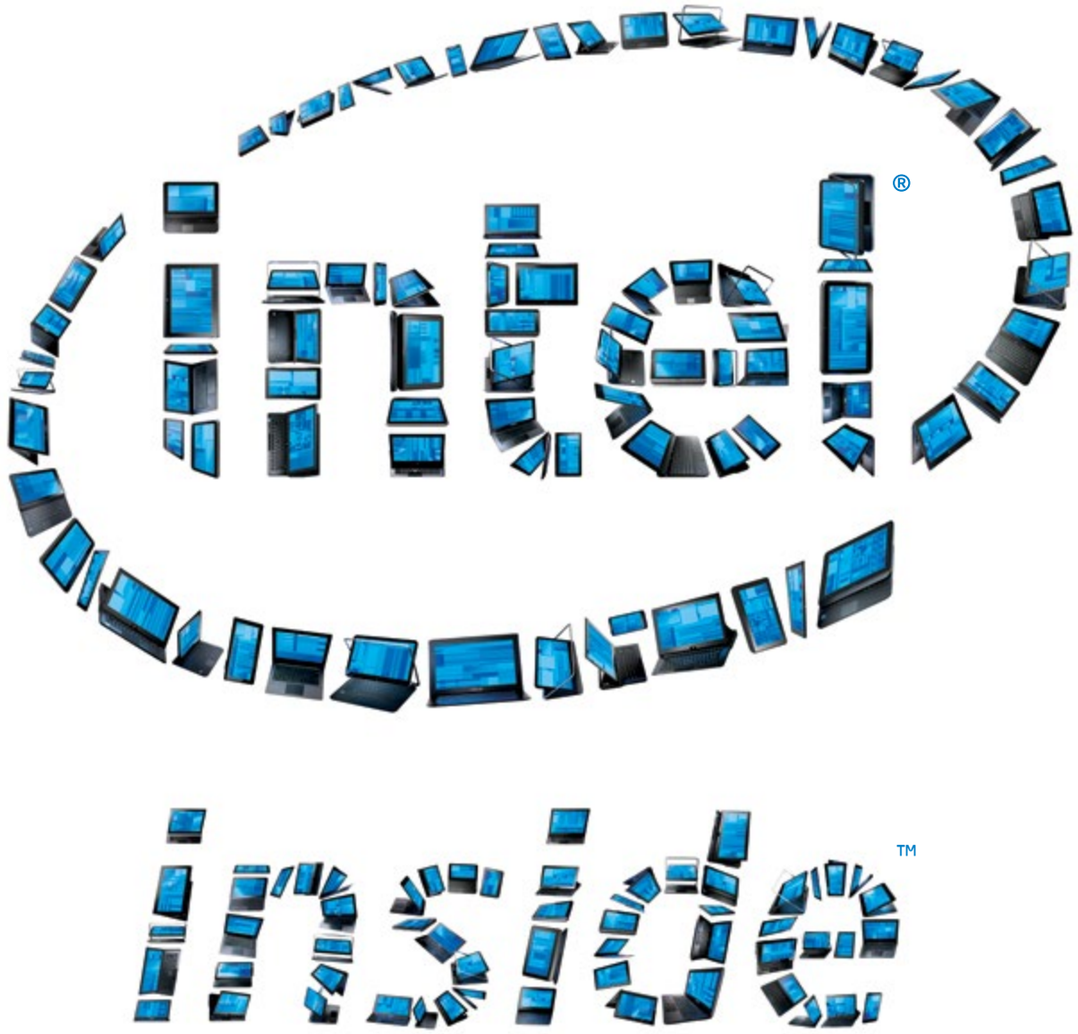

2012 Corporate Responsibility Report

At Intel, innovation isn't simply something we pursue; it's who we are. Intel's vision is to create and extend computing technology to connect and enrich the life of every person on Earth.

In this report, we discuss our corporate responsibility performance during 2012, and the actions we are taking to achieve our vision and strategic objectives to care for our people, care for the planet, and inspire the next generation. Key 2012 highlights included:

Engaged employees through the Sustainability in Action Grant Program, and again linked a portion of every employee's compensation to sustainability metrics.

Achieved world-class results in our annual Organizational Health Survey of Intel employees, and were again named to Fortune magazine's annual "100 Best Places to Work For" list.

Empowered our employees to give back to their communities through the Intel Involved program, resulting in more than 1 million hours of service in 2012.

Continued to be the largest voluntary purchaser of green power in the U.S., according to the U.S. Environmental Protection Agency (EPA), and received the EPA's Sustained Excellence in Green Power Award.

Supported the launch of the "Girl Rising" film and 10x10 social action campaign, which highlight the importance of investing in the education of girls and women to advance economic opportunity.

Convened our first Supplier Sustainability Leadership Summit in China, bringing together executives from our top suppliers, government officials, leading NGOs, the media, and academics.

Advanced our education transformation strategy by developing new technology solutions, and reached 7 million students through the Intel International Science and Engineering Fair, a program of Society for Science & the Public.

Achieved our goal to manufacture a microprocessor that is "conflict-free" for tantalum; Intel was one of the first companies to set public goals related to "conflict minerals."

About This Report

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 the Appendix, along with information about the report's scope and approach to assurance.

Over the past few years, we have continued to integrate sustainability information into our Annual Report and 10-K and other investor communications. We have also made changes to the Corporate Responsibility Report itself to further address the topic of integrated reporting. The first section of this report, Our Business and Integrated Value Approach, covers content recommended by the International Integrated Reporting Committee for inclusion in "integrated reports." We have designed the section so that it can be downloaded as a standalone document or read as an interactive part of the full 2012 Corporate Responsibility Report. Our hope is that this modular approach will meet the needs of readers interested only in an integrated report, as well as stakeholders who are looking for more detailed sustainability information. Please refer to the box at right for more information about navigating and customizing the report.

Additional information about Intel's operations and financial statements is available in our 2012 Annual Report and Form 10-K.

How to Use This Document

We created this report in Portable Document Format (PDF) to facilitate searching and customizing it, and have also optimized the design format for viewing it on tablets. Readers can create customized reports and download individual sections and supplemental materials through our Report Builder web site.

For best viewing results on a PC, we recommend using Adobe Acrobat* Version 7.0 or above and QuickTime.* For best viewing results on a tablet, we recommend using Adobe Acrobat Version X or above and QuickTime. For best printing results, use legal-size paper.

This icon indicates interactive content in the report. Click (or tap touch-enabled devices) the icon to access the interactive content or view additional information.

Click or tap to play video.

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Click or tap this link to return to the page you last viewed.

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

At Intel, we believe that corporate responsibility is simply good business. Doing the right things the right way creates value for Intel and strengthens our position as a global technology and business leader. Deeply embedding corporate responsibility and a commitment to ethical behavior in all that we do helps us mitigate risk, reduce costs, protect our brand value, and develop new market opportunities.

We believe that technology will continue to play a fundamental role in addressing the world's toughest environmental and social challenges—from energy and water conservation and management to healthcare and education for all. Intel has an ambitious vision: Create and extend computing technology to connect and enrich the life of every person on Earth. One of our strategic objectives, in particular, supports this vision: "Care for our people, care for the planet, and inspire the next generation."

Care for our people. Intel's success relies on our employees' ability to create and innovate—in technology, in business, and in their communities. We invest significant resources in employee training and development, great-place-to-work and diversity initiatives, and programs that empower employees to volunteer with local schools and nonprofit organizations. For example, through our Intel Involved program, our employees have donated more than 5 million hours of volunteer service around the world over the past five years. We measure our progress each year by soliciting employee feedback through our annual Organizational Health Survey; in our 2012 survey, 88% of employees reported that they are proud to work for Intel, up from 87% in 2011.

Care for the planet. We are committed to environmental leadership in our own operations, in our products, and across our supply chain. Since 2008, Intel has been the largest voluntary purchaser of "green" power in the U.S., according to the U.S. Environmental Protection Agency. Our investments in energy conservation from 2008 through 2012 have saved more than 1.2 billion kilowatt-hours of energy, equivalent to removing 126,000 U.S. homes from the electric grid. We estimate that energy-efficient Intel® technology will enable the billion PCs 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 worldwide (between 1980 and 2007). We have also invested resources to improve the accountability and transparency of our suppliers, and have formally integrated environmental metrics in the scorecards we use in our supplier management and supplier recognition programs.

Inspire the next generation. We believe that success in today's innovation economy depends on access to technology and quality education. Intel and the Intel Foundation invest approximately $100 million annually in education programs around the world—from technology training for teachers to premier science fairs for students. In 2012, we helped launch the Stay With It™ campaign to help connect engineering students with each other and with experienced engineers, role models, and influencers, and encourage them to stay with engineering as their field of study. We also partnered on the launch of the "Girl Rising" film and 10x10 social action campaign, which highlights the importance of investing in the education of girls and women to advance economic opportunity.

We strive for continuous improvement in our own business, and collaborate with other organizations to advance best practices in corporate responsibility worldwide. As a United Nations Global Compact LEAD member, we are committed to transparency in reporting about our corporate responsibility performance and actions. We welcome your feedback on this report, prepared in accordance with the Global Reporting Initiative* G3.1 Sustainability Reporting Guidelines.

I will retire in May 2013 after almost 40 years at the company. I am proud of the progress we have made in corporate responsibility during the eight years I have served as CEO. It has been an honor to work with the employees of Intel, who every day move technology forward, empower people, and transform our world in ways we had never imagined. I have no doubt that their innovations and actions will continue to improve lives while sustaining our business—and the planet—in the years to come.

Paul S. Otellini
President and Chief Executive Officer
Intel Corporation

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Our Business and Integrated Value Approach

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 Section Links

Performance Summary and Goals
Intel Code of Conduct
Intel Company Information
Intel 2012 Annual Report and Form 10-K
Intel 2013 Proxy Statement
Intel Investor Relations
Ultrabook.™ Inspired by Intel

In 2012, the majority of our wafer manufacturing was conducted within the U.S., at our facilities in New Mexico, Arizona, Oregon, and Massachusetts.

Dow Jones Sustainability Indexes

Intel was named to the Dow Jones Sustainability Indexes for the 14th consecutive year for our leadership in corporate responsibility.

By year-end 2012, over 100 Ultrabook™ systems were on the market, and six major mobile providers had launched Intel® Atom™ processor-based smartphones.

To drive strategic alignment with our corporate responsibility objectives, Intel has linked a portion of our executive and employee compensation to environmental metrics since 2008.

See how Intel and the benefits of Moore's Law are enabling people to change the future through technology.

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Company Profile

Our goal is to be the preeminent computing solutions company that powers the worldwide digital economy.

