief Operating Officer, the MRC is made up of representatives from relevant business units across Intel, such as Global Sourcing and Procurement; Technology Manufacturing Engineering; Customer Fulfillment, Planning and Logistics; Corporate Responsibility; Environmental Health and Safety; Human Resources; and Legal. The MRC is supported by project work groups focused on EICC Code implementation, environmental sustainability, supply chain ethics, and global supplier diversity.

Business Continuity and Risk Management. As a global corporation with locations and suppliers all over the world, Intel must be prepared to respond quickly to a wide range of disasters. Intel Crisis Management (ICM) provides our end-to-end response to crises and major business disruptions. The ICM vision is to "save lives, property, revenue, and business opportunity by leading prudent preparedness, appropriate response, and rapid recovery from natural and man-made disasters and disruptions." ICM sets the standards and provides oversight for our emergency management and business continuity programs across Intel, and requires every Intel organization to embed business continuity into their core business practices. This requirement extends to our supply chain, with the expectation that our suppliers develop, manage, and regularly test their own plans. In the event of a business disruption, our plans are designed to enable us to continue critical business functions, such as handling customer orders, overseeing production and deliveries, and managing our supply chain. For more information on our programs, see the Our Business and Integrated Value Approach section of this report.

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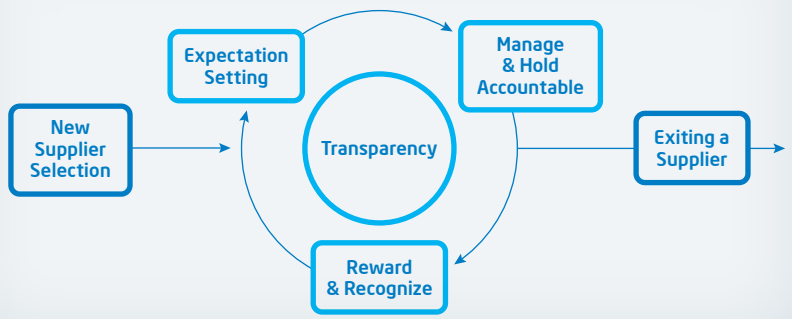
Industry Collaboration. We actively participate in a number of external supply chain-related organizations, including the EICC. Intel representatives serve on EICC committees to advance improvements throughout the industry, including the development of audit processes, third-party anti-corruption due diligence questions, and tools to track assessment data and emissions information. Our EICC representatives provide regular updates to Intel's internal work groups and MRCs to ensure that Intel's supply chain responsibility priorities align with those of the EICC. In 2011, Intel representatives helped drive EICC working-group initiatives on conflict minerals, the prevention of human trafficking and anti-corruption, as well as a new project on system governance and tools. Intel also hosted the first corporate executive summit for the EICC in May 2011, bringing together executives from 36 EICC member companies to discuss strategic priorities of the organization.

In recent years, we have also actively engaged with SEMATECH, Semiconductor Equipment and Materials International (SEMI), and other industry organizations to help set environmental, health, and safety standards and drive improvements across the sector.

Supplier Management Cycle



We have integrated CSR considerations and criteria across all stages of supplier management—from design and tool selection to addressing issues and taking corrective action. When issues are identified, we work closely with suppliers to understand root causes and develop plans to put in place systemic solutions. For cases in which we are not able to resolve concerns, we will begin the process of ceasing business with, or "exiting," a supplier.

Highlight Tsuyoshi Abe, director of Intel Japan's Technology Manufacturing Group, reflects on maintaining business continuity and mitigating supply chain risk after the Japanese earthquake and tsunami last year.

Supplier Selection and Management. We have comprehensive management and oversight processes in place covering all aspects of a supplier relationship life cycle, including standard reports, systems, and quarterly management review meetings. Commodity managers and buyers are responsible for day-to-day management of Intel's supplier selection process and communicating our corporate responsibility expectations to suppliers. For a number of years, the Intel commodity managers and buyers who manage our top Tier 1 suppliers have been required to attend an internal training course that covers corporate responsibility and environmental sustainability. Our request-for-proposal documents and other supplier selection processes include corporate responsibility metrics and questions. We also include language in our contracts about our expectations for suppliers on corporate responsibility issues.

We use a variety of tools and processes to manage supplier performance, including a Supplier Report Card (SRC). In 2011, we improved our internal processes for integrating environmental considerations into the SRC and the processes that we use to request bids and proposals, select new suppliers, and manage supplier performance. The SRC now includes metrics for sustainability, as well as for cost, quality, technology, and customer satisfaction. Within the sustainability category, suppliers are evaluated according to the Intel Code of Conduct risk assessment, the presence of an environmental management program with set goals and performance improvements over time, and financial sustainability.

We use an industry-standard, risk-based approach to prioritize our audits. When serious concerns are identified through audits, we work with the supplier to drive improvements in their management systems and controls. Audit results and corrective action plans are reviewed with senior management on a quarterly basis to assess progress. If suppliers do not make adequate progress on identified areas of concern, we will take remedial actions up to and including termination of their contracts.

Transparency. In 2011, we took a number of steps to increase the overall transparency of our supply chain responsibility efforts. For example, we provided regular updates on our actions to address conflict minerals and presented best practices on the topic at external conferences. We also expanded our disclosure on our assessment and audit findings.

We hold ourselves accountable to meet or exceed the same standards that we set for our suppliers. In early 2011, we completed in-depth assessments at our own assembly and test facilities and fabrication facilities. The results were published on our Supplier Site, and we will update the report after we complete a new assessment in the second half of 2012. In early 2011, we launched a pilot web site for one of our factories in New Mexico, with real-time reporting of our environmental data. Based on the success of the pilot, we began working in the second half of 2011 to develop a second pilot web site, for our factory in Dalian, China. Our goal is to advance our leadership in promoting transparency among other manufacturers and suppliers in China. For more information, see "Stakeholder Engagement" in the Our Business and Integrated Value section of this report.

Throughout 2011, we continued to reinforce our expectations for our own suppliers' reporting and transparency. In early 2012, we also formally requested that our top 75 suppliers publish sustainability reports using the Global Reporting Initiative (GRI) Guidelines beginning in 2013.

Supplier Continuous Quality Improvement Program

Started in 1987, Intel's corporate-wide Supplier Continuous Quality Improvement (SCQI) Program uses Intel's supplier management tools and processes to drive continuous improvements in our suppliers' performance. Our suppliers receive regular feedback through the supplier assessment process and supplier site visits.

On an annual basis, we publicly recognize suppliers that have demonstrated outstanding performance. Suppliers are awarded either SCQI or Preferred Quality Supplier (PQS) status based on SRC results; performance against a challenging annual improvement plan; active participation in Intel's supply chain environmental, social, and governance initiatives; and validated quality and business systems.

In 2011, we continued to raise the bar for environmental, social, and governance factors in our award selection process. We added 10 new environmental screening considerations that cover topics such as management systems, corporate responsibility reporting practices, goal-setting, and involvement in external consortia. Intel partnered with a third party to develop the list of considerations in an effort to align with global standards and best practices of leading companies. We also worked with another third party to more deeply analyze suppliers' anti-corruption efforts as part of the review process and made the risk assessment criteria related to environmental, social, and governance factors more stringent.

For a list of recent SCQI and PQS winners, visit our Supplier Quality Portal.

Supplier Tools and Education

To ensure that our suppliers are well-informed and compliant with our expectations, we offer training and a number of tools.

Supplier Web Site. Our Supplier Site contains detailed information about our human rights, ethics, and environmental health and safety policies for suppliers; supplier diversity initiatives; supplier quality and recognition programs; business continuity; and key contacts. The secure area of the site features numerous web-based tools designed to promote effective communication and help suppliers follow proper data collection procedures. The site also features online safety training tools and manuals, and information about Intel's safety expectations and supplier safety awards. In addition, it includes our Environmental Product Content Specification and provides tools for tasks such as screening products for restricted chemicals.

Intel Supplier Day. At our Intel Supplier Day conference in April 2011, hundreds of executives came together to receive and share information, discuss our supplier expectations, and learn about our corporate responsibility objectives for the coming year. Keynotes, panels, and many of the interactive booths at the conference focused on corporate responsibility and sustainability topics.

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Ethics Training. We communicate our supplier legal compliance and business ethics expectations throughout the year in supplier meetings and training events, as well as on our Supplier Site. An annual reminder letter to suppliers reinforces those ethics expectations. We provide ethics training materials in multiple languages, including Chinese, English, Japanese, Russian, Spanish, and Vietnamese. Suppliers are expected to conduct their business in compliance with anti-corruption legal requirements, including written acknowledgment of anti-corruption due diligence requirements and training, as required. Suppliers are also expected to maintain robust internal reporting channels and to report any legal compliance or business ethical concerns to Intel, so we can investigate and take appropriate action. Reporting can be done through several channels, in English or a local language. For more information, visit the Supplier Ethics Expectations section of our Supplier Site.

Assessment and Audit Summary

Assessments and audits are an integral part of our overall supplier management process. They help us identify compliance gaps where immediate action is needed and root causes that enable development of systemic solutions and improvements.

We believe that the most effective way to improve corporate responsibility performance across our supply chain is to direct our efforts primarily toward suppliers that have the highest risk profiles. Our assessments and audits cover more than 300 ethics; labor; and environmental, health, and safety factors. Since 2008, we have completed or reviewed over 2,000 assessments or audits, and by the end of 2012, we expect that all of our top 75 Tier 1 suppliers will have been evaluated using our risk-based assessment process.

We approach corporate responsibility improvements in our supply chain the same way that we first approached the issue of quality management decades ago. Many of the issues identified through assessments and audits are symptoms of larger systemic issues that need to be addressed.

Risk-Based Approach to Supplier Assessments

Risk Assessment 1 (RA1)
High-level (one-page) analysis used to determine whether a specific supplier facility is a potential high-risk facility. The assessment covers a number of risk factors, plus geographic location, product(s) or service(s) provided, and corporate responsibility concerns.

High-risk suppliers move to RA2

Risk Assessment 2 (RA2)
Requires a supplier to respond to an in-depth, online self-assessment questionnaire with more than 300 questions to determine a facility's potential high-risk areas. RA2 goes into greater detail than RA1 and covers all sections of the EICC Code.

High-risk suppliers move to RA3

Risk Assessment 3 (RA3)
Consists of an on-site third-party audit conducted for customers. The audit covers all sections of the EICC Code and evaluates risk according to the number of compliance concerns and/or critical areas at that location.

Audit completed and corrective action plan put in place

This framework allows us to identify areas of potential concern and helps us prioritize where to complete third-party audits to manage compliance with our standards.

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Risk Assessments and Audits

	2011	2010	2009	2008
RA1 (high-level self-assessment)	289	576	500	300
RA2 (in-depth assessment with over 300 questions)	249	172	74	49
RA3 (on-site third-party audit)[1]	49[2]	8	–[3]	9

[1] Total includes on-site third-party audits completed during 2011, as well as reviews of third-party audits completed using the EICC standard process within the previous two years. For these audits, Intel completed formal reviews of the audit results and worked with the suppliers to close any open items.
[2] 49 audits or Intel reviews of recent third-party audits were completed prior to December 31, 2011; a 50th audit was completed on January 9, 2012 after being rescheduled from 2011.
[3] No on-site audits were conducted in 2009 after the EICC audit process was put on hold while the audit process was refined.

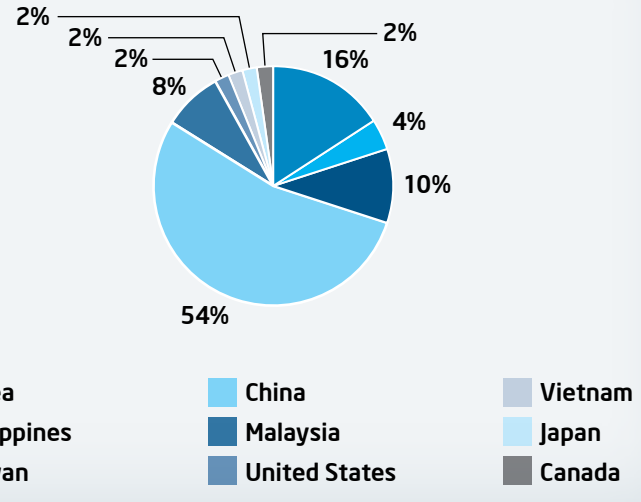
In 2011, we continued to expand our assessment process, increasing the number of third-party audits nearly five-fold over 2010 levels. Our RA2 assessments identified 2% of suppliers as high risk, and we used that information as one of the key factors in identifying suppliers for RA3 audits.

In 2011, we also continued to test the reliability of our assessment and audit approach by completing some RA2 and RA3 assessments of suppliers deemed low or medium risk on their RA1 and/or RA2 assessments. We found that the RA1 assessment does not change significantly year to year. As a result, we started to use this assessment primarily as a first step in evaluating new suppliers. Our analysis found that the RA2 has proven to be a good general indicator of risk. While there may be some bias in the self-reporting aspect of the RA2, we review the assessment reports in detail and use them to engage the supplier in a dialogue to help us better understand risk areas and compliance to the Code of Conduct. In 2012, we will extend the use of the RA2 assessment to all of our top Tier 1 supplier facilities.

Our goal in 2011 was to significantly increase the number of RA3 audits performed so that we could identify the most common findings and drive root-cause fixes. We completed (or reviewed recent results from) 49 RA3 audits in nine countries in 2011, up from 8 audits in three countries in 2010. Third-party audit firms[1] perform all RA3 audits. The audits follow the standard EICC audit process, and suppliers can share the audit results with other customers and companies in our industry. Intel supply chain staff observed 10 of these audits to gain first-person perspective of the findings. This participation has enhanced our ability to implement standards and processes to resolve issues and to document best-known methods for addressing common or serious findings.

In 2012, locations for RA3 on-site audits will be selected based on the results of RA2 assessments and internal risk profiles. We plan to complete at least 50 on-site supplier audits in 2012, including reviews of third-party audits and those performed by Intel personnel. Audits will include first-time audits, re-audits, and targeted audits (those focused on a specific topic or in response to a known concern).

Audits by Geography



Over half of the 49 third-party audits in 2011 were in China, followed by Korea, Taiwan, Malaysia, and the Philippines.

[1] Auditors have either completed the EICC-GeSi auditor training course or achieved a similar certification from an organization such as SA8000 or the Fair Labor Association.

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Audit Findings and Gap Closure Process

Most of the findings in 2011 were in the following areas: labor, occupational health and safety (OHS), and management systems. Examples of findings included employees working longer than 60 hours in a week or not being provided at least one day off in seven, insufficient training or procedures related to fire safety and drills, and lack of adequate labor and ethics management systems. In one case, we conducted an RA3 audit at a supplier's facility in China that we were considering sourcing from. Due to the results of the audit, we made the decision to delay sourcing from that facility. We are now working with the supplier to address the issues of concern before beginning to source from that facility.

The 2011 audits did not identify any major findings in the areas of child or forced labor, compared to our 2010 audits, where we found one instance of forced labor in which employees were not allowed to leave the site until the next shift of employees arrived. We required the supplier to take corrective action at the time, and will be re-auditing this site in 2012.