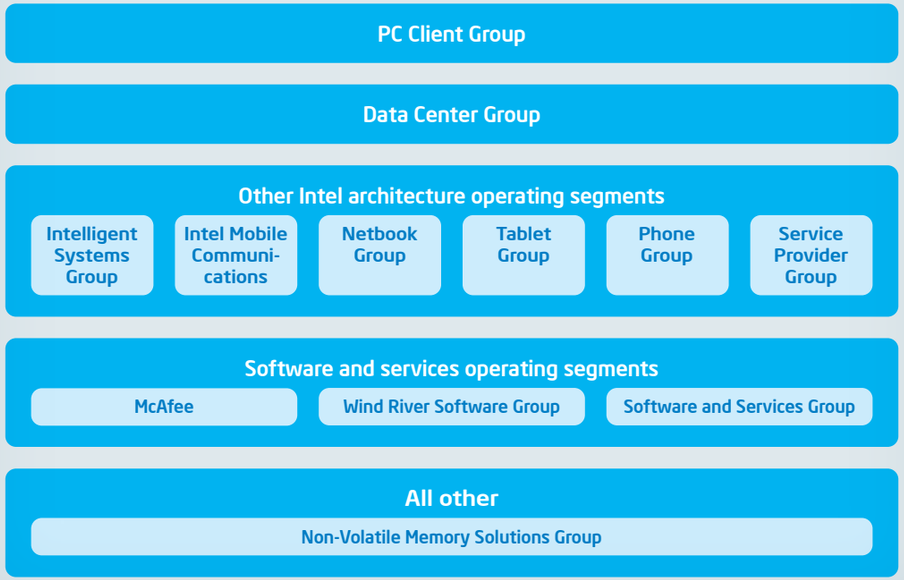
Over time, the number of devices connected to the Internet and each other has grown from hundreds of millions to billions. The combination of the proliferation of mobile devices connecting to the Internet and a build-out of the cloud infrastructure that supports these devices is driving fundamental changes in the computing industry. As a result, 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 across a wide range of computing devices, and innovating around energy-efficient performance, connectivity, and security.

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™, detachable, and convertible systems), servers, 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 around the world, and at fiscal year-end 2012 we had 105,000 employees in more than 60 countries.

Business Organization and Operations

Our products primarily compete based on performance, energy efficiency, integration, innovative design, features, price, quality, reliability, brand recognition, and availability. 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 manufacturing yield.

Intel Business Organization and Operating Segments



As of December 29, 2012, we managed our business through a number of operating segments. In 2012, 64% of Intel's consolidated net revenue was attributable to the PC Client Group, 20% to the Data Center Group, 8% to the Other Intel architecture operating segments, 5% to the Software and services operating segments, and 3% to All other. For descriptions of each of these operating groups and segments, see the 2012 Annual Report and Form 10-K.

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, creating, among other risks, the potential for supply constraints and limited process technology differentiation between competitors using the same foundry.

As of the end of fiscal 2012, 56% of our wafer fabrication, including microprocessors and chipsets, was conducted within the U.S. at our facilities in New Mexico, Arizona, Oregon, and Massachusetts. The remaining 44% of our wafer fabrication was conducted outside the U.S. at our facilities in Ireland, China, and Israel.

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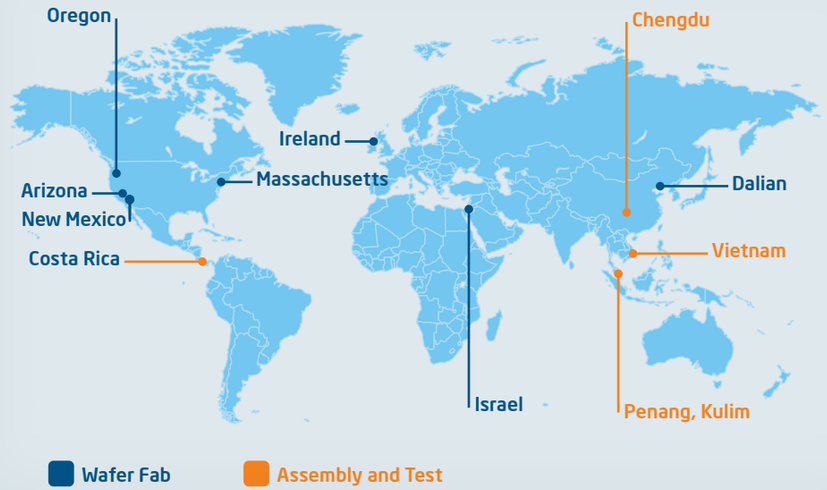
We use third-party manufacturing companies (foundries) to manufacture wafers for certain components, including networking and communications products. In addition, we primarily use subcontractors to manufacture board-level products and systems, and smartphones. We purchase certain communications networking products and mobile phone components from external vendors, primarily in the Asia-Pacific region.

Following the manufacturing process, the majority of our components are subject to assembly and test. We perform our components assembly and test at 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 and Micron Technology, Inc. using 20-nanometer (nm), 25nm, or 34nm process technology, and assembly and test of these products is performed by Micron and other external subcontractors.

Intel Worldwide Operations



Our principal executive offices and the majority of our wafer fabrication activities are located in the U.S.

Countries with More Than 50 Employees[1]

Location	Employees	Location	Employees
Argentina	221	Malaysia	8,767
Austria	195	Mexico	878
Belgium	67	Netherlands	230
Brazil	187	Poland	740
Canada	172	Romania	60
China	8,361	Russia	905
Costa Rica	2,626	Singapore	348
Denmark	158	South Korea	307
Egypt	144	Spain	88
Finland	232	Sweden	64
France	539	Taiwan	804
Germany	2,718	Turkey	58
Hong Kong	185	United Kingdom	793
India	4,121	United States	49,721
Ireland	2,549	Vietnam	1,028
Israel	7,053		
Italy	50		
Japan	564		

[1] As of December 29, 2012. Includes regular employees only (does not include Intel contract employees or interns, or employees of our Software and Services Group 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 (16,381 employees), Arizona (11,913 employees), Folsom, California (6,209 employees), Santa Clara, California (5,876 employees), and New Mexico (3,335 employees).

Although we manufacture the majority of our products in our own factory network, we have thousands of suppliers, including subcontractors, providing our various materials and services needs. We set expectations for supplier performance and reinforce those expectations with periodic assessments. We communicate those expectations to our suppliers regularly and work to implement improvements when necessary. For more information about our supply chain, see the Building the Supply Chain of the Future section of this report.

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Products

We offer platforms that incorporate various components and technologies, including a microprocessor and chipset, or standalone System-on-Chip (SoC). A platform may also be enhanced by additional hardware, software, and services. A microprocessor—the central processing unit (CPU) of a computer system—processes system data and controls other devices in the system. A chipset sends data between the microprocessor and input, display, and storage devices, such as the keyboard, mouse, monitor, hard drive or solid-state drive, and optical disc drive.

We offer and continue to develop SoC products that integrate our core processing functions with other system components, such as graphics, audio, and video, onto a single chip. We also offer features to improve our platform capabilities, such as Intel® vPro™ technology, which is designed to provide businesses with increased manageability, upgradeability, energy-efficient performance, and security while lowering the 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 acquisition of the Wireless Solutions (WLS) business of Infineon Technologies AG in 2011 has enabled us to offer a variety of mobile phone components, including baseband processors, radio frequency transceivers, and power management integrated circuits. Our McAfee subsidiary offers software products that provide security solutions designed to protect systems in consumer, mobile, and corporate environments from malicious virus attacks as well as loss of data.

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 $10.1 billion in 2012, compared to $8.4 billion in 2011. Our R&D activities are directed toward developing the technology innovations 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.

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

Intel® Pentium® processor
Designed for reliable performance

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® Xeon Phi™ processor
Designed for the high-performance computing solutions of enterprise IT services

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

We offer a range of platforms based on the microprocessors shown above.

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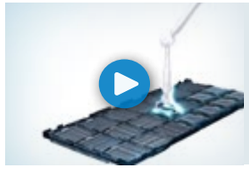
Our R&D model is based on a global organization that emphasizes a collaborative approach to identifying and developing new technologies, leading standards initiatives, and influencing regulatory policies to accelerate the adoption of new technologies, including joint pathfinding conducted between researchers at Intel Labs and our business groups. We centrally manage key cross-business group product initiatives to align and prioritize our R&D activities across these groups. In addition, we may augment our R&D activities by investing in companies or entering into agreements with companies that have similar R&D focus areas, as well as directly purchasing or licensing technology applicable to our R&D initiatives. An example of augmenting our R&D activities is the series of agreements we entered into in the third quarter of 2012 with ASML Holding N.V. These agreements, in which Intel purchased ASML securities and agreed to provide R&D funding over five years, are intended to accelerate the development of 450mm wafer technology and Extreme Ultraviolet Lithography.

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 2012, Hewlett-Packard Company accounted for 18% of our net revenue (19% in 2011), Dell Inc. accounted for 14% of our net revenue (15% in 2011), and Lenovo Group Limited accounted for 11% of our net revenue (9% in 2011). No other customer accounted for more than 10% of our net revenue during these periods. In 2012, 84% of our revenue from unaffiliated customers came from outside the U.S.

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 2012, employees received an additional two days of pay under the program as a result of the company receiving a 92% "Delighted" score from customers. We have exceeded our 75% "Delighted" score goal since 2006.



Watch Video This video shows how computer chips are made. It starts with common sand and highlights the most important manufacturing steps until the computer chip (here a 3rd Gen Intel® Core™ processor) is ready for sale.

Innovation in Ultrabook™ Systems

An Ultrabook™ system is a new category of mobile device inspired by Intel. The first Ultrabook systems were launched in 2011, and 100 were on the market by year-end 2012, with dozens more in the pipeline. Touch-enabled convertible and detachable Ultrabook systems combine the productivity of a notebook with the convenience of a laptop.

Intel expects another wave of Ultrabook device innovation in 2013, with the arrival of the company's next-generation "Haswell" processor. This processor is designed to enable higher performance, the largest generation-to-generation increase in battery life in Intel's history, thinner form factors, instant-on, and more lifelike interaction through touch, gesture, voice, and facial recognition.

Competition

The computing industry is evolving and, as a result, so is our competitive landscape. New competitors are joining traditional competitors in our core PC and server business areas, where we are a leading provider, and we face incumbent competitors in adjacent market segments that we are pursuing, such as smartphones and tablets. Competitors include Advanced Micro Devices, Inc. (AMD), International Business Machines (IBM), Oracle Corporation, as well as ARM* architecture licensees from ARM Limited, such as QUALCOMM Incorporated, NVIDIA Corporation, Samsung Electronics Co., Ltd., and Texas Instruments Incorporated. The primary competitor for our McAfee family of security products and services is Symantec Corporation.

For more information about our products, customers, competitors, and operations, see the Intel 2012 Annual Report and Form 10-K.

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Strategy and Governance

At Intel, corporate responsibility is part of our integrated management approach. We have taken steps to embed corporate responsibility into our vision and strategic objectives, governance and compensation systems, and our value chain.