Audit findings are divided into three categories: priority, major, and minor. With some compliance issues, we required immediate corrective action on-site due to the severity (such as finding locked exit doors). With other findings, we work with our suppliers to close priority findings within 30 days, major findings within 90 days, and minor findings within 180 days. Suppliers are required to draft comprehensive corrective action plans to address all findings, and we work with them to secure documentation of actions taken and ensure closure. We have an MRC dedicated to reviewing gap closure plans and closure evidence on a quarterly basis, or more frequently if needed. One of the key learnings from the past year is that for some findings (particularly in the area of working hours), it is difficult to complete gap closure within the targeted time frames. In 2012, we will use

RA3 Audit Summary Findings by Category

Finding Type	Examples of Most Common Types of Non-compliance	Priority/Major Findings	Audits with at Least One Finding of This Type	Percentage of Audits with Finding
General Code	Lack of awareness of EICC Code	33	26	53%
Ethics	Lack of system for employees to anonymously report issues; lack of written policies on collusion or fair advertising	28	17	35%
Labor	Working hours in excess of 60 hours per week; workers not given at least one day off in seven	112	46	94%
OHS	Concerns about food, sanitation, and housing; lack of emergency lighting and concerns about exits	104	31	63%
Environmental	Issues with on-site storage of chemical and hazardous waste (segregation, proper containers, and labeling)	23	13	27%
Management Systems	Lack of documentation and management systems for corporate responsibility and labor issues; inadequate communication with workers, suppliers, and customers on policies, systems, and performance; lack of audits completed	126	24	49%

A total of 426 priority and major findings were identified during the 49 audits completed or reviewed in 2011, and suppliers were put on corrective action plans. For issues identified in the areas of labor, OHS, and management systems, suppliers tended to have multiple findings—indicating a more systemic issue that we would need to address with them.

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this information to develop an action plan to shorten gap closure times on key working-hour findings while we simultaneously address the underlying root causes.

Foxconn (also known as Hon Hai) has received negative media attention for its labor practices. Foxconn is a supplier to Intel, and while it does not manufacture our primary semiconductor products, it does provide Intel with components that enable semiconductors to be integrated into computer systems. In 2011, we conducted third-party audits of three Foxconn locations that identified specific areas for improvement. The improvement areas identified mirror the types of issues found during audits of other companies in the region and generally fall into the areas of labor conditions, safety systems, and management systems. We are actively working with Foxconn to ensure closure of the priority findings as quickly as possible, and we are also discussing systemic solutions and improvements that would prevent issues from occurring in the future. We will continue to track and monitor Foxconn's progress in addressing these issues and will provide updates in future reports.

Key Process Learnings/Looking Ahead

We approach corporate responsibility improvements in our supply chain the same way that we first approached the issue of quality management decades ago. We recognize that in addition to closing critical findings, many of the issues are symptoms of larger systemic issues and require significant upgrades to management systems, improved role modeling by senior management, and changes in business and company culture. We believe that we can have a significant impact on industry practices over the long term by addressing these more systemic issues through one-on-one discussions with suppliers and through collective supplier education and standard setting with others in our industry.

The increased audit activity in 2011 has enabled us to better identify trends and patterns that we will use to help prioritize and improve our supplier training, standards, and solutions across our supply chain moving forward. For example, we discovered the following:

- Different geographies have different types of findings/violations. In North America, areas of concern were more focused on code of conduct, ethics, and management systems. In Asia, the most common findings were related to labor, OHS, and management systems. To address these issues at a system level, we are planning a supplier education day in China in the fall of 2012 focused on environmental, social, and governance issues. While we have held supplier training days in China in the past, this event would bring together suppliers to focus exclusively on responsibility issues and discuss what actions are or are not working, understand the challenges, and help to improve overall responsibility and accountability performance in the region.
- There is a wide range of severity in the audit findings. With respect to labor hours, the sampling method used by the auditors showed that some companies exceeded the 60-hour workweek cap by one hour, while others had workweeks of up to 85 hours. Similarly, in the area of consecutive days of work, we found instances of 12 consecutive days of work and one instance of 60 consecutive days of work.
- The audit model is most mature in the areas of labor, OHS, and associated management systems. It appears that auditors have the most knowledge in these areas, and therefore tend to identify more findings of these types.

As we have expanded our audit and assessment areas, we learned a great deal about identifying findings and the challenges related to closing them and addressing systemic issues. In 2012, we will continue to raise the bar and take more steps toward reaching our ultimate goal of zero priority or major corporate responsibility findings in our supply chain.

> "If you want to do business with Intel, if you want to be part of our global supply chain, you're going to have to have a clear understanding of these corporate responsibility issues and a roadmap for where you're heading as a corporation."
>
> Brian Krzanich, Intel's Chief Operating Officer

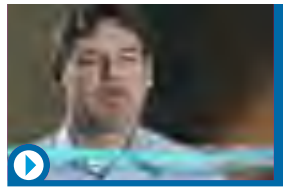
Conflict-Free Minerals

In 2011, Intel continued to actively address concerns that metals (gold, tantalum, tin, and tungsten) mined in the Democratic Republic of the Congo (DRC) are being used in the electronics supply chain[1], and that profits from the sale of these materials may be fueling human rights atrocities in the eastern region of the DRC.

From the time Intel became aware of the potential for conflict minerals to enter our supply chain, we have responded with a sense of urgency and resolve. We have worked with a range of stakeholders to identify solutions, and have invested significant resources to address the issue, including sending staff to the DRC. Our goal is to demonstrate that our microprocessors are validated as conflict-free[2] for tantalum by the end of 2012, and to manufacture the world's first microprocessor fully validated as conflict-free across all four minerals by the end of 2013.

In practice, our products may already be free of conflict minerals, but it is not possible to know with certainty until a mature system is in place that can validate smelters in our supply chain as "conflict-free." Intel and others in our industry have been working together to create such a system. This is a stretch goal for our company given the significant work still ahead and some of the roadblocks and obstacles that exist. However, we believe that this goal can help drive action on this issue and inspire other companies to set their own goals to move our industry more quickly toward improving the situation in the DRC and surrounding region. To emphasize the importance of this issue to our business, we included this goal in our 2011 Annual Report and Form 10-K.

Intel's efforts in 2011 focused on three key areas: driving accountability and ownership within our own supply chain through smelter identification and validation; partnering with our suppliers, smelters, industry partners, and other key stakeholders to establish conflict-free supply chains; and working with governments and non-governmental organizations (NGOs) to support in-region sourcing.



Watch Video This video from the 2012 Intel Sales and Marketing Conference is an example of our efforts to provide education and regular progress updates to our employees and our suppliers on the issue of conflict minerals.

Driving Accountability and Ownership Within Our Supply Chain. In 2009, we surveyed suppliers to determine whether they had implemented conflict-free sourcing policies, could trace the metals they use back to the mine of origin, and could identify the smelters used to refine the metals in their supply chains. The experience gained through this survey helped us educate other companies on smelter identification and lead the development of an industry standard for smelter identification (the Conflict Minerals Common Reporting Template) that was released via the EICC and the Global e-Sustainability Initiative (GeSI) in 2011. Many companies, including Intel, have since used this template and documented best practices to increase knowledge of conflict minerals and smelters in their supply chains.

By the end of 2011, we had mapped 92% of the tantalum, tin, tungsten, and gold supply lines supporting our core business, and continue to drive smelter identification across our high-volume products. We also identified 98 smelter sites and visited 48 in 16 countries. These visits enabled us to understand the manufacturing flow and supply lines of each metal industry, and to develop audit protocols that we released in 2010. The visits also allowed us to educate smelters about conflict minerals and gave them time to prepare the required information and documentation for independent third-party audits. As of year-end 2011, 10 smelters had successfully passed the independent audit. In early 2012, we also partnered with RESOLVE to contribute a pool of funding to encourage early engagement by smelters in the conflict-free smelter program, and to reduce the initial financial burden of the audit process.

Partnerships with Key Stakeholders. We have committed considerable time and resources to educating suppliers, smelters, industry partners, NGOs, government representatives, and other stakeholders on the subject of conflict minerals. We have been an integral part of the development of the EICC and GeSI conflict-free smelter program, and in 2011 Intel

[1] These metals are used in a range of electronics products, including microprocessors and chipsets; printed circuit board assemblies; solders; capacitors; and component frames, contacts, and connectors.
[2] We define "conflict-free" microprocessors as those manufactured with metals from smelters that have been validated by the EICC and GeSI conflict-free smelter program to be free of conflict minerals.

Smelters and Smelter Visits

	Tantalum	Tungsten	Gold	Tin	Total
Smelter sites identified in supply chain	16	18	37	27	98
Smelter sites visited by Intel representatives	7	6	21	14	48
Third-party smelter audits completed	10	–	–	–	10

This table includes smelters identified, site visits, and audits completed through the end of 2011. Smelter visits have been completed in Australia, Belgium, Bolivia, Canada, Chile, China, Germany, Hong Kong, Indonesia, Japan, Malaysia, Peru, South Korea, Switzerland, Taiwan, and the United States.

continued to co-chair the EICC and GeSI work group on extractives. This group has hosted conflict minerals workshops, the most recent of which were held in Washington, D.C. and Brussels, Belgium, with 200 and 150 participants, respectively. The work group also collaborated with Japan Electronics and Information Technology Industries Association (JEITA) to host a workshop in Tokyo. Intel has led (in conjunction with other EICC and GeSI companies) participation in more than 35 non-EICC and GeSI events on the topic during the year. These efforts set the framework for establishing a conflict-free smelter program, and significantly raised awareness both within and outside the electronics industry. We are active members of several EICC sub-teams as well, including leading the conflict-free smelter team and audit review committees.

While much of our initial focus was within the electronics industry, we realized that we needed to work with other industries that use these metals—aerospace, automotive, jewelry, medical instruments, and more—to tackle this complex problem. Intel has initiated multiple efforts to collaborate within our industry and with others. Intel arranged a conflict-free gold sourcing summit in March 2011 with members of the World Gold Council and the Responsible Jewelry Council to share our learnings from the EICC and GeSI conflict-free smelter program. In 2011, two other partner associations from outside the electronics industry joined the program.

Supporting In-region Sourcing. In addition to direct supply-line efforts, we support initiatives that enable responsible "in-region" minerals trade from the DRC. This support is important, because the controversies surrounding mining in the DRC and Central Africa have driven down demand, and have inadvertently had a negative economic impact on legitimate miners. Intel continues to work with governments and NGOs to support legitimate minerals suppliers, both independently and as part of the EICC and GeSI. Specifically, Intel is participating in the "Solutions for Hope" pilot with AVX to source conflict-free tantalum from the DRC, and with the U.S. Department of State and U.S. Agency for International Development Public-Private Alliance for Responsible Minerals Trade. Both groups are seeking to demonstrate paths for conflict-free sourcing and support for artisanal mining in the region. We also continued to work with other entities in the OECD's pilot of their "Guidance for responsible supply chains of minerals from conflict-affected and high-risk areas" to encourage further enablement of conflict-free sourcing in the DRC and adjoining countries.

Intel believes that an effective solution to this issue will involve coordinated efforts by governments, industry, and NGOs. In the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the U.S. Congress included provisions to address conflict minerals. While Intel's efforts on this issue pre-date this legislative action, we support fair and timely rules and believe that the U.S. Securities and Exchange Commission regulatory process has been helpful in bringing others to the table and maintaining broad momentum toward resolution. As the rule-making process moves forward, we will continue to focus our energy and efforts, as we always have, on working with others to implement the systems and processes that will enable us to achieve a "conflict-free" supply chain. For more information, see our most recent white paper on the topic.

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Supplier Diversity

We understand that working with a diverse supply chain brings innovative ideas to our business and helps us better understand and serve the needs of varying markets and customers.

We estimate that in the past three years, Intel has derived more than $40 billion in revenue from customers that require us to demonstrate supply chain diversity. We recognize diverse suppliers as businesses that are 51% owned and operated by at least one of the following: minorities as defined by the country where the business was established; women; veterans; service-disabled veterans; persons who are lesbian, gay, bisexual, or transgender; or persons with a disability. Within the U.S., we also recognize suppliers that are in Small Disadvantaged Enterprise, HUB Zone, and 8A categories, and are certified small as defined by the U.S. Small Business Administration. View a list with a sampling of U.S. small business utilization in our supply chain.

Intel collaborates with a number of diversity organizations to help promote supplier diversity awareness, set global diversity certification standards, and establish cross-industry diversity auditing policies and practices. Those organizations include the National Minority Supplier Development Council, the National Gay and Lesbian Chamber of Commerce, WEConnect International, and Minority Supplier Development China. We also participate in events sponsored by local organizations dedicated to supplier diversity.

Intel is a member of the Technology Information Group, a consortium that defines: guidelines, innovative supplier development solutions, and best-known methods to proliferate global supplier diversity in the high-tech industry and its supply chain. Through classroom and web-based training, we educate our worldwide procurement employees about global supplier diversity practices, policies, and inclusion.

Intel's Second Tier Program supports our efforts to advance the development of a healthy supplier diversity initiative by requiring our strategic suppliers to report their spending with diverse suppliers. Our strategic suppliers that use diverse suppliers reported spending more than $142 million in 2011. We achieved our 2011 goals of including historically under-represented businesses in 100% of all eligible non-capital bidding opportunities and participating in international supplier diversity standards adoption and community awareness campaigns. In 2012, we will continue to include under-represented businesses in all eligible non-capital bidding opportunities, and will collaborate further on the establishment of cross-industry global supplier diversity policies and practices. We will also work to build greater awareness of the value of supplier diversity throughout the global supply chain.

For more information on our supplier diversity initiatives, visit our Supplier Diversity web site.

"As a minority-owned company, we have found Intel to be an amazing partner in helping us to navigate effectively as a supplier. They've been instrumental in helping us differentiate and define ourselves, allowing us to become more approachable as a vendor. Our relationship with Intel has also fostered broader engagement."

Alex Canizales, CEO, TenFour Agency

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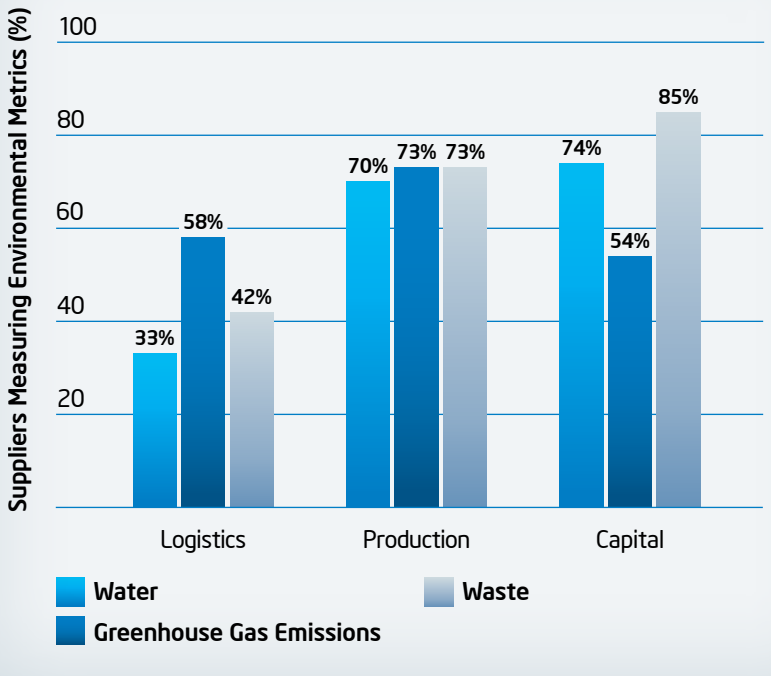
Supplier Environmental Impact

We aim to use products in our operations that have been designed and produced to minimize environmental impact, and we take steps to reduce the environmental impact of the packaging and shipping of our products. To that end, we collaborate with our suppliers on environmental management issues and integrate sustainable procurement best practices across our global operations.