We believe that our focus on corporate responsibility creates value for Intel. It 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 better mitigate risks, reduce costs, protect brand value, and identify new market opportunities. We believe that we can apply our technology and our experience to help improve energy efficiency and address critical environmental challenges such as climate change, and to improve education access and quality worldwide.

Designing products with improved energy-efficient performance helps us meet customer needs and identify market expansion opportunities; improving energy efficiency in our operations helps us reduce our emissions and energy costs; and investing in training, diversity, benefits programs, and education enables us to attract and retain a talented workforce.

Our business success has always depended on our ability to build trusted stakeholder relationships—with employees, customers, suppliers, governments, and communities. We work to develop a strong culture of trust through open and direct communication, and are committed to operating with transparency. We regularly engage with external organizations to gather feedback that helps improve our performance and increase the economic and social impact of our programs and initiatives over time.

Intel's vision for the next decade is to create and extend computing technology to connect and enrich the life of every person on Earth.

Intel's 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, and maximize our manufacturing technology leadership.
- **Extend Intel solutions into adjacent markets.** Expand platforms into adjacent market segments to bring compelling new System-on-Chip (SoC) solutions and user experiences to mobile form factors, including smartphones and tablets as well as embedded and micro-server applications.
- **Create a continuum of personal computing.** Develop platforms that enable devices that connect to the Internet and to each other to create a continuum of personal computing, thereby offering 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 technologies.

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

Frameworks such as the United Nations Millennium Development Goals have helped inform our corporate responsibility strategy and approach. Intel is a LEAD member of the United Nations Global Compact, and our Human Rights Principles reference external human rights, International Labour Organization standards, and the Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council.

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In recent years, investors have become increasingly interested in the connection between corporate responsibility performance and business value. Our corporate finance organization developed an integrated value framework and supporting tools to better assess and integrate this connection into decision-making at Intel. One of the tools is a carbon calculator that has helped our manufacturing group standardize how to quantify project carbon baselines and track emissions reductions. In 2012, the online calculator was used in multiple projects across our manufacturing operations, helping teams make more informed decisions, prioritize projects, and formulate new goals. In 2012, we also developed a new framework to standardize the valuation of water–related investments, using a "total cost of water" formula that incorporates costs across all aspects of water use, from infrastructure to operations to disposal. This framework was used to inform water conservation decisions related to new building construction and new process technology.

Integrated Value Framework

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.

Creating and Measuring Shared Value

In 2012, Intel became a supporting member of the Shared Value Initiative, created by the organization FSG and Harvard Business School professor Michael Porter to bring together leaders from companies, civil society, and governments to build a strong and engaged global community and further develop the concept of "shared value." Shared value is a framework that helps companies leverage the full range of their internal assets to address social and environmental impacts and identify opportunities with the end goal of creating more value and increasing a firm's competitiveness.

The concept of shared value is consistent with how Intel has defined corporate responsibility for many years: a management approach that helps our company better manage risks and identify opportunities in order to create business value for the company and for society. In 2012, Intel was highlighted as a leadership example in a number of forums and publications, and helped develop a new white paper on shared value measurement, which provides companies with a step-by-step process and a pragmatic approach to measurement and implementation of the shared value concept. In 2013, we will apply the measurement methodology to a number of initiatives across the company.

Governance and Management Approach

Intel's Board of Directors oversees, counsels, and directs management in the long-term interests of the company and our stockholders. Matters in which the Board is actively engaged include 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. 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 2013 Proxy Statement.

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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. Many Intel business groups have established teams dedicated to corporate responsibility issues, and 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.

Corporate Responsibility Management Structure

Click or tap the ⓘ symbol for additional information.

We have integrated oversight and management responsibility for corporate responsibility issues at multiple levels of the company and also across different countries where we operate.

As part of our commitment to governance best practices, 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 Intel's 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. In addition, since 2008, we have linked a portion of every executive's compensation to corporate responsibility and environmental factors, just as we do for all other employees. For more information on our governance systems and compensation approach, see the Caring for Our People and Caring for the Planet sections of this report, as well as our 2013 Proxy Statement.

Intel Corporate Governance at a Glance (as of December 29, 2012)

- Separate CEO and Chairman positions and independent lead-director position[1]
- Eight of our 10 Board members are independent directors[2]
- 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 2012
- CEO succession planning process is in place
- Policy limits directors to no more than four external board seats
- Board self-assessment process and individual director annual performance reviews are in place
- Information on our director nomination process and approach to board diversity is publicly disclosed
- 20% of Board members are female
- 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
- Stockholders can submit questions online prior to the meeting in an online Stockholder Forum, and cast votes online during the meeting. View the most recent Intel annual stockholders' meeting.

[1] In 2012, the Board elected Andy Bryant as Chairman to succeed Dr. Jane Shaw upon her retirement from the Board. Given that Andy Bryant was an executive officer of Intel, the Board selected one of the independent directors, Susan Decker, to serve as Lead Independent Director.

Additional information on our governance practices is available on our Governance and Ethics web site and in Intel's 2013 Proxy Statement.

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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, and expropriation of assets
- **"Event" risks** such as natural disasters
- **Business-specific risks** related to strategic position, operational execution, financial structure, legal and regulatory compliance, corporate governance, and environmental stewardship

Not all risks can be dealt with in the same way. Some risks may be easily perceived and controllable, while others are unknown; some risks can be avoided or mitigated by particular behavior, and some risks 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) handles 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 programs 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.

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. Intel Capital, our global investment and mergers and acquisitions organization, has also integrated additional criteria into its due diligence process to identify potential environmental, governance, and social risks in new investments.

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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, wholly owned subsidiaries, 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 15 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 2012 approximately 35,000 employees—over 30% of our workforce—received additional training on our anti-corruption policies and procedures. As part of our anti-corruption program, we conduct risk-based due diligence screening on selected suppliers and distributors. We also communicate our ethical expectations, including compliance with our Code of Conduct, to our suppliers and other third parties.

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 the Respecting Human Rights section of this report.

In 2012, our leadership in ethical business practices earned us a place on the Ethisphere* "World's Most Ethical Companies" list.

Intel's Ethics and Compliance Oversight Structure

Click or tap the ⓘ symbol for additional information.

In addition to these groups, Intel 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.

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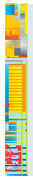
Intel's CEO sets the tone for our ethical culture by role-modeling ethical behavior and holding managers accountable, and by communicating policy and conduct expectations. At the beginning of each year, our CEO communicates with employees and managers about the importance of ethics and legal compliance. 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 2012, 96% of respondents reported that the Code of Conduct expectations had been clearly communicated to them and 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.

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 2012, eight Intel business groups, subsidiaries, and sites completed comprehensive risk assessment reviews with our 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 Program Office. Business groups also conduct self-assessments and implement action plans and training.



Intel's commitment to uncompromising integrity differentiates us in the marketplace, adds to our brand value, and inspires our employees.

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. In 2012, award recipients made significant contributions to the development and deployment of our accountability programs, ethics and compliance training and surveys, and risk and control systems. We also have an internal Ethics and Legal Compliance speaker series and newsletter, which in 2012 covered themes such as export compliance, antitrust, anti-corruption, and privacy.

Intel maintains a robust process for reporting misconduct, including online channels, and has a clearly communicated non-retaliation policy. 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 2012 were corporate travel card misuse, expense reporting misconduct, conflict of interest, 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 2013, as we expand into new markets and businesses, we will continue to assess risk and execute our programs globally for current and new employees to help ensure that we act with uncompromised integrity worldwide.

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Public Policy and Political Accountability

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.

Tax and Trade. We support tax policies 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.

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 World Trade Organization), 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 intellectual property (IP) protections that are critical to innovation and investment, and ensuring a more open and transparent regulatory and standards environment for long-term success.

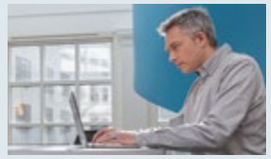
We also support customs and trade facilitation policies that foster administrative ease, cost-effectiveness, speedy and barrier-free entry, predictability, fair enforcement, and transparency with respect to the importation of products into a country.

Intellectual Property, Content, and Privacy. 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.

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

Intel works to create an environment in which individuals can trust their use of technology, and supports policies that foster innovation and enable individuals 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.

Committed to Privacy



Intel works to inform policy stakeholders in the legislative, regulatory, standards, and academic arenas about the future of technology. We then take the results of these discussions back to our product developers, who design security and privacy into our products and services. We also partner with others to educate consumers on the importance of privacy.

As a member of the National Cyber Security Alliance, in 2012 Intel once again worked with other organizations to sponsor the annual Data Privacy Day. The event is aimed at promoting privacy awareness and education, particularly among teenagers. In 2012, Intel also released the Data Protection and Security Policy white paper, which illustrates the need for global cooperation through public-private partnerships, and makes the case for global privacy and security standards.

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Communications and Standards. Intel promotes policies that encourage the deployment of wireless and wired broadband services. To help bridge the "digital divide," we also promote policies that expand the allocation of universal service/access funds to include broadband Internet access, especially in remote regions where broadband has previously been cost-prohibitive.

Intel actively participates in the standards development process for the information and communications technology (ICT) sector. Standards, especially those developed by international standardization bodies, are essential to Intel's business and provide important benefits to industry, consumers, and governments worldwide, including interoperability and consistency in quality.

Health, Environment, and Workforce Development. Intel supports healthcare and government leaders in developing policies and standards that promote the effective use of healthcare information technology. We support adoption of such technologies by collaborating with policymakers and medical standards organizations, and working 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 that reward innovative ways to care for patients in the least restrictive setting while training the workforce necessary for trusted, coordinated, people-centered care. For more information, see "Healthcare Innovation" in the Inspiring the Next Generation section of this report.

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 obtaining industry commitments to reduce greenhouse gas emissions and working to eliminate the vast majority of uses of a family of chemicals known as PFOS. For more information on our environmental policy initiatives, see the Caring for the Planet section of this report.

Through the Digital Energy and Sustainability Solutions Campaign (DESSC), Intel is working to help shape government policies that recognize the role that semiconductors and other high-tech devices can play in improving energy efficiency to address climate change issues throughout the world.

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. For more information, see the Caring for Our People section of this report. We also 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 Inspiring the Next Generation section of this report.

Political Accountability

We have increased our disclosure in recent years regarding our direct and indirect corporate political contributions. The Intel Political Accountability Guidelines outline our approach to making political contributions, including details about accountability at the senior management and Board of Directors levels. In 2012, Intel ranked number 8 out of the 200 companies evaluated for best practices in political accountability in the CPA-Zicklin Index of Corporate Political Accountability and Disclosure.

Intel works to educate political candidates about the implications of public policy decisions for our business, and provides financial support to candidates who support or advance positions that are consistent with our business objectives. Intel makes relatively few direct political contributions using corporate funds. In 2012, our corporate contributions to state and local candidates, campaigns, and ballot propositions totaled approximately $97,000.