Carbon and Water Footprinting. The majority of our environmental footprint is from our own operations, since we continue to manufacture the majority of our products in our own factory network. Over the past few years, we have collaborated on IEEE research reports to help estimate supply chain-related emissions and water use in our industry. We have also participated in EICC Sustainability Work Group activities geared toward decreasing the carbon footprint across the electronics industry supply chain, including piloting a new EICC carbon reporting system.

In 2010, we began collecting environmental performance data from our top suppliers to inform our supplier engagement strategy and footprinting methodologies. In 2011, we expanded our efforts and requested baseline data and reduction goals from suppliers for water, energy, and waste. We formally integrated the data into scorecards that were reviewed as part of our supplier quality and achievement awards programs and collected responses from 98% of our top Tier 1 suppliers. We learned that there is a wide range in maturity on key environmental metrics across the suppliers surveyed, and that some metrics and goals are more relevant to certain suppliers' businesses. However, we found that a majority of our materials and equipment suppliers were measuring at least one environmental metric, and most had also set greenhouse gas and waste reduction goals. Water reduction goals tended to be less common, and in general our packaging and logistics suppliers were less likely to formally track metrics or have established environmental goals in place.

Top Tier 1 Supplier Environmental Metrics



In 2011, a significant majority of our capital and production scorecard suppliers reported that they are measuring environmental metrics in their operations.

In 2012, we will place priority on collecting Scope 1 and Scope 2 greenhouse gas emissions and will ask suppliers to report on their progress in setting goals and achieving emissions reductions. We will continue to ask for water and waste metrics and look for the presence of established goals. For more information on our activities to reduce our carbon and water footprints, see the Environment section of this report.

Product Packaging and Logistics. In 2011, our product packaging and logistics teams continued to work with our packaging and shipping suppliers to reduce waste generation and emissions through better design of the packaging materials used to ship products between Intel sites and to customers. In 2011, we reduced the amount of paper and plastic used to ship a wide variety of Intel products by 390 tons.

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Plastics make up a large portion of the packaging materials used to ship products to our customers. In 2011, we reduced the use of plastic in packaging in a number of ways: We converted from heavier, injection-molded type 7 plastic class trays to those made from lighter, more recycle-friendly thermoformed plastic class 1—thereby reducing material weight by approximately 50% per tray. Other changes to our packaging methods reduced plastic use by an additional 62 tons, and the use of other materials by 15.4 tons. As a result of these combined reduction efforts, we estimate that we avoided 1,385 metric tons of CO_2 emissions in 2011.

Savings from Logistics Packaging Reduction Projects in 2011

	Plastic	Corrugated Paper	Total
Tons	363	28	**391**
Percentage of Total Reductions	93%	7%	**100%**

We exceeded the internal goal set by our logistics teams to reduce materials packaging by 234 tons in 2011.

Manufacturing Tool Reuse. When we upgrade to a new process technology, we seek to reuse tools within our fabrication facilities rather than purchasing new tools. In addition to lower costs, tool reuse can have significant environmental benefits through reduced waste and lower emissions related to shipping. In 2011, we completed a project that analyzes our factory tool reuse program to quantify the environmental benefits. The study found that the tool reuse program for our current process technology saves more than 49 million kg of CO_2 equivalents annually, which is similar to annual emissions from 4,400 vehicles.

Corporate Strategic Procurement Projects

Over the past few years, our sourcing professionals have found numerous ways to improve the sustainability of non-production projects, including purchases related to event planning, employee travel, and printing.

Highlight **Intel recognizes its employees for their work in sustainability through annual environmental excellence awards. In 2011, one of the winning projects focused on sustainable packaging design.**

Event Planning. Each year, Intel sponsors or holds more than 1,000 events—from small department meetings to large customer events. Over the last two years, a team of employees from our Corporate Event Marketing and Corporate Strategic Procurement groups created a Green Events Handbook to help employees and suppliers incorporate green meeting practices into their event-planning processes. Piloting these practices at our six largest events in 2010 and 2011, we saved 330,000 kilowatt-hours of energy and 350,000 gallons of water, and avoided 10,230 metric tons of CO_2 emissions and 72 tons of waste. In recognition of our efforts, we earned an award from IMEX and were short-listed for the Procurement Leaders Awards.

Travel and Ground Transportation. Our travel service supplier labels green hotels in a database that employees use when booking travel. For the past two years, we have also worked with our car rental supplier to increase hybrid vehicle options, improve the overall fuel efficiency of our rental car fleet, and promote SmartWay* (a U.S. Environmental Protection Agency eco rating) car rentals in our online travel tool. We have set internal miles-per-gallon (mpg) and CO_2 targets for our rental vehicles. In 2011, approximately 7.7% of all travelers received hybrid cars. In 2012, we expect this percentage to increase to more than 10%. We are also exploring adding electric vehicles on-site for utilization by Intel employees for both personal and business travel.

Paper Use and Printing. We encourage Intel groups and their suppliers to print marketing collateral and other items closer to their final delivery location, reducing emissions resulting from document transport. In 2010, we switched from physical to digital distribution of a major technical manual for software developers. Historically, the paper used for the manuals was significant: five volumes of approximately 1,000 pages each, with 9,775 copies distributed from January 2010 through June 2011. During this time frame, the change helped us save more than 250 tons of paper.

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Performance Summary and Goals

In 2011, we further expanded the number of third-party supplier audits and continued to integrate corporate responsibility metrics and considerations into our management systems, scorecards, training processes, and award systems. In the area of conflict minerals, we completed additional on-site smelter reviews and audits to improve traceability of four key conflict mineral supply chains: gold, tantalum, tin, and tungsten. We also completed projects to further reduce the environmental impact of our non-production sourcing activities, transportation, and packaging.

Supply Chain Goals and Performance

2011 Goals	2011 Performance	
Complete a minimum of 50 on-site, third-party supplier audits.	Completed or reviewed 49 audits by the end of 2011; the 50th was completed in the second week of January.	●
Complete at least 10 on-site smelter reviews and initiate third-party industry smelter audits across four key conflict minerals.	Completed 23 smelter visits in 2011. In total, we have visited 48 smelters; 10 have successfully passed third-party audits.	●
Require our top suppliers to provide baseline supplier environmental data on energy, water, and waste to inform goal-setting for 2012 and beyond.	Collected data from our top Tier 1 suppliers; disclosure on key findings featured in this report.	●
Continue to increase corporate responsibility requirements in the Supplier Report Card and criteria for Supplier Continuous Quality Improvement and Preferred Quality Supplier award winners, adding additional screens in the selection process.	Introduced new requirements and increased environmental, social, and governance requirements for affected suppliers.	●
Reduce the weight of our packaging by 30% from 2010 levels.	Reduced packaging weight by 56% from 2010 levels.	●
Increase "green" purchasing alternatives for employees in the areas of travel and office supplies.	Increased hybrid car options for employees in 2012.	◒
Include historically under-represented businesses in 100% of all eligible bidding opportunities.	Achieved our 100% inclusion target and participated in a number of supplier diversity forums.	●

● Achieved ◒ Partially Achieved ○ Not Met

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To continue to drive accountability and systemic change in our supply base, in 2012 we will continue to complete supplier assessments and audits, and focus our efforts to reduce priority and major findings in two key labor areas identified during our 2010 audits. We will also continue on our path toward conflict-free microprocessors and take steps to improve supplier transparency. We will also continue to partner with our suppliers to help us achieve our environmental goals and empower our employees to make better purchasing decisions.

Supply Chain Goals for 2012 and Beyond
Complete or review results from 50 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure.
By the end of 2012, demonstrate that our microprocessors are validated as conflict-free for tantalum; and by the end of 2013, manufacture the world's first microprocessor fully validated as conflict-free across all four minerals.
Set expectations for our top Tier 1 suppliers on the reporting of greenhouse gas emissions, water, and waste metrics, and on the establishment of reduction goals. Request that our top 75 suppliers publish Global Reporting Initiative-based sustainability reports beginning in 2013.
Reduce packaging weight by 25% from 2011 levels.
Establish a 100% "green" Intel ground transportation fleet by 2016.
Include historically under-represented businesses in 100% of all eligible bidding opportunities.

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Contributions to Society

Watch Video | Our Goals

Technology plays a pivotal role in addressing the leading social challenges that we face today—around the world and in our own backyards. From advancing global education and promoting broad economic development to working hand in hand with neighbors in our communities, Intel is committed to applying technology and the talents of its employees to improve lives and inspire the next generation of innovators.

Key Society Impact Links

Intel's Education Strategy
Intel® Teach Program
Intel World Ahead Program
Intel® Learning Series
Intel in Your Community
Intel Girls and Women Initiative
Intel Foundation

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Our Approach to Creating Social Impact

Through collaboration, capacity-building initiatives, creative application of technology, and strategic giving, we strive to transform education, increase economic opportunity, and make the communities where Intel operates better places to live and work.

Our long history of investment and engagement around social issues has generated significant value both for Intel[1] and for our stakeholders. We have created systems, dedicated staff resources, and worked with third parties to plan and track our social investments and evaluate the long-term impact of our efforts.

Management Approach

Our vice president of Corporate Affairs has overall responsibility for our global community engagement and education programs. Corporate Affairs professionals at our locations around the world give Intel an "on-the-ground" presence that helps us understand and respond to local community and education-related needs. These employees work closely with nonprofit organizations, schools, regional leaders, and policymakers—as well as other Intel organizations—to identify issues and develop comprehensive initiatives that will have the greatest impact while aligning with our own expertise and values.

The Intel World Ahead Program connects people to opportunities by promoting affordable access to technology, working to expand broadband connectivity, supporting development of locally relevant content and applications, and helping to transform education and healthcare through technology. Our Education Market Platforms Group works to improve teaching and learning worldwide by catalyzing a global ecosystem of education

Watch Video Learn how the Intel World Ahead Program is empowering people around the world through access to broadband.

Highlight We invest in evaluation and impact measurement projects to help drive improvement in our programs and to identify opportunities where we can have a greater impact.

technology providers to drive the adoption of one-to-one (1:1) e-learning environments in K-12 education, which have a dedicated laptop for each student and teacher. Intel Labs invests in university research and works to advance collaboration among academic thought leaders to innovate technology for agriculture, healthcare, sustainability, and other facets of life.

Funding for our education and social programs comes from both Intel Corporation and the Intel Foundation. Through local and national grants, the Foundation—funded solely through donations from Intel Corporation—works to fuel classroom innovation and student interest in math, science, engineering, and entrepreneurship; empower women and underserved youth; and enable university education and research. The Foundation also supports Intel employees' generosity and passion for volunteerism by matching grants for service, community giving, and disaster relief programs. For more information, visit the Intel Foundation web site.

Social Impact and Business Value

We search for opportunities that create shared value for Intel, our stakeholders, and society. The trust, credibility, and goodwill that we have built with governments, neighbors, schools, and others in our communities have helped create a positive business environment for Intel. When we want to expand an existing Intel campus or build in a new location, we are generally welcomed and supported. Constructive relationships that we have cultivated with community members also yield valuable feedback that helps us improve our performance. In addition, engaging our employees in meaningful volunteer experiences positively impacts their satisfaction and pride, and helps us attract and retain talented people.

Intel's investments in education expand opportunities for young people while also benefiting the company. Education is the foundation of innovation, and as a technology company, Intel's success rests on the availability

[1] References to "Intel" throughout this section refer to Intel Corporation, not the Intel Foundation.

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of skilled workers, a healthy technology ecosystem, and knowledgeable customers. In turn, the health of local economies—including those where our employees live and work—depends on access to technology and quality education. International studies show that education plays a pivotal role in fostering labor productivity and economic growth. Our education programs support our long-term corporate diversity objectives by encouraging girls, women, and students in underserved communities to pursue careers in science, technology, engineering, and math. Applications of technology in education also create market opportunities for Intel.

Intel's financial and in-kind support—as well as volunteerism by our employees—enables governments, non-governmental organizations (NGOs), and educators to reach their goals more effectively. The net result is shared social value that ranges from expanding technology access for students in emerging markets to helping local nonprofit organizations serve more people through better use of technology and more efficient processes.

2011 Social Investment Snapshot (in millions)

Investment Summary	Amount
Cash: charitable contributions and community investments (Intel and Intel Foundation)	$90.6
Estimated value of employee volunteer time	$23.5[1]
In-kind giving (product or services donations) (Intel Corporation)	$2.4

[1] Calculation based on 1.1 million volunteer hours in 2011 and the 2010 Value of Volunteer Time rate of $21.36 per hour, published by Independent Sector.

In addition to these investments, a number of groups across Intel are developing products, solutions, and commercial initiatives that address social challenges in education, healthcare, and the environment.

Strategic Giving Summary (in millions)

	2011	2010	2009	2008	2007
U.S.	**$65.5**	**$60.2**	**$59.7**	**$62.0**	**$66.0**
Total Foundation Cash	$37.5	$35.3	$31.7	$29.2	$30.4
Total Corporate Cash	$26.9	$23.6	$18.1	$24.5	$24.5
In-kind Giving	$1.2	$1.3	$9.9	$8.2	$11.1
International	**$27.4**	**$65.5**	**$40.3**	**$40.5**	**$43.2**
Total Foundation Cash	$5.9	$5.5	$5.1	$6.6	$8.9
Total Corporate Cash	$20.3	$24.4	$25.2	$23.0	$24.7
In-kind Giving	$1.2	$35.6[1]	$10.0	$10.9	$9.7
Total Giving	**$93.0**	**$125.7**	**$100.1**	**$102.5**	**$109.2**
Total Giving as a Percentage of Pre-tax Net Income	**0.5%**	**0.8 %**	**1.8%**	**1.3%**	**1.2%**

[1] In 2010, in-kind giving increased significantly due to a one-time, large donation of surplus wafer fabrication facility (fab) equipment to a university. As with surplus equipment donations in previous years, the donation was included at its resale/fair market value.

Over the past five years, charitable giving by Intel and the Intel Foundation totaled $530.5 million, representing on average 1.1% of annual pre-tax net impact.

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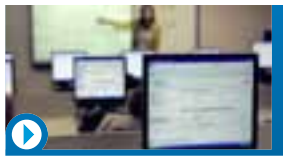
Education Transformation

Countries around the world share the goal of having a vibrant economy sustained by quality education, a skilled workforce, and innovation. Through our education initiatives and investments, Intel is helping communities build local capacity while preparing the next generation of innovators. Over the past decade, Intel and the Intel Foundation have invested more than $1 billion to improve education around the world.

The United Nations (UN) Millennium Development Goals call for a full course of primary schooling for children everywhere. Intel supports this goal and believes that to succeed in today's innovation economy, children need a solid math and science foundation coupled with 21st century skills, such as digital literacy, problem-solving, critical thinking, and collaboration.

Education Transformation Model

Intel's cohesive approach to helping governments improve country competitiveness and the quality of their education systems has led to successful engagements in multiple parts of the world. Explore the interactive model to learn more.



Watch Video Intel takes a comprehensive approach to transforming education around the world, including development of technology to support improvements in teaching and learning.

Intel's model combines advocacy for policy reform, curriculum standards and assessment, sustained professional development, information and communications technology (ICT), and support for research and evaluation. We collaborate with governments, policymakers, local organizations, and other companies to make this model viable worldwide—through scalable programs and competitions, technology solutions, and ecosystem support.

Programs to Advance Teaching and Learning

Intel has over 200 programs in more than 70 countries that provide professional development for teachers; support student achievement in science, technology, engineering, and math (STEM); enable access to relevant, local digitized content; and more. Intel provides a range of free resources and tools for teachers as well as Teachers Engage, an online global community where teachers can connect and share ideas and strategies that transform K–12 classrooms. See below for information about a few Intel programs that are helping to transform education worldwide. Visit the Intel Education web site for more information on these and additional programs.

Intel® Teach Program. Since 1999, the Intel® Teach Program has helped teachers integrate technology and create active learning environments in their classrooms. Intel Teach offers in-depth professional development for K–12 teachers, helping them implement real-life projects and make concrete changes in their teaching through the effective integration of technology. In 2011, the Intel Teach Program expanded to several countries, including Uganda, Zimbabwe, Gabon, and Tanzania. As of the end of 2011, the program had provided professional development for over 10 million teachers in more than 70 countries, reaching over 300 million students.

Governments align Intel Teach to their professional development offerings, build support into their staffing and budgets, and agree to support localization. In each region, Intel builds capacity and ensures sustainability of the program and its impacts by training Intel Teach trainers, who, in turn, share

their skills with other teachers in the region. Nonprofit organizations provide logistical support, and multilaterals (such as USAID and UNESCO) and other for-profit companies help provide funding, staffing, and policy support.

Intel Teach is highly scalable, enabling systemic change. The program includes face-to-face and online instruction, and comprises a suite of courses and materials translated into 26 languages. Through the Intel Teach Elements user-friendly animated online lessons, educators learn to develop materials and activities designed to engage their students with self-directed, project-based learning. Current courses offer lessons on topics such as critical thinking and collaboration in the digital classroom. An additional course on inquiry in the science classroom will be added in 2012.

In many countries, Intel Teach is the primary ICT training program for educators, with ministries of education awarding certification, promotions, and salary increases based on course completion. In Korea, Intel Teach, now in its tenth year in the country, runs in all 16 provinces and is the official ICT teacher training program; and in Egypt, the Ministry of Education requires that all teachers take Intel Teach or equivalent computer coursework to be eligible for promotion. In China, over 1.9 million teachers—15% of all K–12 teachers in the country—have received Intel Teach training. Independent evaluation is integral to the Intel Teach Program, and in early 2012 Intel commissioned a research report on the link between the Intel Teach Program and its impact on the use of technology in the classroom. For example, the report found that 93.9% of the teachers who took the Intel Teach Essentials course in the 13 countries involved in the evaluation

> "The future is not simply near—it looks at me every day through my students' wide-open eyes. It's not me who is leading the children; it is they who stretch out their hands to me. The Intel Teach Program gives me a chance to reach them."
> Maria Smirnova, teacher, Russia

Watch Video 10 million teachers are transforming the way they teach, to inspire millions of students around the world to become the next generation of innovators. See how technology transforms their classrooms.

study realigned their teaching to focus more on problem-solving, critical thinking, collaboration, or technology. To view survey results, evaluations, reports, and case studies about Intel Teach, visit the Evidence of Impact web site.

Future plans for the Intel Teach Program include continued in-person training sessions, additional content development aimed at building 21st century skills, and an emphasis on reaching more teachers through e-learning courses where applicable. To align with our research around social impact, we will expand our evaluation of the impact of the Intel Teach Program.

Intel® Learn Program. Since its launch in 2003, Intel® Learn has been providing opportunities for children in underserved communities to acquire technology literacy, problem solving, critical thinking, collaboration, and entrepreneurship skills. Funded by the Intel Foundation in 2011, the program extends learning beyond classrooms to informal environments in community centers, and uses an engaging, project-centered approach. Intel and the Intel Foundation provide support for Intel Learn, which has reached more than 1.6 million learners in 15 countries. The program includes over 90 hours of curricula designed to tap into children's interest in their communities. In 2011, Intel partnered with the nonprofit Education for Employment to use the Intel Learn Program to pilot micro-business training and encourage entrepreneurship among youth in the Middle East. For more information, read the Intel Learn stories of impact.

Intel Computer Clubhouse Network. The Intel Computer Clubhouse Network is a community-based, after-school education program operated by the Boston Museum of Science in collaboration with the MIT Media Lab. Computer Clubhouses offer an environment of trust and respect where young people can develop technological fluency and collaborative work skills.

Education Programs and Activities by the Numbers	
Teachers trained through the Intel® Teach Program since 1999	>10 million in more than 70 countries
Young people reached through the Intel® Learn Program since 2003	>1.6 million in 15 countries
Youths served annually at Intel Computer Clubhouses	25,000 at 100 Computer Clubhouses in 20 countries
Students reached through the Intel International Science and Engineering Fair (Intel ISEF) in 2011	>1,600 students at Intel ISEF >7 million students at local and regional science fairs affiliated with Intel ISEF
Intel® Higher Education Program	Investments and programs at universities in >80 countries

Intel and the Intel Foundation have made sustained commitments aimed at improving the quality of education and technology access worldwide.

skoool™ Learning and Teaching Technology. The skoool™.com Learning and Teaching Technology program supports math and science learning for learners 9–15 years old—the age when many young people progress from concrete to more abstract thinking. Intel skoool.com is a web-based e-learning portal designed for students working alone or in a classroom setting. The program is available in more than 30 countries and reaches more than 5 million students and teachers each year in 15 languages. Skoool.com web sites are provided free of charge by Intel in collaboration with national education ministries and other not-for-profit sector leaders around the world.

Competitions to Inspire Young Innovators

The Intel Foundation is the lead sponsor of two premier science competitions, the Intel International Science and Engineering Fair (Intel ISEF) and the Intel Science Talent Search (Intel STS), which are both programs of Society for Science & the Public. The competitions encourage students to solve real-world problems and tackle challenging scientific questions through original research. In 2008, the Intel Foundation committed to invest $120 million to extend its support of Intel ISEF, Intel STS, and related initiatives for 10 years. Finalists and winners of these events are regularly invited to meet with presidents and other leaders in their countries.

Watch Video See highlights from the 2011 Intel ISEF held in Los Angeles, California.

In addition to Intel ISEF and Intel STS, Intel sponsors competitions targeted at different regions and age groups. For example, the Mini Scientist competition in Ireland enables primary school-aged students to explore science through project-based learning and exhibitions on topics such as solar heating, water testing, and organic fertilizers. By celebrating students' achievements and encouraging open-minded research and learning, we hope to encourage young people to pursue advanced education and careers in math, science, and engineering.

Intel International Science and Engineering Fair (Intel ISEF). The world's largest pre-college science competition brought together more than 1,500 young scientists from 65 countries, regions, and territories in May 2011. Each year, more than 7 million students who take part in local and regional science fairs within an Intel ISEF-affiliated network vie for the opportunity to attend Intel ISEF and compete for $4 million in prizes and scholarships. Intel employees often serve as mentors for the young scientists and also volunteer at the events. For more information, visit the Intel ISEF web site.

In support of Intel ISEF, Intel hosts educator academies, which bring together select groups of educators and government officials to share resources and explore proven methods of engaging students in math and science. At the first Europe, Middle East, and Africa (EMEA) Educator Academy in March 2011, participants congregated in London to cover topics such as driving STEM education engagement, encouraging systemic change, and sharing best practices. In May 2011, at the Intel ISEF Educator Academy in Los Angeles, 150 national education policymakers, education specialists, curriculum planners, and science professionals from 24 countries developed action plans to support STEM education. And at a regional Asia Science Educator Academy in Korea in December 2011, Intel launched

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the Intel® Future Scientist Program, a two-day interactive workshop designed to help teachers understand how to create inquiry-based lesson plans in science. In 2012, the Future Scientist Program will launch in four additional countries.

Intel Science Talent Search (Intel STS). Intel STS, the oldest and most prestigious pre-college science competition in the U.S., provides an opportunity for high school seniors to complete an original research project and have it judged by highly regarded professional scientists. The Intel Foundation awards more than $1.25 million to winning students and their schools during the annual competition. In 2011, over 1,700 students entered the contest, and 40 finalists traveled to Washington, D.C., where they competed for scholarships ranging from $20,000 to $100,000. Evan O'Dorney of California won the top award of $100,000 for his mathematical project that compared two ways to estimate the square root of an integer.

Regional Fairs. Intel and the Intel Foundation also partner with governments to support local efforts to increase student interest in STEM subjects. At the second annual "Intel Science Competition—Arab World" in 2011, for example, 120 young students from 11 Arab countries competed for prize money and scholarships. Anas Eshtaya from the Palestinian Territories won top honors for his movement and gas detection project. At the Scientists of Tomorrow regional fair in 2011, students from Russia and the Commonwealth Independent States submitted 600 applications to the competition, now in its second year.

Robotics Tournaments. Intel and the Intel Foundation provide scholarships for children who might otherwise not be able to participate in robotics programs, which are designed to excite youth about science and engineering degrees and careers. Six middle-school girls who competed in a Foundation for the Inspiration and Recognition of Science and Technology (FIRST) LEGO* League robotics tournament were invited to meet President Barack Obama when he visited Intel's campus in Hillsboro, Oregon in February 2011. Like all robotics team participants, as they built, tested, and programmed their robot, they practiced critical thinking, team-building, and presentation skills, and researched challenges facing today's scientists and engineers. In 2012, Intel will work with FIRST to increase engagement with girls and underserved students in robotics competitions.

Intel Schools of Distinction Awards. The Intel Schools of Distinction Awards program—active in the U.S. and China—honors schools that have 21st century teaching and learning environments, and offer innovative programs that inspire students to excel in math and science. To be considered an Intel School of Distinction, a school must develop curricula that meet or exceed benchmarks, including national mathematics and science content standards, and an environment that fosters excellence and excitement in these critical subject areas. We hope that by replicating programs at these institutions, schools everywhere can reinvigorate their own science and math teaching.

> 83% of Intel ISEF and Intel STS alumni surveyed in 2011 reported that they are now in STEM-related jobs.
>
> Society for Science Alumni Survey, November 2011

The Right Technology for Education

Powerful and energy-efficient Intel®-based PCs and servers, combined with software and fast Internet access, help students acquire 21st century skills and help educators teach more effectively. Through the Intel World Ahead Program, Intel has worked with more than 70 countries on over 200 programs aimed at making technology more available, affordable, and understandable to first-time users. Intel-funded PC purchase programs enable governments to provide PCs at a more affordable price, allowing thousands of teachers and students to gain access to them for the first time. Intel also works with telecommunications providers to connect millions of people to the Internet with high-speed wireless technologies.

Intel supports the use of technology in developing countries to create 1:1 e-learning environments. We have developed the Intel® Learning Series, a complete 1:1 e-learning solution for students that includes hardware,

software, services, and support tailored for local needs and delivered by local vendors in each region where it is implemented. At the heart of the Intel Learning Series are Intel®-powered classmate PCs—affordable, rugged netbooks designed for interactive, collaborative learning in K–6 classes. Classmate PCs are giving millions of children around the world their first exposure to computers and the Internet.

Enabling the Ecosystem

As a technology innovator and manufacturer of some of the most complex products in the world, Intel has developed effective decision-making practices and problem-solving capabilities that are applicable to addressing the huge challenge of global education transformation. To maximize impact, we share our core competencies as collaborators and partners with others who have visions similar to ours: universities, companies, development agencies, multilateral organizations, governments, nonprofits, and more. Some of our activities in this area are described below. For more information on our public-private partnerships and strategic alliances in education, visit the Intel Education web site.

Government Partnerships. In 2010, in conjunction with U.S. President Barack Obama's "Educate to Innovate" campaign, Intel announced a $200 million commitment to help advance math and science education in the U.S. Intel was also a founder of "Change the Equation," a CEO-led initiative designed to answer the President's call to move the U.S. to the top globally in science and math education over the next decade. In support of the initiative, Intel has committed to provide professional development training to 100,000 U.S. teachers over a three-year period, including Intel Foundation-sponsored K-8 Math Progressions, an 80-hour professional development course that helps teachers deepen their understanding of mathematics concepts. In early 2011, Intel CEO Paul Otellini joined President Obama's Council on Jobs and Competitiveness, which includes a focus on education. In early 2012, at a White House event that brought together 50 deans from colleges of engineering, Intel announced a new partnership with the American Society of Engineering Education (ASEE) to measure, evaluate, and celebrate excellence in retention, graduation, and diversity in engineering education.

Watch Video By the end of 2011, Intel had deployed the Intel Learning Series to over 6 million students worldwide, creating positive social impact.

Intel's education partnerships with other governments include working with Argentina's President, Cristina Fernández de Kirchner, on a program to improve educational equality through increased technology integration. The program, "Conectar Igualdad," provides much-needed infrastructure improvements, professional development for teachers, and new opportunities for economic growth. More than 19,000 teachers have participated in virtual training courses, and over 600,000 Intel-powered classmate PCs and netbooks have been distributed by the government to secondary and vocational schools, teacher training institutes, and special education institutions across the country. For more information, read the case study.

Multi-Stakeholder Collaborations. Intel is a founding member of ATC21S, a collaboration with Cisco and Microsoft and headquartered at the University of Melbourne. This group—made up of 60 top thinkers in academia, government, and industry—is developing new approaches to help transform the teaching, learning, and assessment of skills needed by students to succeed as citizens and workers in the 21st century. Wide-scale field work trials are now under way in Australia, Finland, Singapore, and the U.S., and additional trials in associate countries such as Costa Rica and the Netherlands are expected to be completed in 2012.

In 2008, Intel also joined with UNESCO, Cisco, the International Society for Technology in Education, and Microsoft to develop standards around the use of ICT in education. In 2011, the group released the ICT Competency Framework for Teachers, an update and expansion of their original 2008 publication. These standards help educational policymakers and curriculum developers identify the skills that teachers need to harness technology in education. In addition, in 2011 Intel joined the board of directors of the Global Partnership for Education, a multi-lateral organization dedicated to expanding early childhood education, increasing adult literacy, achieving gender parity, and promoting learning and life skills for young people and adults.