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The Intel Political Action Committee (IPAC) enables qualified employees to support candidates whose legislative goals align with Intel's public policy priorities. No corporate funds are contributed to IPAC other than for administrative expenses, and employee participation in IPAC is voluntary. The sum of political contributions from IPAC to candidates in 2012 was also relatively modest, at $382,300, and the total 2012 election cycle contributions was balanced evenly between Democratic and Republican Party candidates. Our memberships in industry and trade associations help us work collaboratively with other companies and groups to address key public policy issues. We estimate that in 2012, our trade association membership dues attributed to political activities totaled approximately $1.2 million.

Intel Political Accountability Practices at a Glance

- **Guidelines and Oversight.** Intel Political Accountability Guidelines (which include information on executive management and Board oversight processes) are publicly disclosed.
- **Direct Contributions.** Direct corporate contributions and IPAC contributions are disclosed. Through 2012, they were disclosed annually, and starting in 2013 they will be disclosed semi-annually. Historical archived political contributions reports are also publicly disclosed.
- **Trade Association Dues.** Trade association membership dues (and payments to other tax-exempt organizations such as 501c4s) are disclosed annually. This includes the reported portion of dues used for political purposes for annual dues over $50,000.
- **Lobbying Expenses.** 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 2012, our reported lobbying expenditures totaled $3.7 million, compared to $3.8 million in 2011.
- **Independent Political Expenditures**. Intel has a policy of not making independent political expenditures or funding electioneering communications, as those terms are defined by applicable law.

Corporate contributions, IPAC contributions, and trade association membership dues payment reports are available on the Report Builder web site.

Over the past few years, attention has increased on the potential for misalignments between a company's stated policy positions and the positions of candidates or trade associations that the company has supported. We annually evaluate our political spending for alignment and effectiveness, although we recognize that it is impractical and unrealistic to expect that we or our stockholders and stakeholders will agree with every issue that a politician or trade association may have supported.

To address potential misalignment issues, we have put systems in place (including executive and Board-level review), have increased disclosure about our trade association dues and areas of potential misalignment, and have posted our positions on key public policy issues to ensure that stakeholders can understand them.

During 2011 and 2012, 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 to clarify its position 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. We will continue to evaluate our memberships during the planning process each year. We have also taken proactive steps to educate associations on our positions and provide background information on key issues. For example, we signed a multi-stakeholder agreement to clearly articulate our position on conflict minerals.

In early 2013, as a result of stakeholder dialogue, we also updated the Intel Political Accountability Guidelines to clarify certain aspects of our review processes and disclosure, including our processes to review the congruency of our political contributions with our corporate policies.

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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. We are also active on Facebook and Twitter.

"Intel has been one of the trailblazers in offering investors an annual presentation specifically on environmental, social, and governance initiatives and how these activities add shareholder value to the company. I, and other investors, look forward to this outreach trip each year."

Mary Jane McQuillen, Clearbridge Investments

Explore.intel.com

To leverage the power of technology for our stakeholder engagement efforts, in 2011 we launched a pilot web site, Explore Intel, to provide real-time disclosure and information for the community surrounding our New Mexico campus. Based on the success of the pilot, we launched similar web sites in China, Costa Rica, Ireland, and Israel. In 2013, we expect to launch additional sites for communities near other campuses in China, Malaysia, the U.S., and Vietnam.

The web sites feature a mix of videos from our senior leaders and environmental managers, site photos, real-time environmental data for the manufacturing facility, and contact information to make it easy for local community members to engage with our environmental managers and community relations managers.

For more than 10 years, we have met with leading environmental, social, and governance research firms and socially responsible investors to review our Corporate Responsibility reports, gain a better understanding of emerging issues, help set priorities, and gather feedback on our performance. In 2012, we met with representatives of more than 20 firms in three cities during our annual outreach trip. Key discussion topics included governance, energy and water conservation, chemical waste management, conflict minerals and supply chain responsibility, and reporting best practices.

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. 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). 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. CPSs (usually administered by third parties) give us insight over time into a local community's expectations of our company, and an external view of our performance.

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We use a variety of methods to engage with our stakeholders and obtain feedback on our performance. Feedback from our stakeholders helps us analyze and prioritize corporate responsibility issues as part of our corporate responsibility materiality assessment process. This information also informs the direct actions that we take to improve our performance at local and global levels.

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 information, see the Caring for 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 2012, 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. Based on stakeholder feedback and benchmarking research, we have provided additional detail in the Building the Supply Chain of the Future section of this report.
	Supplier development activities, including educational resources, webinars, and a Supplier Sustainability Leadership Summit.	
	Participation in industry working groups, including the Electronic Industry Citizenship Coalition (EICC).	

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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. In response to a Change.org petition filed in 2012 regarding Intel Foundation donations to local Boy Scout troops, we further clarified our Intel Foundation Non-Discrimination Policy. Organizations, including Boy Scout troops, are eligible for funding through our Intel Involved Matching Grant Program, as long as they verify that their programs and services are offered without discrimination. For more information on our community engagement activities, see the Inspiring the Next Generation 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 2012, we expanded our human rights policies and disclosure and increased our supply chain responsibility efforts and audit activities—including asking our top 75 suppliers to publish Global Reporting Initiative (GRI)-based sustainability reports. We also updated the Intel Political Accountability Guidelines based on feedback from an investor.
	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 Political Accountability" in this section.
	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, joint 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.

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Key Sustainability Challenges and Opportunities

We incorporate feedback from our stakeholders to inform our analysis of key corporate responsibility issues and their impact on our business.

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 and CSR@Intel blog
- Social media channels
- 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

Issues

- Climate change
- Water conservation
- Air emissions/quality
- Education
- Employee relations
- Fair compensation
- Stock price performance
- Energy efficiency
- 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)
- Gay marriage

Prioritize

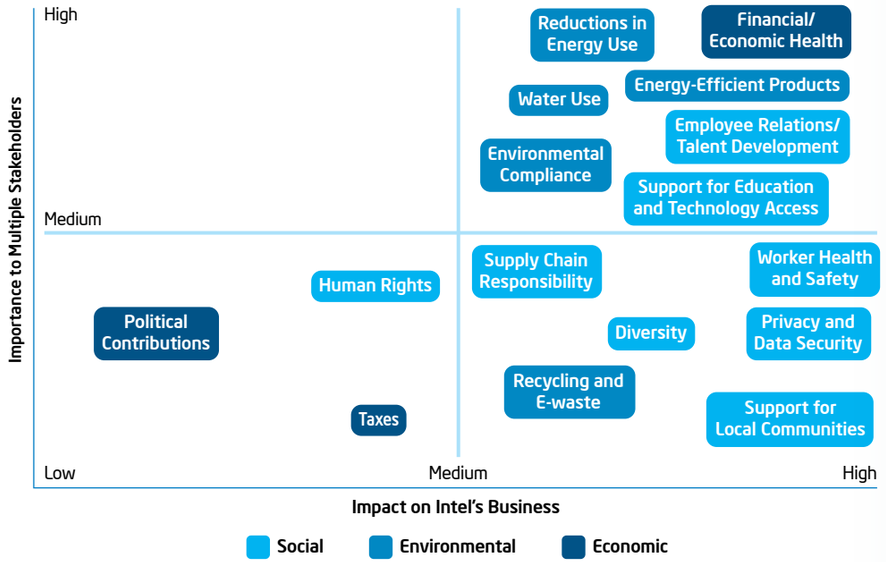
Use a consistent set of filters to determine the significance of each issue and develop a list of the most material issues.

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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We use our materiality analysis of corporate responsibility issues and trends to identify key opportunities and areas for continued improvement.

Key Corporate Responsibility and Sustainability Issues: Challenges and Opportunities

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. We recycle over 75% of the solid and chemical waste generated in our operations. However, we continue to face challenges in reducing chemical waste generation, despite our reduction and recycling efforts. We will continue to address these challenges 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 policies and processes for managing human rights issues, including human rights in the supply chain. In the past year, we have completed an analysis and stakeholder engagement process to review our policies, processes, and potential risk areas related to human rights. We are also assessing emerging stakeholder concerns surrounding the use of technology products by governments in ways that raise censorship and human rights concerns, and also positive applications of technology to strengthen human rights and working to understand how this impacts Intel's policies and management systems.

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Financial Results and Economic Impact

In 2012, Intel delivered revenue of $53.3 billion, net income of $11.0 billion, and earnings per share of $2.13. We generated approximately $18.9 billion in cash from operations, and our gross margin of 62.1% was at the top end of our historical gross margin range for the third year in a row. We increased R&D spending as we made investments across smartphones, tablets, Ultrabook systems, the data center, and manufacturing.

2012 Financial Results

Worldwide economic growth in 2012 was significantly lower than we had anticipated entering the year, and the PC market segment was impacted by the growth of tablets, as these devices compete with PCs for consumer sales. Although our financial results were below our initial expectations, we launched cutting-edge products in every major business segment and extended our manufacturing leadership. We ramped shipments of 22nm processors with Intel's breakthrough 3-D Tri-Gate transistor technology while building our next-generation 14nm factory network and developing 10nm and smaller technologies. We estimate that we have about a 2-year process technology lead and about a 3.5-year lead in introducing revolutionary transistor technologies such as strained silicon, High-K Metal Gate, and Tri-Gate into high-volume manufacturing, compared to our nearest competitor.

The computing market is undergoing a radical transformation, with a blurring of form factors and the adoption of new user interfaces. Convertible and detachable Ultrabook systems provide a two-for-one, no-compromise computing experience that eliminates the need to choose between a notebook and a tablet. The first Ultrabook systems were launched in 2011, and 100 were on the market by year-end 2012, with dozens more in the pipeline. We are seeing unparalleled creativity in systems that combine our newest microprocessors with the touch-enabled Microsoft Windows* 8 operating system.

We are moving Intel Atom processors to our leading-edge manufacturing technologies at twice our normal cadence. Six major mobile providers launched Intel Atom processor-based smartphones in 2012. Intel Atom processor-based tablets and tablet convertibles running Windows 8 are also shipping worldwide, offering thin and light designs, up to 10 hours of battery life in typical active usages, and compatibility with more than 4 million Intel® architecture applications.

Demand for transistors in servers, storage, and networking continues to grow. Between 2009 and 2012, the total available market for cloud computing processors tripled, and by 2015 we expect that more than 3 billion connected users and 15 billion connected devices will be driving more than 1,500 exabytes of cloud traffic per year. Working with our McAfee subsidiary, we are helping to build confidence in private and public clouds through security solutions for the data center, network connections, and devices that connect to the cloud.

In 2012, we introduced the first Intel® Xeon Phi™ coprocessor, a 60-core teraflop product designed for climate research, genomics, and other high-performance, highly parallel computing applications. We also launched an Intel® Xeon® processor family, designed for leadership performance, security, and energy-efficiency demands in next-generation data centers. In the emerging microserver market segment, the Intel Atom processor offers extreme low power, right-size performance, and x86 software compatibility advantages.

As part of our commitment to return value to stockholders, Intel used $4.8 billion to repurchase 191 million shares of stock in 2012, and completed a senior notes offering of $6.2 billion, in part to fund the additional repurchase of Intel stock. Intel's dividend payout for 2012 was $4.4 billion, including a 7% increase in the dividend starting in the third quarter. In 2012, our provision for taxes was $3.9 billion and our effective tax rate was 26%, compared to $4.8 billion and 27.2%, respectively, in 2011.

For 2012 financial highlights, see the Performance Summary, Recognitions, and Goals table later in this section. For a more detailed discussion of our financial performance, see our 2012 Annual Report and Form 10-K.

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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.

Intel's global investment and mergers and acquisitions 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 $10.8 billion in more than 1,275 companies in 54 countries.

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). The 2011 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 have also completed impact assessments of our international sites. For example, we hired Consejeros Economicos y Financieros, S.A. (CEFSA) to complete an economic impact study of Intel Costa Rica's 15 years of operation. Since 1997, Intel Costa Rica's capital investments have totaled approximately $900 million, and from 1998 to 2011, the site's operations accounted for an average of 5.5% of Costa Rica's gross domestic product (GDP). From 2002 to 2011, Intel Costa Rica spent more than $350 million with local suppliers.

We also conducted an analysis of our direct and indirect impact in Israel in 2012. Although Intel directly employs approximately 8,500 employees and interns, indirect employment exceeded 17,000 additional jobs. In 2012, Intel Israel's total direct and indirect reciprocal procurement was $737 million. To support global growth of science education and industry development, Intel helped establish a consortium of leading industrial companies and academic institutes in the country to develop underlying technology and methodologies to support 450mm wafer manufacturing, and launched the Intel Collaborative Research Institution for Computational Intelligence.

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. 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. In 2013, we will contract with a third party to conduct an updated analysis of our U.S. economic impact, measuring the direct, indirect, and induced effects of Intel's operations.

Intel periodically conducts economic impact assessments to understand the direct and indirect economic impacts of our business at the local and national level.

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Performance Summary, Recognitions, and Goals

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

Key Indicators

Financial Results and Economic Impact	2012	2011	2010	2009	2008
Net revenue (dollars in billions)	$53.3	$54.0	$43.6	$35.1	$37.6
Net income (dollars in billions)	$11.0	$12.9	$11.5	$4.4	$5.3
Provision for taxes (dollars in billions)	$3.9	$4.8	$4.6	$1.3	$2.4
Research and development spending (dollars in billions)	$10.1	$8.4	$6.6	$5.7	$5.7
Capital investments (dollars in billions)	$11.0	$10.8	$5.2	$4.5	$5.2
Customer survey "Delighted" score	92%	93%	91%	86%	87%
Caring for the Planet					
Greenhouse gas emissions (million metric tons of CO_2 equivalent)[1]	1.85	1.40	2.12	2.05	2.75
Energy use (billion kWh—includes electricity, gas, and diesel)	5.5	5.3	5.2	5.1	5.6
Total water withdrawn (billions of gallons)	9.0	8.3	8.2	7.9	7.7
Chemical waste generated (thousand tons) / % chemical waste recycled	47.3 / 75%	35.3 / 81%	31.3 / 75%	24.7 / 71%	28.5 / 84%
Solid waste generated (thousand tons)[2] / % solid waste recycled	137.1[2] / 88%	70.4 / 85%	46.9 / 84%	42.7 / 79%	80.5 / 88%
Caring for Our People					
Employees at year end	105,000	100,100	82,500	79,800	83,900
Women in global workforce	26%	26%	28%	28%	29%
Women on our Board at year end	20%	27%	30%	27%	36%
Investments in training (dollars in millions)	$299	$299	$254	$267	$314
Safety—recordable rate[3] / days away case rate[3]	0.58 / 0.12	0.66 / 0.12	0.59 / 0.11	0.49 / 0.11	0.45 / 0.11
Organizational Health Survey scores—"Proud to work for Intel"	88%	87%	85%	82%	83%
Inspiring the Next Generation					
Employee volunteerism rate	47%	50%	48%	38%	54%
Worldwide charitable giving (dollars in millions)[4]	$106	$93	$126	$100	$102
Charitable giving as percentage of pre-tax net income	0.7%	0.5%	0.8%	1.8%	1.3%
Building the Supply Chain of the Future					
On-site supplier audits (third-party and Intel-led audits)	106	49	8	0	9

[1] Including renewable energy credit purchases. [2] An estimated 47% of this total was due to construction waste related to the building of two new fabs. [3] Rate based on 100 employees working full time for one year.
[4] 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 2012.

2012 Selected Awards and Recognitions

Overall Corporate Responsibility

Dow Jones Sustainability Indexes. Listed on North America and World indexes (14th year)

Corporate Knights. Global 100 Most Sustainable Corporations in the World (7th year)

Fortune magazine. World's Most Admired Companies (1st in our industry) and Blue Ribbon Companies lists

FTSE Group. "Highly Commended" recognition in Sir Mervyn Pedelty Awards; listed on the FTSE4Good Index (12th year) (global)

Corporate Responsibility magazine. 100 Best Corporate Citizens (13th year) (U.S.)

Ethisphere Institute. 2012 World's Most Ethical Companies

MAALA Corporate Responsibility Index. Platinum rating (8th year) (Israel)

Estadao. One of "5 companies top of mind for CSR in Brazil"

Environment

Newsweek. 2012 Top 500 Green Companies in America (7th overall)

U.S. EPA. Climate Leadership Award and Sustained Excellence in Green Power Award

CDP. 2012 Global and U.S. Carbon Performance Leadership Indexes

Interbrand. Best Global Green Brands 2012

Korea Journalist Association and Dong-A Daily. Grand CSR Award in environment

Israel Ministry of Environment. Israel Environmental Excellence Award

Maplecroft. 5th in Climate Innovation Index (U.S.)

Green Awards. Green Large Manufacturer Award (Ireland)

IW Financial and Sokya & Company. 1st in 2012 GEMS Environmental Ranking

Vietnam Department of Natural Resources. 2nd overall in Green Company Awards

The Green 500. Intel-based system ranked 1st in list of world's most energy-efficient supercomputers

Business/Workplace

Fortune magazine. 100 Best Companies to Work For 2012 (U.S.)

Working Mother magazine. 100 Best Companies for Working Mothers (U.S.)

Human Rights Campaign. Corporate Equality Index (10th year) (U.S.)

AMR Research. Top 25 Supply Chains (7th overall) (global)

Diversity Employers magazine. Top 100 Employers (U.S.)

National Association for Female Executives (NAFE). 2012 NAFE Top 60 Companies for Executive Women (U.S.)

Great Place to Work Institute. 25 World's Best Multinational Workplaces

CNNMoney. Top 100 MBA Employers (global)

Chartered Institute of Personnel and Development. 2012 Leadership and Innovation Awards (Ireland)

BusinessWeek/Universum. World's 50 Most Attractive Employers

Human Resource Executive. Most Admired Companies for Human Resources (global)

Glassdoor. Best Places to Work Employee Choice Awards (U.S.)

Society

U.S. Department of State. Corporate Excellence Award for CSR achievements in Vietnam

National Conference on Citizenship. Included in inaugural Civic 50 Rankings (U.S.)

AmCham Shanghai. CSR Innovation Award for programs to empower nonprofit organizations in China

Forbes Korea. 2012 CSR Grand Award for Education and Research

Commonwealth magazine. Corporate Citizenship Award (Taiwan)

Center for Political Accountability. 8th in CPA-Zicklin Index (U.S.)

Museum of Science, Boston. Stars of STEM Award for work in education (U.S.)

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Progress Toward Goals

Discussions of our performance to goals and future goals are integrated 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 or tap the report section names in the table for more details on our goals and performance in other sections of this report. A summary of our new goals for 2013 and beyond is included on the next page of this report.

Progress Toward Goals Summary

Report Section	2012 Goal	2012 Progress
Caring for the Planet	In 2012, we set new 2020 environmental goals to drive reductions in greenhouse gas emissions, energy use, water use, and waste generation, as well as increases in recycling and product energy efficiency.	We began to make progress toward our new 2020 goals through investments in energy conservation and renewable energy, and the piloting of new processes that will reduce water consumption in our next two generations of manufacturing processes. However, we also saw increases across a number of our key environmental indicators due to the increased complexity of our manufacturing processes and product design.
Caring for Our People	We set a goal to continue to drive improvements in the organizational health of the company in 2012, targeting at least 70% employee participation in our annual Organizational Health Survey, and maintaining or improving 95% of the survey scores. We also set a goal 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.	72% of employees participated in the survey, and we maintained or improved scores on 90% of the survey questions. 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 aggressive safety goals.
Inspiring the Next Generation	We set a global employee volunteer goal of 40% to continue supporting our local communities. We also set goals to provide technology training to more than 1 million healthcare workers by 2015, establish education programs in 100 countries by 2014, and grow the education market segment to 100 million units by 2014.	Our global volunteer rate was 47%, exceeding our goal and resulting in 1.2 million volunteer hours. We made progress toward our healthcare worker and education initiative goals.
Building the Supply Chain of the Future	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 significantly increasing the number of supplier audits performed, and completing 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 exceeded our goal on audits completed, 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, achieving our 2012 tantalum goal.
Respecting Human Rights	We set a goal to increase stakeholder engagement and disclosure with regard to human rights issues, such as privacy, security, and conflict minerals, and to continue to improve transparency related to our corporate political contributions, including expanding disclosure around trade association dues.	We added a new human rights section to our Corporate Responsibility Report, developed with feedback from an external stakeholder panel, and we also updated our Human Rights Principles in May 2012. While we continued to meet with McAfee about the pilot of a new human rights screening process, we did not make as much progress on our engagement with our other Software and Services Group subsidiaries.

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Goal Summary for 2013 and Beyond

This table includes a summary of our corporate responsibility goals for 2013, as well as longer term goals. For more information on our performance and goals, click or tap the report section names in the table for more details on our goals and performance in other sections of this report.

Report Section	Goal
Caring for the Planet	▪ 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 by the end of 2013 publish additional energy conservation targets for 2016 to 2020. ▪ 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[1] basis 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]
Caring for 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.
Inspiring the Next Generation	▪ Establish Intel education programs in 100 countries and grow the education market segment (including PCs, tablets, and smartphones) 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. ▪ Support a successful launch of the "Girl Rising" film and accompanying 10x10 social action campaign.
Building the Supply Chain of the Future	▪ Complete or review 75 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure. ▪ Complete the rollout of the new Program to Accelerate Supplier Sustainability (PASS) to the first group of suppliers by the end of 2013. ▪ By the end of 2013, manufacture the world's first microprocessor fully validated as "conflict-free" across all four minerals (tantalum, tin, tungsten, and gold). ▪ Track the percentage of our top 75 suppliers that have published Global Reporting Initiative* (GRI)-based sustainability reports in response to our formal request for increased transparency. ▪ Establish a 100% green Intel ground transportation fleet by 2016. ▪ Include historically under-represented businesses in 100% of all eligible bidding opportunities.
Respecting Human Rights	▪ Conduct a targeted human rights impact assessment for our software business, strengthen grievance and remediation processes, and work with our subsidiaries to further align our human rights policies and management processes.