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Since 2004, Intel has served on the steering board of the Global Education Initiative (GEI), a World Economic Forum (WEF) initiative, and brought together over 40 companies, 14 governments, and more than 20 NGOs and development organizations to mobilize over $100 million in resource support in Jordan, Rajasthan (India), Egypt, the Palestinian Territories, and Rwanda to support the advancement of education through public-private partnerships. The initiative, which reached more than 1.8 million students and teachers, completed its mandate by mid-2011 as a formal WEF initiative. The work of the GEI is being transitioned to new separate projects, with Intel and many of the original GEI participants continuing to be involved.

In 2011, Intel began working with the Khan Academy, a nonprofit organization dedicated to providing free, world-class education to anyone, anywhere. To bring content to Latin America, Intel helped translate over 300 Khan Academy classes into Spanish. In 2012, Intel and the Khan Academy will make approximately 600 videos in a variety of languages available in an offline solution with an intuitive, easy-to-use interface.

Universities. Intel and the Intel Foundation support university programs for faculty and students to advance research and education in microprocessor technology, high-volume manufacturing, computer science, and a variety of other disciplines critical to our industry. The Intel® Higher Education Program, funded by Intel, interacts with universities around the world through curriculum programs and research projects.

> "Intel Labs has long been a significant investor in university research, and ISTCs are the next step in that critical investment. Our new approach should allow us to quickly and dynamically invest in the most promising academic work."
>
> Justin Rattner, Intel's Chief Technology Officer

Watch Video Learn about the new Intel Science and Technology Center at Carnegie Mellon University.

Intel and the Intel Foundation's support of universities includes grants, fellowships, scholarships, and internships for hundreds of university students each year, as well as funding for larger scale university research labs. In early 2011, Intel Labs—Intel's research organization—announced plans to invest $100 million directly into U.S. university research over the next five years, including the establishment of Intel Science and Technology Centers (ISTCs) at several universities, each with its own focus area. By year-end 2011, ISTCs had opened at Stanford University (visual computing); the University of California, Berkeley (secure computing); Carnegie Mellon University (cloud computing); and the University of Washington (pervasive computing). Intel's university support also includes donations of equipment; for example, Intel Turkey is contributing equipment worth $2.5 million to improve the research and development capabilities and production capacity of a Middle East Technical University research and application center.

A grant from the Intel Foundation helped Arizona State University (ASU) significantly increase participation in the Engineering Projects in Community Service (EPICS) program in 2011. EPICS is a series of service learning classes developed by Purdue University, in which students solve engineering and technology-based problems for nonprofit community agencies, schools, and government entities. One team at ASU is designing low-cost ways to use solar power to prevent brownouts at a girls' school in Bangladesh; another team is working to develop a mobile, nature-oriented video game designed to encourage young girls to be active outdoors.

To accelerate the adoption of cutting-edge technology in engineering education and prepare students for careers in critical technology areas, Intel works with universities to develop and disseminate curricula on advanced topics, such as the parallel programming models used for Intel's multi-core products.

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Community Engagement and Employee Volunteerism

One of Intel's strategic objectives is to cultivate a workplace where employees can thrive on the job and in their communities. Our employees give generously of their time, skills, and technology expertise, donating more than 5 million hours of service over the past five years.

We have a long history of engaging with stakeholders near our sites to identify local needs and determine what Intel and its employees can do to make the communities where we operate better places to work and live. We also recognize that Intel's presence—particularly where we have large manufacturing facilities—has the potential to adversely impact communities, due to traffic, air quality, water usage, noise, lighting, or other issues. We strive to mitigate any negative impacts by collaborating with community members to effectively resolve concerns—whether we are starting operations in a new location, managing an ongoing facility, or exiting a community due to changes in our business plans.

For a detailed chart outlining the stakeholder tools and processes that we use to manage local impacts and engage with our communities, as well as information on Intel's economic impact on communities, see "Stakeholder Engagement" and "Economic Impact," both in the Our Business and Integrated Value Approach section of this report. To learn about about how we work to mitigate environmental impacts where we operate, see the Environment section.

Intel Involved and Skills-Based Volunteering

Our employees generously donate their energy, professional skills, and money to tackle environmental challenges, improve education, and help meet other community needs. In 2011, Intel employees donated over 1.1 million hours of service through the Intel Involved volunteer program—an average of 13 hours per employee—at 5,100 schools and nonprofit organizations in 45 countries. In 2011, 50% of our employees volunteered, exceeding our goal of 40%.

Through the Intel Involved Matching Grant Program (IIMGP), the Intel Foundation extends the impact of that service by donating cash to qualified nonprofits and schools where Intel employees and retirees volunteer at least 20 hours in a year. In 2011, our employees earned more than $8.2 million for schools and nonprofit organizations, bringing total IIMGP contributions to more than $48.5 million since the program launched in 1995.

Analysis of corporate volunteering best practices indicates a growing trend toward applying employees' professional skills to help local organizations build capacity. In recent years, our employees have increasingly found opportunities to donate the skills that they have honed at Intel—providing legal, human resources, marketing, finance, and information technology (IT) expertise to schools, nonprofits, and NGOs. During 2011, employees logged an estimated 250,000 hours of skills-based volunteerism. We believe that the impact of these hours is particularly significant, in part because the services provided are those for which schools and nonprofits would have to pay higher rates in the marketplace. Our Legal team, for example, donated over 4,800 hours in 2011, estimated to be valued at over $1.2 million (based on a $250 per hour rate from CECP and the Taproot Foundation).

In 2011, half of our employees worldwide volunteered in their communities.

Below are a few recent examples of the ways that Intel employees helped to improve communities around the world in 2011. Read more volunteer stories on the Intel Involved Map later in this section.

Intel Education Service Corps. The Intel Education Service Corps (IESC), launched in 2009, harnesses our employees' enthusiasm for volunteerism while advancing Intel's commitment to improving the quality of education through technology. IESC volunteers receive 30 hours of training and then travel to schools, orphanages, and other locations in developing countries to facilitate installation of Intel-powered classmate PCs and teach students, teachers, and parents how to use them. Over the past three years, 140 volunteers have completed 25 projects in 11 countries, benefiting more than 50,000 students. In 2011, 11 teams of IESC volunteers were deployed to Ecuador, Haiti, India, Kenya, Senegal, Uganda, Vietnam, and Zambia. In Haiti, the volunteers partnered with the Foundation for the Technological and Economic Advancement of Mirebalais (FATEM) to install 35 Intel-powered classmate PCs and train over 150 students at a new English immersion school in Mirebalais sponsored by Zynga. For information on other IESC projects, see the Intel Involved Map later in this section.

2011 Volunteerism by the Numbers	
Number of hours	1.1 million
Number of countries	45
Percentage of employees who volunteered	50%
Schools or nonprofits benefiting from the program	>5,100
Total dollar match under Intel Involved Matching Grant Program[1]	$8.2 million
Estimated in-kind value of volunteer hours[2]	$23.5 million

[1] Total estimated match based on 2011 employee volunteer hours at eligible organizations.
[2] Calculation based on the 2010 Value of Volunteer Time rate of $21.36 per hour, published by Independent Sector.

We estimate that approximately 35% of Intel employee volunteer hours in 2011 were related to education activities; 51% to community and civic activities; and 14% to environmental, health, and safety activities. Actual environment-related hours may be higher, since this estimate does not include additional environment-related volunteer activities at schools and civic organizations.

Watch Video Our employee volunteers share their experiences about being in the IESC program.

Intel Encore Career Fellowships. In 2011, we launched the Intel Encore Career Fellowships program with the organization Civic Ventures. The program enables Intel U.S. employees who are retiring to transition to a new stage of work with local nonprofit organizations. Through the program, Intel retirees use their practical experience in communications, process improvement, IT, operations, human resources, engineering, and other areas to help nonprofits build capacity, operate more efficiently, and, ultimately, have a broader impact on their communities. Intel supports participants with stipends and COBRA medical coverage during their assignments.

Intel Veterans Employment Training (Intel VET) Program. In November 2011, in support of the White House "Joining Forces" initiative, Intel announced a partnership designed to provide U.S. veterans with training and mentoring services as they transition from a military career to employment in the private sector. The Intel VET program provides technology training and coaching for veterans and their partners who are looking for employment, and also pairs Intel employees from our American Veterans at Intel chartered employee group to volunteer as mentors to participants. For more information, see the Our People section of this report.

Recognizing and Funding Employees' Initiatives

Through the Intel Involved Matching Seed Grants program, teams of employees can apply for funding from the Intel Foundation to get their creative volunteer initiatives off the ground. The Intel Foundation awards grants of up to $5,000 to underwrite selected employee-initiated community service projects. The amount of each grant is tied to the number of hours that employees plan to volunteer on the project. Projects are selected for grants based on their originality, potential impacts, measurable outcomes, and other criteria. In 2011, grants were awarded to employees who worked to provide solar reading lights for students in rural Kenya, established a mini organic farm at a primary school in China, and initiated a number of other projects. For more information, see the Intel Involved Map later in this section.

We also extend the impact of Intel volunteers' efforts and recognize their extraordinary achievements and impact through the Intel Involved Hero Award program. The annual overall winner of this honor earns a $10,000 Intel Foundation grant for his or her favorite school or nonprofit and is recognized at Intel's highest level recognition event, the Intel Achievement Award banquet in San Francisco, California. The 2011 winner was Kenji Takemoto from Japan, who worked with nonprofit groups and local technology companies to restore Internet connectivity to areas affected by the Japanese earthquake and tsunami. For information on other finalists, see the Intel Involved Map later in this section.

Our Sustainability in Action Grant Program provides funding and support for multidisciplinary employee teams that initiate and carry out environmentally focused service projects. In 2011, Intel funded a range of projects, including a rainwater collection system at an elementary school in Israel and a plastic waste recycling project in Arizona. For more information, see the Environment section and the Intel Involved Map later in this section.

Intel India also sponsors an annual Social Initiatives Contest, which encourages employee volunteers to team up with NGOs to develop project proposals and apply for funding from Intel. In 2011, the third year of the program, employees submitted close to 70 applications. Cash grants were awarded to nine winning projects, which included helping autistic young adults develop entrepreneurship skills, and training volunteers to detect childhood blindness and eye cancer.

Employee Giving

Every year, we are inspired by the generosity of our employees, who, in addition to volunteering their time, contribute to food, clothing, school supply, and holiday gift drives, and donate millions of dollars to their communities. Through the annual Intel Community Giving Campaign in the U.S., employees and retirees make contributions to nonprofit organizations that are matched (up to $10 million) with Intel Foundation funds to the United Way. The 2011 campaign generated a record $16.2 million in employee and retiree donations, up from $14 million in 2010. With the Intel Foundation match, the total contribution was approximately $26.2 million. In 2011, for the fourth year in a row, Intel placed in the top 10 United Way corporate campaigns in the U.S., and we received numerous recognitions from local United Way organizations for our commitment.

The Intel Foundation also has a Matching Gifts to Education program through which 50% of each donation that a U.S. employee makes to any accredited school can be matched by a grant of up to $5,000 per institution.

Responding to Natural and Humanitarian Disasters

When disasters occur around the world, Intel and its employees are quick to respond with generous donations of service, cash, and technology. We also invest in long-term recovery efforts and work to measure the impact of our actions over time. Some recent examples follow.

Thailand. Following the floods that struck Thailand in November 2011, Intel, our employees, and the Intel Foundation donated funds to support recovery efforts. We have also been working with World Vision to develop a long-term recovery program aimed at helping students to return to school in safe classrooms.

Turkey. The magnitude 7.1 earthquake that struck eastern Turkey near the city of Van in October 2011 killed 604 people, injured 4,152, and left approximately 60,000 homeless. Thanks to the generous donations of Intel employees and an Intel Foundation matching grant of $25,000, Intel and the Educational Volunteers Foundation of Turkey (TEGV) were able to send a TEGV Firefly Mobile Learning Unit to the impacted city. TEGV expects to reach 3,300 children in one year through the Firefly Unit.

United States. In the wake of the deadly May 2011 tornado in Joplin, Missouri, the Intel Foundation matched employee donations and provided a grant to fund teacher professional development for approximately 150 Joplin high school and middle school teachers. The Intel Foundation also matched employee donations for the June 2011 tornadoes in Massachusetts as well as the September 2011 wildfires in Texas.

Japan. In response to the devastating March 2011 earthquake and tsunami in Japan, Intel employees donated over $1 million to relief organizations and helped deploy computing and communications infrastructure, train users, and provide back-end support for refugee centers. The Intel Foundation matched employee giving with $1 million and contributed

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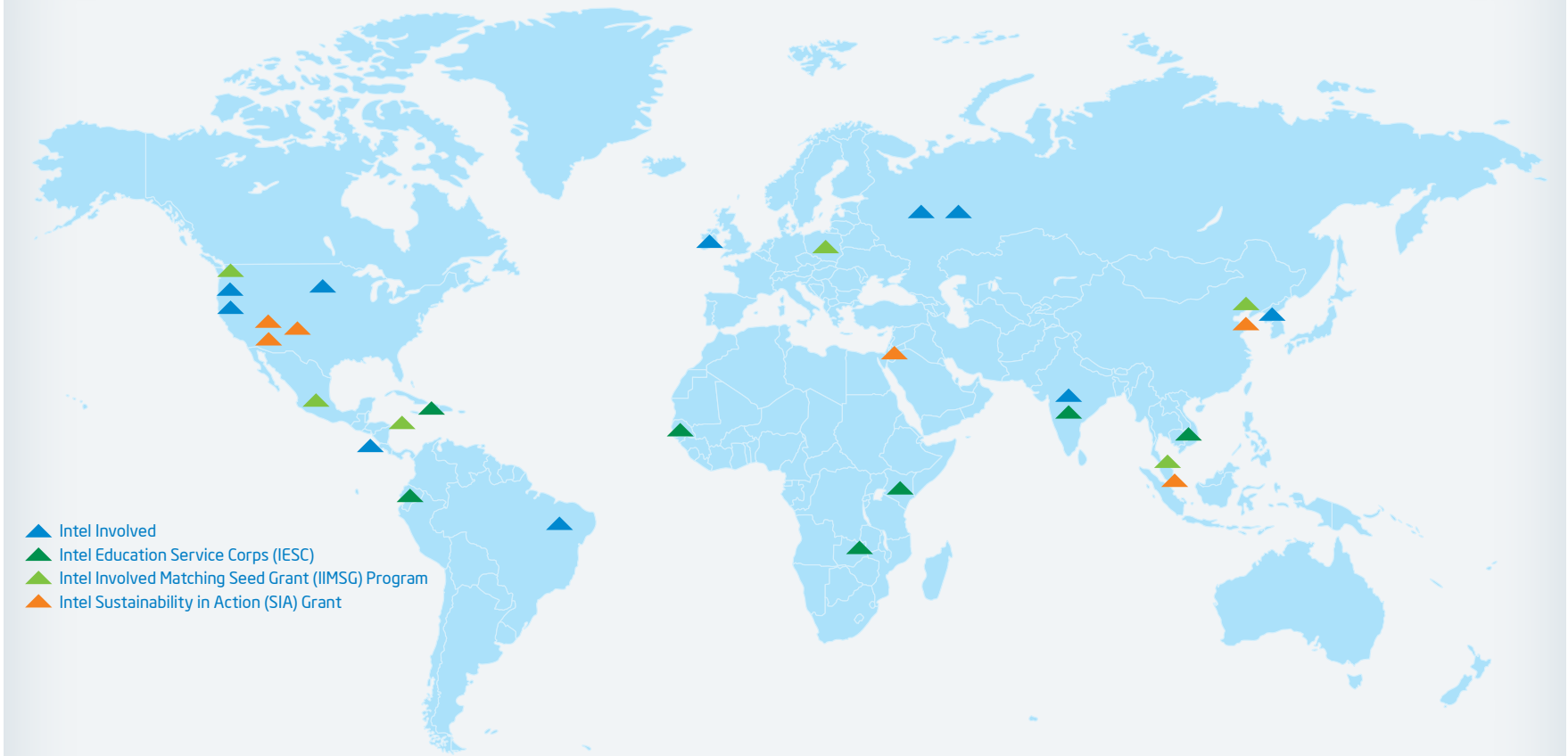
an additional $1 million to prefectures and organizations that could provide immediate relief assistance in the hardest hit areas. A team of Intel Japan employees, including those whose own families were affected by the disaster, traveled to some of the hardest hit areas to set up WiMAX-connected classmate PCs where there was no cell-phone service, providing vital connections in the region. Over the longer term, the Intel Foundation has worked to restore and improve education in areas where schools were destroyed, partnering with organizations that provide classrooms, supplies, teachers, and mentors for children displaced by the disaster.