[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

In 2013 and beyond, we will continue our focus on creating positive impact for society while expanding and transforming our business.

To succeed in the changing computing environment in the coming years, we have the following key objectives:

- Strive to ensure that Intel technology remains the best choice for the PC as well as cloud computing and the data center;
- Maximize and extend our manufacturing technology leadership; expand platforms into adjacent market segments to bring compelling new System-on-Chip solutions and user experiences to mobile form factors, including smartphones and tablets, as well as embedded and microserver applications;
- Develop platforms that enable devices that connect to the Internet and to each other to create a continuum of personal user and computing experiences; and
- Positively impact the world through our actions and the application of our energy-efficient technology.

We believe that applying our core assets to our key focus areas provides us with the scale, capacity, and global reach to establish new technologies and respond to customers' needs quickly. Our core assets and key focus areas include:

Silicon and Manufacturing Technology Leadership. We have long been a leader in silicon process technology and manufacturing, and we aim to continue our lead through investment and innovation in this critical area. Our in-house manufacturing capability allows us to optimize performance, shorten time to market, and scale new products more rapidly. We believe that this competitive advantage will be extended in the future as the costs to build leading-edge fabrication facilities increase, and as fewer semiconductor companies are able to combine platform design and manufacturing.

Watch Video See how Intel is working today to develop the technology of tomorrow.

Architecture and Platforms. We are developing a wide range of solutions for devices that span the computing continuum, from PCs (including Ultrabook, detachable, and convertible systems), tablets, and smartphones to in-vehicle infotainment systems and beyond. We continue to invest in improving Intel architecture to deliver increased value to our customers and expand the capabilities of the architecture in adjacent market segments. For example, we focus on delivering improved energy-efficient performance, which involves balancing higher performance with lower power consumption.

Software and Services. We offer software and services that provide security solutions through a combination of hardware and software for consumer, mobile, and corporate environments designed to protect systems from malicious virus attacks as well as loss of data.

Customer Orientation. Our strategy focuses on developing our next generation of products based on the needs and expectations of our customers. In turn, our products help enable the design and development of new user experiences, form factors, and usage models for businesses and consumers.

Strategic Investments. We make investments in companies around the world that we believe will further our strategic objectives, support our key business initiatives, and generate financial returns. Our investments—including those made through our Intel Capital program—generally focus on investing in companies and initiatives that we believe will stimulate growth in the digital economy, create new business opportunities for Intel, and expand global markets for our products.

Corporate Responsibility. We are committed to developing energy-efficient technology solutions that can be used to address major global problems while reducing our environmental impact. We are also committed to helping transform education globally through our technology, program, and policy leadership, as well as through funding by means of the Intel Foundation. In addition, we strive to cultivate a work environment in which engaged, energized employees can thrive in their jobs and in their communities.

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Caring for Our People

For decades, the backbone of our corporate culture has been the Intel Values: Customer Orientation, Discipline, Quality, Risk Taking, Great Place to Work, and Results Orientation. Our success depends upon recruiting and cultivating talented people who share these values. Intel is known for its technology, but the people behind the technology are what make the company great. We are committed to helping our people get the most out of their careers—from recruitment through retirement.

Key Section Links

Performance Summary and Goals
Intel Values
Intel Innovation
Life at Intel
Intel Culture and Diversity
Compensation and Benefits

In 2012, Intel was once again named to Fortune magazine's annual "100 Best Companies to Work For" list.

$299 Million

We invested $299 million in employee training and development in 2012, or an average of approximately $3,100 per employee.

We maintain world-class safety performance through programs that help employees enjoy a better quality of life.

>5,300

More than 5,300 employees took sabbaticals in 2012, returning refreshed and revitalized.

See why so many of our employees consider Intel a "great place to work."

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Management Approach

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.

Our Global Workforce

As of December 31, 2012, Intel had almost 105,000 employees worldwide (including employees of our subsidiaries), approximately 51% of whom were located in the U.S. Intel's workforce is highly educated, with over 81,000 people in technical roles. Our employees hold approximately 10,400 master of science, 5,300 PhD or equivalent, and 4,000 master of business administration degrees.

Our Philosophy and Management Practices

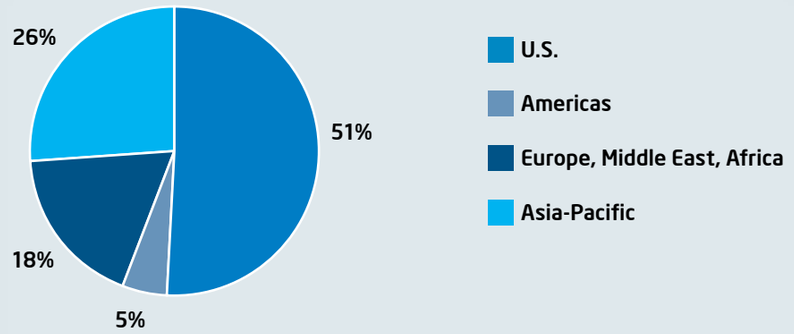
We invest significant resources to develop the talent we need to keep Intel at the forefront of innovation, including building a strong engineering pipeline and recruiting top performers, and offering career development and work/life programs—from initial recruitment through the transition to retirement—to make Intel an employer of choice.

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 Learning 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. We invest in cultivating a corporate culture of open communication where employees feel comfortable asking questions and sharing their views about our business directly with senior leaders. We use a variety of communications channels to accomplish this, including quarterly Business Update Meetings, open forums, and social media. People at Intel grow by continuously learning—on the job, in the classroom, and by connecting with others. From investing in the recruitment process and new employee orientation to programs that honor our employees' many years of service by helping them make a successful transition into retirement, our goal is to empower our employees to build meaningful and rewarding careers.

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. 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.

Global Workforce as of Year-End 2012[1]



[1] Includes all regular Intel employees plus approximately 9,000 employees of our Software and Services Group subsidiaries (McAfee, Wind River, Havok, and Telmap).

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

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Celebrating the accomplishments of our employees is a top priority, from everyday thank-yous to formal reward programs. "Great Place to Work" employee volunteer 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.

We also strive to provide comfortable, attractive work spaces that promote collaboration among employees. Since 2010, we have redesigned close to 2 million square feet of office space, replacing tall gray cubicle walls with a more open environment featuring a mix of glass-walled conference rooms, standard and mobile work spaces, and lounges. Employee surveys indicate that the redesigns contribute to an increase in employees' ability to collaborate and feel inspired in the workplace.

Intel Values
Customer Orientation. We strive to listen and respond to our customers, suppliers, and stakeholders; clearly communicate mutual intentions and expectations; deliver innovative and competitive products and services; make it easy to work with us; and be a vendor of choice.
Discipline. We strive to conduct business with uncompromising integrity and professionalism; ensure a safe, clean, and injury-free workplace; make and meet commitments; properly plan, fund, and staff projects; and pay attention to detail.
Quality. We strive to achieve the highest standards of excellence; do the right things right; continuously learn, develop, and improve; and take pride in our work.
Risk Taking. We strive to foster innovation and creative thinking, embrace change and challenge the status quo, listen to all ideas and viewpoints, learn from our successes and mistakes, and encourage and reward informed risk taking.
Great Place to Work. We strive to be open and direct, promote a challenging work environment that develops our diverse workforce, work as a team with respect and trust for each other, win and have fun, recognize and reward accomplishments, manage performance fairly and firmly, and be an asset to our communities worldwide.
Results Orientation. We strive to set challenging and competitive goals, focus on output, assume responsibility, constructively confront and solve problems, and execute flawlessly.

Our values define who we are and how we act as employees and as a company. More than simply words, they are something we live by each day.

Watch Video The Intel Collaborative Research Institutes program, announced in 2012, extends our global network of research and innovation. Learn about the first three university research centers, in the United Kingdom, Germany, and Israel.

Promoting Innovation

Our employees are prolific inventors of technologies that solve real-world challenges. 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.

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.

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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 2012, 72% of our employees responded to the 62-question OHS. Scores improved or stayed the same on over 90% of the questions. Of the five questions that registered declines, only one score declined meaningfully, on "Intel is making the changes necessary to compete effectively," and it was down from 71% to 68%. We are focusing on making improvements in this area in 2013, including improving how we communicate with employees about the company's strategies and goals.

Measuring Volunteer Impact. In 2012, we also engaged with True Impact and the Points of Light Institute to better assess the impact of our employee volunteer programs on job satisfaction and skills development. Surveys of our employee volunteers in the U.S. and Costa Rica showed that Intel's support of employee volunteerism provides employees with job-related skills and job satisfaction. 62% reported that their volunteerism was a "core component" of their overall job satisfaction, and 46% reported that volunteering helped them build new subject matter knowledge.

"Our people are incredibly bright, socially responsible, and care passionately about many issues. They truly are an asset to Intel, the planet, and the communities in which they live."

Richard Taylor, Intel Senior Vice President and Director of Human Resources

Selected Organizational Health Survey Results

	2008	2009	2010	2011	2012
Overall OHS score	73%	73%	74%	76%	77%
I am proud to work for Intel	83%	82%	85%	87%	88%
I would recommend Intel as a great place to work	73%	74%	80%	83%	84%
My job makes good use of my skills/strengths	74%	74%	76%	77%	78%
I have the flexibility to balance the needs of my work and personal life	77%	77%	79%	80%	81%
I hope to continue working at Intel for another five years or more	76%	77%	75%	78%	80%
Open and direct communication is practiced effectively in my work group	78%	77%	78%	80%	81%
In my business group, innovation and creative thinking are actively encouraged	73%	73%	76%	78%	79%
At Intel, I am treated with dignity and respect[1]	85%	85%	83%	85%	87%

[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 organizational health progress. Percentages shown in the table are for "favorable" responses to these questions. Through benchmarking, we have found that 80% represents world-class performance levels.

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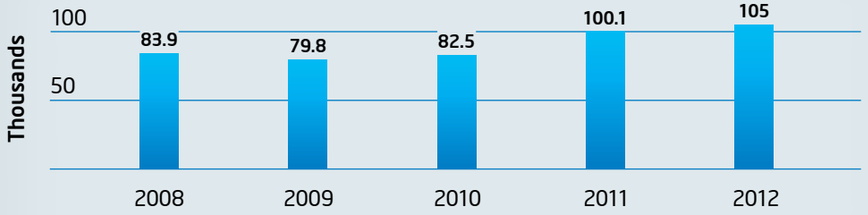
Workforce Data

We have published workforce statistics in our Corporate Responsibility Report since 2002. Additional details are available in the Report Data File on the Report Builder web site.

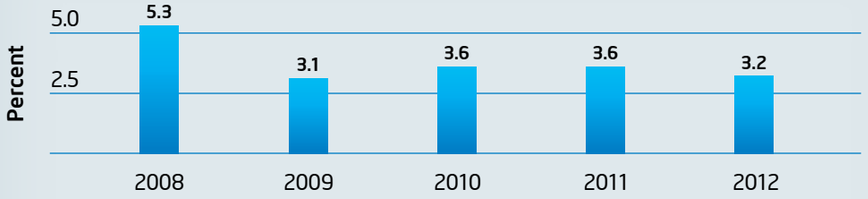
Total Number of Employees[1]



[1] Includes all regular Intel employees plus approximately 9,000 employees of our Software and Services Group subsidiaries (McAfee, Wind River, Havok, and Telmap).

The majority of the increase in total employees between 2011 and 2012 was due to hiring at Intel and our wholly owned subsidiary McAfee.

Global Turnover[1]



[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 1,329 employees in 2012.

In 2012, our turnover rates remained low across all regions. Regular monitoring of turnover by performance rating (top, middle, and low) helps us spot and address issues and trends swiftly. We also compare turnover rates for female and male employees to identify if there are significant differences; in 2012, there was not a significant difference between the average turnover rates for female and male employees.

2012 Employee Data

Employee Category	Greater Americas	APAC	EMEA	U.S.	Total
Regular[1]					
Exempt[2]	2,875	17,630	13,038	38,010	71,553
Non-Exempt[3]	1,255	6,980	3,776	11,711	23,722
Regular Total	**4,130**	**24,610**	**16,814**	**49,721**	**95,275**
Intel Contract Employees and Interns					
Exempt	380	1,023	1,655	412	3,470
Non-Exempt	50	258	617	356	1,281
Contract/Intern Total	**430**	**1,281**	**2,272**	**768**	**4,751**
Grand Total	**4,560**	**25,891**	**19,086**	**50,489**	**100,026**

APAC = Asia-Pacific EMEA = Europe, Middle East, Africa

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

[2] Exempt employees receive compensation through an annual salary and are "exempt" from overtime provisions of the Fair Labor Standards Act (FLSA).

[3] Non-exempt employees are entitled to the minimum wage and/or overtime pay protections of the FLSA.

At the end of 2012, the breakdown of total employees (including Intel contract employees and interns, and employees of our Software and Services Group subsidiaries) was 51% in the U.S., 26% in APAC, 18% in EMEA, and 5% in the Americas.

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Building a Strong Workforce

Our continuing record of innovation depends on recruiting and cultivating the greatest talent in the world.

Intel employees are problem solvers. They challenge assumptions and are passionate about issues and opportunities present in our world. We actively seek candidates who possess these characteristics. We are also committed to a diverse workforce and actively recruit candidates with varying backgrounds and experiences through multiple programs and targeted campus recruiting initiatives. For more information, see "Diversity and Inclusion" later in this section.

In addition to our extensive campus recruiting efforts, we have increased targeted recruitment for senior-level executive positions in new business areas, such as mobility. We use a variety of social media channels to inform potential employees about our culture and work environment, including our Jobs at Intel Blog, and our Facebook, Twitter and Linked In accounts.

Internship Programs. Intel's internship programs have always provided a major pipeline for new hires. As part of our partnership with the President's Council on Jobs and Competitiveness, Intel drove the Council's efforts to encourage U.S. corporations to significantly expand the number of summer internships offered in 2012. In particular, the Council wanted to increase internship opportunities for students in their freshman and sophomore years, the time when engineering students are more likely to switch majors if they don't gain hands-on experience. More than 65 companies, including Intel, increased their internship offerings in 2012, giving an additional 7,000 students valuable job experience early in their academic careers. As part of our effort, Intel also created two new internship programs: Intel Ultimate Engineering Experience and Intel Collaborators. In total, Intel provided hands-on engineering internships to 2,600 students in 2012.

Watch Video Hear from students who attended the first Intel Ultimate Engineering Experience internship program in the summer of 2012. The six-week program helps students learn what it's like to be an engineer.

Helping New Employees Make the Transition

Once people are hired at Intel, we work hard to welcome and integrate them into our culture. We want new hires to feel comfortable, inspired, connected, and—most importantly—valued. The welcoming process starts before the first day on the job, through a web-based portal that gives new hires a variety of resources and information to help introduce them to the company. Included are social networking resources to connect new hires to each other and to existing members of Intel's workforce. On their first day, new employees have dedicated greeters and gifts waiting for them. Our New Employee Orientation, redesigned in 2012, includes engaging activities and networking, and our 23 chartered employee groups proactively embrace new hires and help them feel comfortable.

Career Opportunities for Returning Veterans. Intel is actively recruiting and hiring returning veterans for jobs across the U.S., including a high concentration of 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 positions. Intel employs more than 4,300 U.S. military veterans, including active members of the National Guard and military reserves, across all segments of our business—from information technology (IT) to engineering, finance, and our high-tech factory floor.

Military veterans frequently find the transition into Intel relatively easy, since the skills critical to success in the military are similar to those that we need in our business. In addition, our sabbatical program creates a culture that is accustomed to extended temporary assignments, which makes supporting employees on active deployment or annual military training straightforward for our managers. We 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. Read this employee blog post about our efforts to recruit and support veterans at Intel.

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Career Growth and Development

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

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. Career development at Intel is viewed as a continuing conversation between employees and their managers—not something that is brought up only during annual reviews. 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 5,324 employees completed sabbatical coverage assignments in 2012, with many employees gaining valuable management experience by covering for their direct managers.

Intel also hosts a development opportunity web tool that enables employees to apply for part-time or temporary job opportunities across the company. Close to 49,000 employees have visited the site since it was launched in 2011. More than 2,000 employees have completed development assignments posted on the tool to expand their networks and acquire 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.

Intel's Employee Development Approach

- **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. These assignments can accelerate performance and career growth, and help employees share their expertise with others.

Intel's commitment to career development has led to increased manager capability, a stronger infrastructure, and improved employee satisfaction.

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. More than 48,500 employees have participated in the workshop since its launch in 2008.

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. 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 2012, 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.

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 1,300 senior leaders completed this curriculum in 2012. 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.

Management and Leadership Development Programs

- **New Managers.** "New to Management" is a program designed to support new managers throughout their first year of leading people. Intel welcomed 1,800 new managers in 2012. 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 achieve 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 4,400 employees completed manager training in 2012. An online Manager Dashboard tool includes resources to help managers run the "people" side of their business.
- **Senior Leaders.** The Intel Leader Summit is a two-day conference designed to educate, align, and inspire 800 of Intel's top leaders from around the globe and highlight the leadership behaviors needed for Intel's future success. The impact has been far-reaching throughout the company, as these leaders have committed to positive changes and have started building the new behaviors into the next level of leaders in their organizations.

We have leadership programs in place to address development needs at different levels of manager experience.

2012 Intel University Statistics	
Total learning hours delivered[1]	2,998,400
Total number of trainings completed	1,392,300
Number of learners who received training[2]	134,300

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

Most of Intel University's internal courses are led by more than 4,700 employee volunteers, who leverage their skills and knowledge of a particular subject to teach other employees.

Intel University and Tuition Reimbursement

In 2012, 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 $3,130 and an average of 31.4 hours of training per employee. Our Tuition Assistance Program provides financial assistance to eligible U.S. employees who are completing job-related degree programs or coursework. In 2012, we invested $7.8 million in the program, helping almost 1,100 employees pursue educational opportunities.

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 34 on its list of the top 125 global training organizations in 2012.

"Intel paid for my master's degree in Chemical Engineering from the University of New Mexico, is currently paying for my PhD., and allows flexibility to juggle work and attend classes during the day."

Alfonso, Intel employee

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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 an environment in which open, free, and honest communication is expected, and it 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 aligned with our strategy. Those channels include intranet news articles, open forums with our CEO and senior business leaders, 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 and have the option to access content through a mobile phone application. 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 believe that employees are the best and most knowledgeable ambassadors for our company, and we encourage them to participate in external social media channels. 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. Recognition ranges from corporate-wide programs to local programs created by individual business groups to acknowledge the achievement of specific goals. We host company-wide celebrations for reaching major milestones, product launches, and company anniversaries.

Corporate-wide Recognition Programs

- **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 the CEO.
- **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 receive restricted stock units, 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).** SRAs 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.
- **Other Awards.** Formal programs also recognize employees for: performance to Intel Values, years of service, technology innovation, Intel University instructor contributions, volunteerism (such as the Intel Involved Hero Award), and environmental excellence (such as the Intel Environmental Excellence Awards).

From simple and sincere personal thank-yous to formal banquets, we offer multiple levels of recognition that reward employees for their accomplishments.

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Diversity and Inclusion

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 feel more fulfilled, and are more creative and productive on the job, resulting in increased 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, and prohibits harassment of any individual on any basis.

Our goal is to be a leader in diversity, and we employ annual diversity action plans that are monitored quarterly, with rigorous indicators related to recruitment and employee development. We have been recognized for our diversity practices, including being named in 2012 to Working Mother magazine's annual "100 Best Companies" list for the 10th time. We have also earned a spot on the Human Rights Campaign's Corporate Equality Index for 11 consecutive years for our policies and practices that support our lesbian, gay, bisexual, and transgender employees. In early 2012, we also signed a cross-industry brief in support of legalizing same-sex marriage in the U.S.

Watch Video Meet Katie, a process engineer at Intel. Our process engineers work with the latest technologies, have opportunities for growth, and enjoy a healthy work/life balance.

Investing in the Pipeline

Intel invests in a range of programs to build the pipeline of qualified women in science, engineering, math and technology fields. We also collaborate on initiatives to improve basic access to education and technology for girls and women globally, including our work in 2012 with the 10x10 initiative, which is dedicated to raising awareness about the critical importance of educating girls. For more information, see the Inspiring the Next Generation section of this report.

Increasing Leadership Diversity. We have improved the diversity of Intel's workforce in several key categories in recent years. In 2012, Intel was again named a Top Company for Executive Women by the National Association for Female Executives. We continue to work on increasing the number of technical females and under-represented minorities in leadership positions, and have key initiatives designed to improve recruitment, retention, and development of African Americans, Hispanics, Native Americans, and technical women on our leadership teams.

Managers regularly hold in-depth career discussions with employees, challenging them to take on assignments that increase their capabilities and opportunities for growth. We offer employees both internal and external career development training at organizations such as the African American Leadership Institute and the Latino Leadership Institute. The Blueprint for Extraordinary Performance, a leadership development series, is 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.