Haiti. In light of the overwhelming destruction caused by the January 2010 earthquake, the Intel Foundation made immediate grants for relief and offered an employee matching program to assist with the relief efforts. Intel Corporation donated significant hardware and expertise, including a mobile data center. The Intel Foundation and Intel Corporation are continuing to work with government and NGO partners to grant funds for rebuilding, particularly in the area of schools and education. Grants given in 2011 focused on digital literacy for youth, economic self-sufficiency skills training, and science and technology education. The Intel Foundation also signed a memorandum of understanding with the International Development Bank in support of Haiti's education sector. Giving and planned long-term recovery support from Intel, the Intel Foundation, and employees totaled more than $3 million.

Intel Involved: Stories of Impact Map contains interactive elements on mouse click



Intel employees make an impact in local schools and communities around the world with their time, talent, and innovation.

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Entrepreneurship and Social Innovation

Intel was founded by inventors, and the company's continued existence depends on innovation and entrepreneurship. Our own history reinforces our belief that innovation is key to driving economic growth and improving social conditions. We are passionate about fostering entrepreneurship in communities around the world and advancing innovation to address global challenges.

Empowering Social Entrepreneurs

Since 2005, Intel has invested in a number of initiatives aimed at inspiring and providing education and critical skills for young entrepreneurs. We create and invest in programs designed to give social entrepreneurs the skills and resources they need to address community issues and create sustainable enterprises. These programs include business plan competitions, entrepreneurship curricula, and university seminars designed to help engineering, science, and business faculty build entrepreneurship programs.

Competitions. At the annual Intel Global Challenge, winners of regional competitions come together to share their plans for turning their technology ideas into business opportunities, and to showcase those plans to potential investors. Competitors benefit from the education that the contest provides, along with introductions to potential investors, publicity, and feedback from industry experts. Employees from Intel Capital volunteer as mentors and judges for the competition. In 2011, the competition received 2,000 regional entries, with 29 finalist teams from 28 countries attending the finals at UC Berkeley in California. Team Forward from China won the 2011 top prize for their development of a new image processing platform, and received a $50,000 award from the Intel Foundation. Other top-placing teams included Maxygen-mobile DNA of Russia, which developed an inexpensive and portable DNA test solution, and NanoDiagX of Egypt, which developed a less expensive and more effective test for detecting viruses such as hepatitis C.

Highlight Intel Foundation-sponsored events enabled two teens from Turkey to showcase their research on medical devices—twice: first at Intel ISEF, and then at the Intel Global Challenge competition.

In Europe, Intel brought together alumni from the Intel ISEF and Junior Achievement–Young Enterprise group in Brussels for the first Sci-Preneurship contest in October 2011. Ten teams of students from 20 countries worked together to design projects that could have a significant positive impact on society.

Entrepreneurship Education and Technical Skills. Intel partners with educators and governments to encourage the development of entrepreneurial teaching, culture, and learning worldwide through curricula, training, workshops, and leadership seminars.

The Intel Higher Education Program works with the Lester Center for Entrepreneurship and Innovation at the UC Berkeley Haas School of Business to promote entrepreneurship through various initiatives, including the Global Entrepreneurship Leadership Symposium (GELS), aimed at developing a supportive entrepreneurial ecosystem for start-up companies. GELS provides concepts, processes, and tools to enable qualified individuals to effectively mentor emerging entrepreneurs. Program participants learn how to support entrepreneurial success at the individual level, as well as at national and regional policy and governance levels. One of the goals of GELS is to accelerate the movement of technology out of research labs and incubators into local communities through effective mentoring.

Since 2010, the Intel Learn Program has included entrepreneurship curricula that introduces young learners around the world to the basic concepts of entrepreneurship and demonstrates how technology can be used to advance a business idea by using Internet tools and office applications to develop a business plan.

The Intel® Easy Steps digital literacy program is designed for adult learners who have little or no experience with computers. The program is aimed at helping adults in developing countries learn skills that can assist them

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in creating small businesses or micro-enterprises. Participants learn basic computer skills, such as Internet searching, e-mail, word processing, spreadsheets, and multimedia. Intel Easy Steps is deployed through partnerships with NGOs and governments. In 2011, Intel Malaysia announced that the program would be introduced in 168 Community Broadband Centers (CBCs) across the nation, and have already certified over 60 CBC managers as Intel® Easy Steps Senior Trainers. These leaders are empowered to go back to their communities to share information about opportunities to participate in government programs and social development initiatives.

In 2011, we piloted the Intel Youth Enterprise Program in Europe and the Middle East. Targeted at high school and undergraduate students, the program develops ideation and innovation skills by giving them an opportunity to work on solving a social problem. For more information, visit the Intel Entrepreneurship web site.

Transforming Ideas into Technology Solutions

Intel helps transform innovative ideas into action by architecting solutions, providing training and consultation, and working with innovators to develop products and technology solutions to address social challenges. Our goal is to support sustainable social businesses and partnerships that address local community needs and to help scale replicable technology solutions globally.

NetHope. NetHope is a consortium of chief information officers, senior program managers, and technical experts from some of the largest international NGOs. Intel collaborates with NetHope, its nonprofit members, and other leading technology companies on social innovation projects such as: applying technology solutions to transform the secondary school system in Tanzania; developing initiatives aimed at saving the lives of people suffering from HIV/AIDS and other diseases; and working with farmers to use technology to track and eradicate a disease that is destroying cassava crops in central and east Africa. In 2011, Intel hosted the 10th annual NetHope Global Summit at our Ireland facility. The summit brought together 250 technology and thought leaders from 34 NGOs to focus on innovation and collaboration in the humanitarian cloud services space.

Grameen Intel Social Business. In 2008, Intel Capital formed a business venture with Grameen Trust aimed at applying self-sustaining technology solutions to address issues related to poverty, healthcare, and education in developing countries. The business venture combines Intel's technology innovation and Grameen's extensive experience in creating opportunities for economic development and income generation at the village level. In 2011, the organization continued to develop projects in India and Bangladesh, including: a maternal healthcare project that is working to identify high-risk pregnancies in rural areas using a mobile software solution to collect information and send it over the Internet to healthcare clinics for analysis; and a soil-testing project that helps farmers increase productivity by selecting appropriate seeds and fertilizers. The goal is to develop technology solutions as a means to economic development using appropriate local skills, knowledge, and partners. For more information, visit the Grameen Intel Social Business web site.

Building the Ecosystem

In keeping with our belief that public-private partnerships are crucial to achieving scalable impact, Intel develops alliances with governments, leading NGOs, and other companies to develop technology solutions to support entrepreneurship and social innovation. We take a systemic approach to social innovation, building collaborative relationships with NGOs, governments, development agencies, social entrepreneurs, and other technology companies to enhance our understanding of critical needs, share our expertise in applying technology solutions, and leverage other Intel programs and resources.

Partners for a New Beginning. Partners for a New Beginning (PNB)—facilitated by the Aspen Group and chaired by former U.S. Secretary of State Madeleine Albright—is a nonpartisan, nonprofit organization established in 2010 to harness private sector and civil society resources to advance engagement with Muslims around the world based on mutual respect and responsibility. Intel CEO Paul Otellini is a member of PNB's advisory group of prominent American leaders who have committed to use their expertise, global networks, and access to resources to foster locally

driven public-private partnerships and projects to advance opportunity in Muslim communities in four key areas: economic opportunity, science and technology, education, and exchange. By year-end 2011, PNB had established local chapters in Algeria, Egypt, Indonesia, Jordan, Morocco, Pakistan, the Palestinian Territories, Tunisia, and Turkey, and the establishment of a chapter in Mauritania was under way. Local Intel representatives are involved with the majority of these PNB chapters. The organization has emerged as a viable model for partnership and diplomacy.

Schwab Foundation for Social Entrepreneurship. Intel's partnership with the Klaus and Hilde Schwab Foundation in Europe is aimed at promoting social entrepreneurship and encouraging future business leaders to consider all aspects of an organization's impact to the community and global social environment. In 2012, in collaboration with Junior Achievement-Young Enterprise, Intel and the Schwab Foundation for Social Entrepreneurship will launch a social entrepreneurship curriculum in Europe.

Asia NGO Innovation Summit. In October 2011, Intel and the Hope Institute of Korea hosted the second Asia NGO Innovation Summit in Jeju, Korea. The summit brought together 87 leaders, representing NGOs from 14 Asian countries, to explore and develop practical methods and tools to scale social innovation programs across the region.

> "I think it's the greatest opportunity of all: everyone—companies, citizen sector, organizations, research and academic institutions—coming together, putting their minds together, to see how to solve social problems and learn from each other."
>
> Solomon Prakash, Country Director, Ashoka India, on the Asia NGO Innovation Summit

Tech Awards—Intel Environment Award. Since 2001, Intel has supported the Tech Awards (a program of the Tech Museum in San Jose, California) by sponsoring the Intel Environment Award, which recognizes individuals and organizations working to solve global challenges by creating and using simple and complex technology. In 2011, the AguaClara water treatment and technology development program, a collaboration between Cornell University and NGO Agua para el Pueblo, received the award for designing and distributing free, customized water-treatment plant designs. AguaClara plants serve 25,000 people in Honduras who would otherwise have limited access to safe drinking water.

Advancing Social Innovation in China. In addition to helping to connect thought leaders and key stakeholders at the global and regional level, we help drive social innovation at the country level. One such example is China, where our corporate responsibility team has aligned key programs and initiatives to support the government's strategic objectives of promoting social innovation and the creation of a more vibrant social sector. Intel China's Innovation Award for Non-profit Program (IANP), now in its second year, encourages ICT adoption and collaboration among nonprofit organizations in the country. The program has established a database of more than 2,000 nonprofit organizations in China and has directly benefited over 500 groups.

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Empowering Girls and Women

We believe that to foster innovation and drive economic growth, everyone, including girls and women, should have access to education and digital literacy skills. This is a goal we share with governments, NGOs, and development agencies, because by educating and empowering girls and women, we also improve the lives of their children, families, and communities.

In 2011, Intel launched She Will, a focused campaign to educate and empower girls and women around the world by fostering equal economic and educational opportunities. Intel's programs encourage millions of girls and women to participate, prosper, and lead in the global economy. We also published a white paper in early 2012 outlining the strategic importance of investing in education and technology access for girls and women.

We are also committed to increasing the representation of women in technical and leadership roles in our own workforce and supply chain. Read more about our programs to advance opportunities for women in the Our People and Supplier Diversity sections of this report.

Educating to Create Opportunity

Research has shown that devoting resources to quality education for girls is among the best investments that any society can make. A 100-country study by the World Bank showed that increasing the number of women with a secondary education by 1% boosts annual per capita income growth by 0.3 percentage points.[1]

> "Coming to this class has opened the doors of technology to me.... It has opened a whole new world."
>
> Participant, Intel Learn Program, Chile

Watch Video Learn about the critical importance of educating girls about the health of local communities and the future of the global economy.

For many years, Intel's education programs have been helping to improve the social and economic standing of females around the world. Close to 500,000 girls in underserved parts of the world have participated in the Intel Learn Program, acquiring technology and life skills that enable them to advocate for themselves and their communities. And over 5 million female teachers have participated in the Intel Teach Program, which helps educators integrate technology and project-based approaches to learning into their classrooms.

Intel employees contribute to the empowerment of girls and women through programs such as the Intel Education Service Corps (IESC). For example, in 2011 an IESC team visited rural Kenya to install a computer lab of Intel-powered classmate PCs at Kisaruni Secondary School for Girls, which the Canadian-based nonprofit organization Free the Children opened in 2010.

In 2012, Intel will pilot the Act Now K–12 Program at a number of clubhouses in the Intel Computer Clubhouse Network. Targeted at youth, the program will raise awareness of education and social issues related to girls and women through Apps for Good, a free curriculum that allows students to create technology solutions to address social issues, teaches problem-solving skills, and supports hands-on learning.

Intel and the Intel Foundation also have a long history of providing scholarships and research fellowships to encourage women and underserved minorities to pursue careers in engineering, computer science, and other technical fields. In Ireland, the Intel Women in Technology program, now in its sixth year, provided mentoring and presented 13 scholarships to young women studying technology at local universities. In 2011, the Intel Foundation awarded scholarships and grants totaling more than $1.9 million to help educate women and underserved minorities with skills needed to succeed in the innovation economy.

[1] The Economic and Human Development Costs of Missing the Millennium Development Goal on Gender Equity. Dina Abu-Ghaida (World Bank), Stephan Klasen (University of Gottingen), 2004.

Promoting Technology Access and Economic Empowerment

Research indicates that economic opportunities for women in particular are limited by lack of access to technology.[1] In most developing countries, women lag behind men in using the Internet, mobile phones, and radios. Women represent less than 25% of Internet users in Africa, 22% in Asia, 38% in Latin America, and 6% in the Middle East.

Through technology literacy, entrepreneurship training, and access to information, Intel empowerment programs are providing the building blocks for women to tap into their own ideas and initiative for personal and professional growth. Just as technology removes walls around the classroom, entrepreneurial skills can remove walls around women's lives. Through a partnership with Junior Achievement, Intel employees in Costa Rica mentor women from low-income regions who are enrolled in entrepreneurship programs aimed at advancing economic independence.

In 2011, Intel Turkey launched the Tekno Kadin (TechnoWomen) program, another example of preparing women for the global economy in a locally relevant way. This three-week training program for women possessing little or no experience with computers teaches basic digital literacy and helps women develop basic entrepreneurship skills for developing their own business. The Tekno Kadin program will be expanded to 33 cities 2012, and is expected to reach 3,000 women in Turkey.

An Intel Foundation grant led to the opening of the Intel Udyogini School of Entrepreneurship, where 3,600 tribal women in insurgency-hit areas of India have received training. Saraswati, a graduate of the school, has become self-sufficient since opening her own store, where she also teaches adult literacy classes in the evening. Some of the women have developed businesses that collect and extract lacquer from insects, and then sell it to industry in the region, resulting in economic empowerment for the women. The lacquer business has been recognized by the Indian government as a best-practice model to be proliferated under the National Rural Livelihood Mission.

Watch Video A group of girls in the Intel Learn Program in Egypt used their skills to address adult literacy in their community.

Collaborating for Impact

Intel is proud to be the founding corporate sponsor of the 10x10 initiative, which is dedicated to addressing the plight of girls around the world. 10x10 is poised to achieve impact by changing minds, lives, and policy through a powerful film and social action campaign that tells the story of 10 extraordinary girls from 10 countries around the world. The social action campaign began in fall 2011, and the film debut is planned for winter 2013. More information about the project is available at the 10x10act web site. To raise awareness of the campaign, Intel is hosting Act Now events at select U.S. university campuses in 2012. Each event includes a discussion panel with leaders from academia, nonprofit advocacy organizations, and corporations committed to empowering girls and women. To learn more or to register for an event, visit the Act Now Events web site.

In April 2011, Intel signed an agreement with Telecentre.org to support the Telecentre Women: Digital Literacy Campaign. The initiative will provide digital literacy skills to underserved women worldwide through the Intel Easy Steps program. The program was initially piloted in Kenya and the Philippines, and aims to train 1 million women by 2015.

[1] Malhotra, A., Schulte, J., Patel, P., and Petesch, P. Innovation: For Women's Empowerment and Gender Equality. International Center for Research on Women (2009).

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Technology Innovation in Healthcare

Intel technology is used in a wide range of healthcare applications, and we collaborate with healthcare providers, other companies, and policymakers on innovative new products and solutions aimed at improving global access to quality, affordable healthcare.

Social scientists from Intel travel the world, conducting ethnographic research in hospitals and homes. Our research focuses on improving care in clinical environments, advancing personal health technologies for the home, identifying new care models and work practices, and promoting standards and policies that enable innovation and interoperability across the healthcare ecosystem. The insights we gain through our people-centered research help inform the design of a growing roster of innovative products and technology solutions.

In a people-centric healthcare world, patients and care teams must be able to easily collaborate across the continuum of care. The key to this information exchange is the industry-wide adoption of standards. Intel invests significant resources in standards initiatives while collaborating with other technology industry leaders to accelerate the innovation of solutions that will ensure the stability and interoperability of the greater technology infrastructure.

Intel's healthcare collaborations include helping to launch and lead the Continua Health Alliance, which has established guidelines for highly connected personal tele-health products for fitness, disease management, elder care, and more. Intel is also a founding member of Dossia, a consortium of large employers focused on developing a secure framework that enables more than 2.5 million employees, dependents, and retirees to collect and maintain lifelong electronic health records. In addition, Intel and the Alzheimer's Association formed Everyday Technologies in Alzheimer Care, a consortium to address the needs of the estimated 4 million people in the United States living with Alzheimer's disease.

Watch Video See how technology is improving the delivery of healthcare in Mexico.

The Intel World Ahead Program includes a strategic focus on working with governments, NGOS, and private providers to expand access to innovative healthcare solutions in the developing regions of the world. One example is the Mailafiya Health Program, a public-private partnership between Intel, the Nigerian Federal Capital Territory Millennium Development Goals Unit, and local health officials. The program provided mobile healthcare teams with innovative technology solutions that included cost-effective Intel-powered netbook PCs and software to enable data collection. A year after the program's launch, the number of patients served had increased by 10,000, up 270% from the previous year. The project brought healthcare to 336 additional settlements and resulted in a 900% increase in disease detection and reporting.[1]

In September 2011, Intel announced the Intel World Ahead 1Mx15 Health Program, which aims to bring technology skills to 1 million healthcare workers in developing countries by the end of 2015. The program is designed to help accelerate progress toward better health, primarily for women and children. In collaboration with governments, private industry, development communities, and academia, the program is establishing initiatives aimed at increasing the availability, affordability, and usage of computers and broadband. As part of the 1Mx15 Health Program, Intel created the Intel skoool™ Healthcare Education Platform, an anytime, anywhere multimedia content delivery and assessment platform. Sri Lanka is the first country piloting the program.

In support of 1Mx15 Health Program goals, in early 2012 Intel and the United Nations Population Fund (UNFPA) announced a new partnership aimed at using technology to strengthen the skills of midwives and other front-line healthcare workers. Intel will provide software and technical assistance, and UNFPA will provide training content for the program. The project's initial focus will be on countries that have high maternal death rates, including areas of India, Bangladesh, and Ghana.

[1] "Increasing Healthcare Delivery by 270% to Underserved Communities Using a Scalable ICT Solution." Intel World Ahead white paper, 2010.

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Performance Summary and Goals

In 2011, we surpassed the milestones of 10 million teachers trained through the Intel® Teach Program and 1.6 million learners reached through the Intel Learn® Program. We broadened the reach of our learning and teacher development programs, and expanded our role as an advocate for better science, technology, engineering, and math education—especially for girls, women, and under-represented minorities. Our employees continued to inspire us, with 50% volunteering over 1.1 million hours and sharing their skills to develop and implement innovative projects that benefit schools and communities. We also combined our passion for innovation with our technology to support social innovation and entrepreneurship programs, competitions, and partnerships that lead to the creation of shared value.

Society Goals and Performance

2011 Goals	2011 Performance	
Enable teachers to prepare students with 21st century skills by training 10 million teachers by the end of 2011 through the Intel® Teach Program and expanding our portfolio of program options to meet local needs.	As of the end of December 2011, we had trained more than 10 million teachers.	●
Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities.	Achieved 50% volunteer rate globally and over 1.1 million volunteer hours, including skills-based activities.	●

● Achieved ◒ Partially Achieved ○ Not Met

In 2012, Intel and the Intel Foundation will continue to expand and support the development of our education programs, reaching more teachers and young people around the world. We will also continue to place a high importance on collaboration with governments and other stakeholders to support systemic change in education, entrepreneurship, and social innovation. We will evolve our employee engagement communications campaign to encourage even more employees to participate in our Intel Involved volunteer program, including developing more opportunities to support girls and women.

Society Goals for 2012 and Beyond

Establish Intel education programs in 100 countries and grow the education PC market to 100 million units by 2014.
Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities.
Provide ICT training to 1 million healthcare workers in developing countries by the end of 2015 through the Intel World Ahead 1Mx15 Health Program.

Appendix

About This Report

Report Scope and Profile

With the Intel 2011 Corporate Responsibility Report (CR Report), we aim to provide stakeholders with a balanced view of our corporate responsibility strategy and performance for Intel's worldwide operations during fiscal year 2011 (ended December 31, 2011). Our previous report was published in May 2011.

We prepared this report using the Global Reporting Initiative* (GRI) G3.1 Sustainability Reporting Guidelines, and self-declare the report to the GRI Application Level A. A GRI Content Index is provided in this Appendix. Additional information about Intel's operations and financial statements is available in our 2011 Annual Report and Form 10-K.

We produce our CR Report in Portable Document Format (PDF). A printed executive summary of the report is available by request, and an electronic version is available on our Report Builder web site. Our sites around the world translate and customize the content of the executive summary for local stakeholders. For a high-level overview of Intel's corporate responsibility, supporting documents, past reports, and our customized Report Builder tool, visit our Corporate Responsibility Report web site.

Our CR Report does not include performance information for Intel's joint ventures or firms included in the investment portfolio of Intel Capital, Intel's global investment organization, unless specified. Unless specified, environmental and social performance data also does not include data from our wholly owned subsidiaries, such as the Wind River Software Group, and recent acquisitions, such as the Wireless Solutions (WLS) business of Infineon Technologies AG, which operates as Intel Mobile Communications, and McAfee, Inc., both of which were acquired in the first quarter of 2011. We are in the process of working with these businesses to develop management processes for key corporate responsibility issues and reporting, with the intention of including more comprehensive information on their corporate responsibility data in our 2012 report.

This year's report does not reflect any significant changes in reporting scope compared to our previous report. Principles and policies apply to all officers and employees of Intel and its subsidiaries, unless otherwise noted. Environmental, health, and safety data includes widely accepted parameters and units. Key performance indicators cover our global manufacturing operations, including our wafer manufacturing and assembly and test facilities. Corporate-wide emissions are calculated using the existing GHG Protocol Corporate Accounting and Reporting Standard

Highlight Read about Intel's approach to integrated reporting.

developed by the World Resources Institute and the World Business Council for Sustainable Development. Financial data is presented in U.S. dollars. References to "Intel" throughout this document pertain to Intel Corporation. Intel Foundation is a separate entity.

Send questions, comments, or feedback to Suzanne Fallender, Director of CSR Strategy and Communications, or Michael M. Jacobson, Director of Corporate Responsibility, Intel Corporation, 5000 W. Chandler Blvd., CH7-301, Chandler, AZ 85226 USA. You can also use our web-based feedback form or the CSR@Intel blog to contact our Corporate Responsibility team.

Approach to Report Assurance

The information in our CR Report is subject to internal reviews and, for selected content, external reviews. On a regular basis, we validate the management systems and processes used to collect the data. We have maintained a multi-site ISO 14001 certification for our manufacturing locations since 2001, which requires independent third-party audits at many of our sites each year. Intel Ireland is also accredited to the IS 393 Energy Management Standard certification. Our operations in Ireland are covered by the European Union Emissions Trading Scheme. Since 2010, Intel has maintained certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems.

For a number of years, we have obtained third-party verification for our GHG emissions. We have engaged WSP Environment and Energy to complete an independent review of our 2011 GHG emissions data. This review will be completed using the ISO14064-3:2006 standard for validation and verification of greenhouse gas assertions.

In 2011, we continued to evaluate trends in assurance and other external verification measures, taking into consideration input from our stakeholders. Based on this evaluation, we engaged Ernst & Young LLP to conduct an independent review of selected indicators contained in our 2011 CR Report in accordance with AT 101, *Statements on Standards for Attestation Engagements*, of the American Institute of Certified Public Accountants (AICPA). Ernst & Young's review report is included in this Appendix. We anticipate that we will continue to develop our report assurance strategy over the next few years, and in future reports expand the number of indicators subject to assurance.

GRI Content Index

This GRI Content Index is provided to assist readers in understanding how our report aligns with the Global Reporting Initiative* (GRI) G3.1 Sustainability Reporting Guidelines. This index includes all "Core" indicators as well as a number of "Additional" indicators that we have determined are relevant to our business. We self-declare this report at the "A" level. For more information about the GRI Guidelines and application levels, visit the GRI web site.

GRI Content Index				
Indicator Numbers and Description	**Status**	**Report Section(s)**	**Page(s)**	**Explanatory Notes**
1. Strategy and Analysis				
1.1–1.2 Statement from the most senior decision maker; Description of key impacts, risks, and opportunities.	●	Letter From Our CEO; Our Business and Integrated Value Approach (Integrated Value)	3, 5	
2. Organization Profile				
2.1–2.9 Name of the organization; Primary brands, products, and/or services; Operational structure of the organization; Location of headquarters; Nature of ownership; Markets served; Scale of reporting organization; Significant changes during the reporting period.	●	Integrated Value	6	Additional details are available in our 2011 Annual Report and Form 10-K.
2.10 Awards received in the reporting period.	●	Integrated Value	22	
3. Report Parameters				
3.1–3.4 Reporting period; Date of most recent previous report; Reporting cycle; Contact point for questions regarding the report or its contents.	●	About This Report	122	
3.5 Process for defining report content.	●	Integrated Value	17	
3.6–3.8 Boundary of the report; Limitations on scope and/or report boundary; Basis for reporting on joint ventures, subsidiaries, etc.	●	About This Report	122	
3.9 Data measurement techniques and the bases of calculations.	●	Environment; About This Report	37, 122	Additional information is provided in discussions about indicators throughout the report.
3.10–3.11 Explanation of the effect of any restatements of information provided in earlier reports; Significant changes from previous reporting periods.	●	About This Report and individual indicator descriptions	122	No major changes. Some environmental and safety figures have been adjusted. The majority reflect minor changes that occur when new information is received after the close of the data collection period. See also our 2011 Annual Report and Form 10-K.
3.12 Table identifying the location of standard disclosures in the report.	●	GRI Index	123	

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
4. Governance, Commitments, and Engagement				
4.1–4.4 Governance structure of the organization, including committees under the highest governance body; Indication of whether the chair of the highest governance body is also an executive officer; Number of members of the highest governance body that are independent and/or non-executive members.	●	Integrated Value; Governance, Ethics, and Public Policy (GE&PP)	11, 27	Additional information on Board committees and composition is available in our 2012 Proxy Statement (p 7).
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	●	Environment; Our People	41, 75	For additional details on our approach to linking pay and performance, see our 2012 Proxy Statement (p 50).
4.6 Processes in place for the highest governance body to ensure that conflicts of interest are avoided.	●	GE&PP	27	Additional information is provided in our 2012 Proxy Statement (p 24).
4.7 Process for determining the qualifications and expertise of the members of the highest governance body on economic, environmental, and social (EE&S) topics.	●	GE&PP	27	Information on the process for selecting new directors is included in our 2012 Proxy Statement (p 8). A number of directors have expertise in strategic CSR areas of education (Yeary), environment (Hundt), and corporate governance (Yoffie).
4.8 Internally developed statements of mission or values, codes of conduct, and principles.	●	Integrated Value; GE&PP; Environment; Supply Chain	10, 28, 39, 87	See also our Governance and Ethics web site.
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of EE&S performance.	●	Integrated Value; GE&PP	11, 27	See also the charter of the Corporate Governance and Nominating Committee on our Governance and Ethics web site.
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to EE&S performance.	●	GE&PP	27	Additional information is provided in our 2012 Proxy Statement (p 16).
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	Environment	38	Reference is also included in our Intel Code of Conduct.
4.12 Externally developed charters, principles subscribed to.	●	Integrated Value; GE&PP; Environment; Supply Chain	10, 30, 40, 87	Specific charters/principles are covered in specific sections of the report by topic.
4.13 Memberships in associations and/or advocacy organizations.	●	GE&PP; Environment; Our People; Supply Chain; Contributions to Society (Society)	35, 38, 72, 88, 108	Memberships are covered in multiple sections of the report. A list of our major trade association memberships is available on our Report Builder web site.

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)				
Indicator Numbers and Description	**Status**	**Report Section(s)**	**Page(s)**	**Explanatory Notes**
4.14–4.17 List of stakeholder groups engaged by the organization; Basis for identification and selection of stakeholders; Approaches to stakeholder engagement; 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.	●	Integrated Value	14	
5a. Economic Performance Indicators				
Management Approach Disclosures: Economic	●	Integrated Value	19	Additional information is included in our 2011 Annual Report and Form 10-K.
EC1 Direct economic value generated and distributed. (Core)	●	Integrated Value; Society	19, 102	Additional information is included in our 2011 Annual Report and Form 10-K (p 22).
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change. (Core)	●	Integrated Value; Environment	43	Climate change risk is also covered in our 2011 Annual Report and Form 10-K (p 10, 18).
EC3 Coverage of the organization's defined benefit plan obligations. (Core)	●	Our People	76	Additional information is available in our 2011 Annual Report and Form 10-K (p 74).
EC4 Significant financial assistance received from government. (Core)	◒	Integrated Value	19, 21	The company's primary use of incentives and grants is for construction of new facilities. These activities are managed on a local level in the location where they are built, and information is usually disclosed by the government/municipality. Additional details on our tax rate and credits are available in our 2011 Annual Report and Form 10-K (p 87).
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation. (Core)	●	Integrated Value; Supply Chain	96	Breakdown of spends by region and information on supplier diversity programs are provided.
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. (Core)	●	Our People	72	Our recruiting practices are designed to be inclusive, and we hire from the diverse populations and communities where we operate. A majority of senior management at our global sites are local hires.
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. (Core)	●	Society	102	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional)	●	Integrated Value	19	

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
5b. Environmental Performance Indicators				
Management Approach Disclosures: Environment	●	Integrated Value; Environment	11, 38	
EN1 Materials used by weight or volume. (Core)	◒	Environment; Supply Chain	38, 86	Our systems are not designed to calculate in totality materials in this way. See our Making Silicon Chips web site for a detailed description of the manufacturing process and materials used.
EN2 Percentage of materials used that are recycled input materials. (Core)	◒	Environment	56	Given the complexity and size of our products, calculation of the percentage of recycled content is not applicable; more significant are our efforts in recent years to design out materials such as lead and halogens.
EN3 Direct energy consumption by primary energy source. (Core)	●	Environment	45	See also our Carbon Disclosure Project (CDP) questionnaire response on the CDP web site.
EN4 Indirect energy consumption by primary source. (Core)	◒	Environment	45	Our purchased energy is from multiple public utilities, which include a mix of energy sources. We do not break out total consumption by source. See also our response on the CDP web site.
EN5–EN7 Energy saved due to conservation and efficiency improvements. (Additional); Initiatives to provide energy-efficient or renewable energy-based products and services. (Additional); Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	●	Environment	45	
EN8–EN10 Total water withdrawal by source. (Core); Water sources significantly affected by withdrawal of water. (Additional); Percentage and total volume of water recycled and reused. (Additional)	●	Environment	48, 51	
EN11–EN12 Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value. (Core); Description of significant impacts on activities, products, and services on biodiversity in protected areas and areas of high biodiversity value. (Core)	●	Integrated Value; Environment	42	Major locations and manufacturing sites are listed in this report, and owned and leased facilities are listed in our 2011 Annual Report and Form 10-K (p 19).
EN16–EN18 Total direct and indirect greenhouse gas emissions by weight. (Core); Other relevant indirect greenhouse gas emissions by weight (Core); Initiatives to reduce greenhouse gas emissions, and reductions achieved. (Additional)	●	Environment	44	See also our response on the CDP web site.
EN19 Emissions of ozone-depleting substances by weight. (Core)	●	Environment	54	
EN20 NOx, SOx, and other significant air emissions by type and weight. (Core)	●	Environment	54	

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
EN21 Total water discharge by quality and destination. (Core)	●	Environment	49	Additional information is available in SARA Title III Reportable Chemicals by Site.
EN22 Total weight of waste by type and disposal method. (Core)	●	Environment	52	
EN23 Total number and volume of significant spills. (Core)	●	Environment	60	No major spills were reported in 2011. Other non-compliance issues were reported.
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	●	Environment	55	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category. (Core)	◒	Environment; Supply Chain	56, 97	Intel does not have data collection processes to track, record, and report this information in this way. However, an estimated 75% of our packaging material is reusable/recyclable.
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. (Core)	●	Environment	60	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional)	●	Environment; Supply Chain	44, 98	CO_2 emissions of logistics and supply chain and percentage of total CO_2 emissions are estimated, and we are developing tools to help improve measurement and tracking of our impacts in this area.
5c. Social Performance Indicators: Labor Practices				
Management Approach Disclosures: Labor Practices	●	Integrated Value; GE&PP; Our People; Supply Chain	11, 27, 30, 63, 85	
LA1–LA2 Total workforce by employment type, employment contract, and region. (Core); Total number and rate of employee turnover. (Core)	◒	Our People	66, 67	Information is provided on turnover by region and type. Other turnover information is not provided since it is deemed proprietary.
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. (Additional)	●	Our People	75	Part-time and contract employees have similar access to health and retirement benefits as full-time employees. Benefits related to life insurance, vacation, and tuition reimbursement are prorated for part-time employees. Contract employees are not eligible for a number of benefits, including long-term disability, equity incentive plan, and tuition reimbursement. Part-time and contract employees are not eligible for our sabbatical benefit.
LA4 Percentage of employees covered by collective bargaining agreements. (Core)	●	Our People	31	The percentage is zero. See also our Human Rights Principles.

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. (Core)	◒	Our People	70	We provide advance notice in accordance with local requirements in the different locations where we operate. We also have regular quarterly meetings with all employees via webcast, provide information on business changes as soon as possible, and take steps to mitigate negative impacts. We do not have collective agreements.
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. (Core)	●	Our People	81	
LA8 Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases. (Core)	●	Our People	79, 82	
LA10–LA11 Average hours of training per year per employee, by employee category. (Core); Programs for skills management and lifelong learning that support continued employability. (Additional)	●	Our People	69	
LA12 Percentage of employees receiving regular performance and career development reviews. (Additional)	●	Our People	68	
LA13 Composition of governance bodies and breakdown of employees by category according to gender, age group, minority group membership, and other indicators of diversity. (Core)	●	Our People	73	
LA14 Ratio of basic salary of men to women by employee category. (Core)	◒	Our People	74	Overall ratio is not reported due to information being deemed proprietary, but breakdown of top 50 in senior management is reported in terms of compensation.
LA15 Return to work and retention rates after parental leave. (Core)	◒	Our People	77	
5d. Social Performance Indicators: Human Rights				
Management Approach Disclosures: Human Rights	●	Integrated Value; GE&PP; Supply Chain	11, 30, 85	
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	●	Supply Chain	30	Our comprehensive site selection process evaluates several criteria, including human and labor rights considerations. Supplier contracts also include requirements.
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. (Core)	●	Supply Chain	90	

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	●	GE&PP; Supply Chain	28, 88	Training on the Intel Code of Conduct and other policies and procedures is mandatory for every Intel employee and includes content on human rights and our Human Rights Principles.
HR4 Total number of incidents of discrimination and actions taken. (Core)	○			Results, while compiled for internal review and action, are not currently publicly reported since this information is deemed proprietary. Information on approach to diversity and ethics and compliance is reported.
HR5–HR7 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. (Core); Operations identified as having significant risk for incidents of child labor, or forced or compulsory labor, and measures taken to contribute to the elimination of child labor. (Core)	●	GE&PP; Our People; Supply Chain	30, 65, 91	We operate in a number of countries identified by stakeholders as being at higher risk for labor concerns. We conduct regular Intel Code of Conduct training, which also covers our Human Rights Principles in place. We have not identified any Intel operations with significant risk for child labor or forced or compulsory labor.
HR10–HR11 Percentage and total number of operations that have been subject to human rights assessments and number of grievances resolved. (Core)	●	GE&PP; Our People; Supply Chain	30, 65, 91	
5e. Social Performance Indicators: Society				
Management Approach Disclosures: Society	●	Integrated Value; Society	11, 102	
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. (Core)	●	Integrated Value; Society	14, 102	
SO2–SO3 Percentage and total number of business units analyzed for risks related to corruption. (Core); Percentage of employees trained in organization's anti-corruption policies and procedures. (Core)	●	GE&PP	28	
SO4 Actions taken in response to incidents of corruption. (Core)	◒	GE&PP	28	Data is reported on anti-corruption training and assessment processes. Summary types of findings from our ECOC and typical actions taken are also provided. We do not provide detailed information on specific actions taken since this information is deemed proprietary.
SO5–SO6 Public policy positions and participation in public policy development and lobbying. (Core); Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. (Additional)	●	GE&PP	33	

● Covered in the Report ◒ Partially Covered in the Report ○ Not Covered in the Report

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
SO7–SO8 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional); Monetary value of significant fines and total number of non-monetary sanctions. (Core)	●	GE&PP	29	See also the Competition in the Innovation Economy web site and our 2011 Annual Report and Form 10-K (p 89).
SO9–SO10 Operations with significant potential or actual impact on local communities and prevention/mitigation activities. (Core)	●	Integrated Value; Environment; Society	14, 42, 102	
5f. Social Performance Indicators: Product Responsibility				
Management Approach Disclosures: Product Responsibility	●	Integrated Value; GE&PP; Environment	11, 32, 55	Product responsibility topics span multiple sections of the report.
PR1 Life-cycle stages in which health and safety impacts of products and services are assessed for improvement. (Core)	●	Environment	38	For more information, refer to the Intel Quality System Handbook.
PR3 Type of product and service information required by procedure, and percentage subject to such requirements. (Core)	◒	Environment; Supply Chain	55, 90	We also provide our customers with information on the energy efficiency of our products through our web site and publications on our web site.
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional)	●	Integrated Value; Our People	9, 21, 75	For more information, refer to the Intel Quality System Handbook.
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising. (Core)	●	GE&PP	27	Covered in the Intel Code of Conduct and in our 2011 Annual Report and Form 10-K (p 90).
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)	◒		32	Total number not reported, but information is available on Intel's Privacy Policy and on our Public Policy web site.
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (Core)	●			Information on legal proceedings is included in our 2011 Annual Report and Form 10-K (p 89).

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

United Nations Global Compact—Communication on Progress 2011

In June 2009, Intel became a member of the United Nations Global Compact (UNGC), a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labor, environment, and anti-corruption. The UNGC principles have been engrained in our approach to corporate responsibility and business practices for many years.

As part of our commitment to the UNGC, we have mapped the principles with the relevant discussions in the report, which detail our actions and progress made against the principles during 2011, including our work with other organizations in these areas. In addition to our commitment to promote the UNGC principles in our operations, Intel will continue to support the UNGC in its work to expand country networks.

UNGC Communication on Progress		
Human Rights		
Principle 1	Support and respect the protection of internationally proclaimed human rights.	Intel's commitment to respect human rights is embodied in the Intel Code of Conduct, Intel Human Rights Principles, and Intel Water Policy, the latter of which covers our respect for the human right to water. All of these policies are available on our Governance and Ethics web site. In addition, the topic of human rights is covered in the Electronic Industry Code of Conduct, adopted by Intel in 2004. For a discussion of our approach to respecting human rights and the steps we have taken during 2011, see "Respecting Human Rights" in the Governance, Ethics, and Public Policy section of this report.
Principle 2	Make sure that business is not complicit in human rights abuses.	
Labor		
Principle 3	Uphold freedom of association and the effective recognition of the right to collective bargaining.	Intel's Human Rights Principles incorporate references to the key labor issues identified in the UNGC, including prohibition of child labor (Intel has established a minimum age of 16), forced labor, human trafficking, and discrimination. Intel recognizes that in many locations where we operate, employees have the right to freely associate or not associate with third-party labor organizations, along with the right to bargain or not bargain collectively in accordance with local laws. Intel respects those rights and is committed to creating an environment of open communication where employees can speak with their managers about their ideas, concerns, or problems, and team together to address workplace issues. For more information, see "Respecting Human Rights" in the Governance, Ethics, and Public Policy section of this report.
Principle 4	Support elimination of all forms of forced and compulsory labor.	
Principle 5	Support effective abolition of child labor.	
Principle 6	Elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses are asked to support a precautionary approach to environmental challenges.	Intel co-founder Gordon Moore, a longtime champion of the environment, instilled a legacy of environmental consciousness at Intel that continues today. We incorporate environmental performance goals throughout our operations and regularly report on our progress, seeking continuous improvement in energy efficiency, emissions reductions, resource conservation, and waste reduction. We strive to minimize the environmental impact of our products—from design through disposal—and we collaborate with others to develop innovative ways that technology can help address long-term sustainability challenges. For more information, see the Environment section of this report.
Principle 8	Undertake initiatives to promote greater environmental responsibility.	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Intel has set clear standards and policies, and has put in place training to ensure employee compliance on these topics, including a reference in the Intel Code of Conduct. We have a comprehensive Ethics and Compliance program, which is described in detail in the Governance, Ethics, and Public Policy section of this report. Depending on their role and geographical location, certain employees are assigned more in-depth ethics and compliance training courses, including those covering anti-corruption. Approximately 32,000 employees were trained on our anti-corruption policies and procedures in 2011. For more information see the Governance, Ethics, and Public Policy section of this report.

Report of Independent Accountant

Board of Directors and Stockholders
Intel Corporation

We have reviewed selected quantitative performance indicators (the "subject matter") included in the table below and as presented in Intel Corporation's 2011 Corporate Responsibility Report (the "Report") for the year ended December 31, 2011. We did not review all information included in the Report. We did not review the narrative sections of the Report, except where they incorporated the subject matter. Intel management is responsible for the subject matter included in the table below and as also presented in the Report.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, AT101, *Statements on Standards for Attestation Engagements*. A review is substantially less in scope than an examination, the objective of which is an expression of opinion on the subject matter, and accordingly, no such opinion is expressed.

Non-financial information contained within corporate responsibility reports are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, nothing came to our attention that caused us to believe that the subject matter for the year ended December 31, 2011 is not presented, in all material respects, in conformity with the relevant criteria.

Ernst + Young LLP

May 11, 2012

Performance Indicators Reviewed

Indicator Name	Scope	Unit	2011 Value[1]	2011 Report Page
Energy Use[2]	United States	Billion kWh	3.9	45
Water Withdrawals for Operations Use[3]	United States	Billion gallons	5.6	48
Days Away Case Rate	Global	Days away cases / 200,000 work hours	0.12	81
Recordable Rate[4]	Global	Recordable incidents / 200,000 work hours	0.63	81
Suppliers Undergoing Third-Party Audits for Human Rights[5]	Global	Number of reviews of third-party audits completed by Intel management	49	91

[1] All figures for the year ended December 31, 2011, unless otherwise noted. Values rounded where appropriate.
[2] Includes natural gas, diesel, and electricity.
[3] "Operations" includes Intel controlled fabrication and assembly and test facilities in the United States.
[4] Recordable incidents as determined at April 27, 2012 for the 2011 calendar year.
[5] Total includes on-site third-party audits completed during 2011, as well as third-party audits completed using the Electronic Industry Citizenship Coalition standard process within the previous two years. For these audits, Intel completed formal reviews of the audit results and worked with the suppliers to close any open items.

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