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 actively engage in hiring, retaining, and sponsoring our diverse talent.

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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, and gender identity, as well as other topics 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. Internal and external research has validated the importance of providing growth experiences for various employees who may feel isolated. To build stronger pipelines for employees who are pursuing technical and leadership careers, Intel provides a variety of development opportunities, including site-based leadership training and a networking series targeted for African American, Hispanic, and female employees. 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. Frequent company events give employees opportunities to share their heritage and connect with others. We provide intercultural training, including online resources outlining cultural traits; courses on awareness, inclusion, unconscious bias, and gender communication differences; and numerous discussion forums within our employee communications portal to foster respectful dialogue among employees.

Strengthening 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, 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.

Moving forward, we will increasingly evolve our diversity practices to ensure a focus on global diversity and inclusion, and work to implement programs based on global assessment.

Intel Global Women's Initiative

A number of Intel programs are designed to support the development and retention of female employees, especially in technical and leadership areas. The following are a few examples.

- **Women Principal Engineers (PEs) and Fellows Forum.** Now in its eighth year, this 100% technology-focused forum is designed to offer women PEs, Intel Fellows, and those likely to be promoted to PE opportunities to present their work in front of a highly technical audience. The forum was highlighted in Harvard Business Review's "Athena Factor Report" as a likely game-changing initiative that will allow many more women to stay on track in science, engineering, and technology careers.
- **Intel Senior Women's Symposium.** In 2012, Intel hosted the first Intel Senior Women's Symposium for our senior-level women from around the world. The Symposium featured a number of internal and external thought leaders who educated Intel women on building networks and relationships, handling negotiations, and understanding power in the workplace and how to use it effectively. The Symposium also included time for gathering as a community of leaders, networking, and fostering connections with one another.
- **Women at Intel Network.** This employee group has 33 chapters worldwide and hosts six development conferences each year, as well as numerous ongoing development opportunities and networking events.
- **Intel Global Women's Initiative Portal.** Launched in 2010, this interactive portal enables all employees to connect with women around the world and interact with female leaders at Intel through blogs and discussion forums.
- **Extend Our Reach.** Through this program, launched in 2011, Intel's most senior women executives act as sponsors and mentors who advocate for other senior-level female employees.
- **Command Presence Workshop.** This workshop is designed to help mid-level technical women be successful when presenting in task forces, in decision-making meetings, and to senior- and executive-level audiences. Senior technical women help train up-and-coming women to communicate as leaders, command the respect of leaders, and defend their ideas.

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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. Despite our continued investments and improvements in recruiting and retention programs, the overall percentage of women has remained relatively flat since 2006.

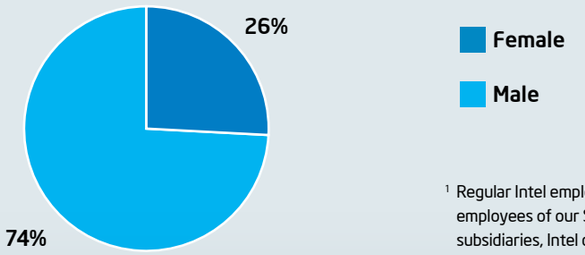
U.S. Hiring Data[1]

	2008	2009	2010	2011	2012
Minorities as a Percentage of U.S. Hires[2]	56%	42%	57%	53%	52%
Females as a Percentage of U.S. Hires	31%	24%	24%	34%	22%

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

In 2012, the percentage of hires who were females and/or minorities was 60%.

2012 Worldwide Workforce by Gender[1]



[1] Regular Intel employees only (does not include employees of our Software and Services Group subsidiaries, Intel contract employees, or interns).

The overall worldwide percentage of women in our workforce was 26% in 2012, 26% in 2011, 28% in 2010, 28% in 2009, and 29% in 2008.

2012 Workforce by Reporting Category

	U.S. Workforce[1]		U.S. Officials and Managers[1]		Corporate Officers and Appointed Vice Presidents[2]		Top 50 in Total Compensation[2]		Board of Directors[2]	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
African American	453	1,438	33	102	2	2	–	–	–	–
Asian/Pacific Islander	4,150	10,560	297	1,443	3	23	1	8	–	–
Caucasian	5,873	22,039	720	3,452	18	92	5	30	2	8
Hispanic	1,019	3,147	57	271	–	1	–	1	–	–
Native American	85	250	4	21	–	–	–	–	–	–
Other/Unidentified[3]	46	127	2	8	4	20	–	5	–	–
Total	**11,626**	**37,561**	**1,113**	**5,297**	**27**	**138**	**6**	**44**	**2**	**8**

[1] Regular U.S. Intel employees only (does not include employees of our wholly owned subsidiaries, Intel contract employees, or interns). [2] These figures were reported on a global basis as of December 31, 2012.
[3] "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 and governance bodies by reporting category.

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Compensation, Benefits, and Work/Life Effectiveness

Intel's comprehensive pay, stock, and benefits program is designed to attract, retain, and reward our employees, enabling long-term growth and a continuing record of innovation.

We also 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 comprehensive pay, stock, and benefits package approach aligns company, employee, and stockholder interests, and provides employees with incentives to focus on meeting or exceeding business objectives. It 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. A more detailed overview of our compensation and benefits is available for download on the Report Builder web site. For additional information on compensation and benefits at Intel locations worldwide, visit our Compensation and Benefits web site or read our 2013 Proxy Statement.

Our bonus programs are cornerstones of our pay strategy, 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 through our bonus and variable compensation programs.

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

Employee Cash Bonus Program and Customer Excellence Program. 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. Employees may also receive an additional 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 2012, employees received the additional two days of pay under the program as a result of the company receiving a 92% "Delighted" score from customers. Intel has exceeded the 75% "Delighted" score goal since 2006, enabling employees to receive two extra days of pay for seven years in a row. The 2012 ECBP and CEP payouts provided Intel employees with a total of an additional 20.1 days of pay (equal to 7.7% of their annual compensation).

Employee Bonus Plan. 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 Caring for the Planet 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.

Equity Programs. Through stock options and restricted stock units (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. We grant equity to more than 95% of our employees annually, including RSUs and stock options. Under our Stock Purchase Plan, all regular full-time and part-time employees and interns 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. Share-based compensation totaled $1.1 billion in 2012.

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Health and Wellness Benefits

Intel is committed to developing a culture in which employees and their families are healthy, productive, and engaged in living wellness-oriented lifestyles. 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. This 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 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 2012, close to half of Intel's 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 2012, Intel was awarded Silver HealthLead* accreditation status through U.S. Healthiest for leading the way in employee health management and wellbeing initiatives.

Transition to Retirement

We work with our employees to support a seamless transition to retirement, from savings plans to options for gradually reducing their workload or participating in volunteer service programs in which they can apply their experience. Our retirement benefits vary by country, but can include post-retirement medical benefits, 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 2012 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.

Intel offers expanded retirement benefits with Intel Encore Career Fellowships, through which U.S. employees who are 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.

Intel's 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 also 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 coverage assignments. In 2012, 5,324 employees took sabbaticals, returning refreshed and revitalized.

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. Programs include paid sabbaticals; personal leave; pregnancy leave; and bonding leave to care for a newborn, adopted child, or newly placed foster child. Intel supports employees who serve in the U.S. uniformed armed forces or National Guard, including providing Military Adjustment Pay. The U.S. government has publicly recognized Intel for its commitment and continuing efforts in this area.

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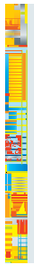
Intel Benefits and Work/Life Programs at a Glance

To address the diverse needs of our employees, we offer a range of benefits that varies across businesses, geographies, sites, and job types.

- Paid sabbatical benefit for U.S. and Canadian employees, and the ability to "bank" vacation time in many European countries to create an extended leave every five years
- Comprehensive health benefits, including medical, dental, vision, and employee assistance programs
- Multiple retirement plan options, including 401(k), retirement contributions by Intel, defined benefit plans, and post-retirement medical benefits
- Multiple leave programs, including personal, pregnancy, bonding, and military service
- Near-site childcare centers and back-up childcare programs
- Comprehensive adoption assistance
- Elder-care programs, including on-site caregiver training, intranet site, and referral resources
- Voluntary benefits, including critical illness insurance and group legal insurance
- Employee discount programs for online and local shopping, as well as Intel products
- On-site fitness classes and recreation facilities, healthcare clinics, and spa
- Free fruit and beverages at multiple locations, and healthy choices in our cafeterias
- Commute reduction options, including telecommuting
- Employee use of Intel facilities for book clubs, music events, birthday parties, baby showers, etc. Space for employee gardens at some locations
- Scholarships for dependents of Intel employees (296 recipients in 23 countries in 2012)
- "Live Homework Help" for employees' families, which included 34,190 tutoring sessions in 2012
- Family fun events, which reached over 90% of employees and their families in 2012



"Intel is a company that holds incredible opportunity for those who are willing to seek it out. Having a supportive manager and a culture that supports work/life balance have enabled me to engage the company on a much more meaningful and rewarding level."

Tavish, Intel employee

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. Our goal is to provide employees with a flexible work environment that allows them to manage their work responsibilities and their personal commitments with as much ease and as little stress as possible. Managers and employees have a shared responsibility to adopt the appropriate flexibility solution to accommodate the needs of both the employee and the organization. Surveys indicate that our employees highly value Intel's flexible work options, which include adjusting work hours, location, or job structure, giving them the ability to flex their work schedule to meet their unique personal needs while ensuring that they meet their work deliverables.

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, depression, identity theft, stress, elder care, 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, home solar energy systems, and local restaurants and stores. We also have on-site cafeterias, fitness centers, dry-cleaning services, spas, car washes, full-service banking, tax preparation assistance, 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.

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Employee Health and Safety

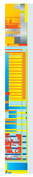
Our safety and wellness programs help employees enjoy a better quality of life and contribute to Intel's success, since employees who are physically and mentally fit can be more productive.

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—not only for our employees, but also for contractors working at our sites.

2012 Safety Update

Intel ended the year with an Occupational Safety and Health Administration (OSHA) recordable rate of 0.58, which is two times better than the U.S. semiconductor industry average. Our recordable rate decreased by 12%, and our days away case rate remained flat compared to 2011. 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 2012 and accounted for 56% 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 6.5:1 in 2011 to 7.2:1 in 2012 (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 2012 at some Intel sites our ergonomics professionals trained managers to work directly with employees to identify potential ergonomics issues during 1:1 "ergonomics walks" through the work environment.



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 370,000 hours were invested in EHS training in 2012 through 68 web-based and 84 instructor-led classes with more than 215,000 attendees. 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, and in 2012 we continued to invest in making more of these courses accessible to our global employees.

We also regularly survey our employees about their perceptions of our safety culture and the success of our programs. Through the 2012 E3! Safety Culture Survey, over 26,000 employees were invited to provide feedback on their organization's safety culture; 46% 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 for improvement 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 2012 compared to our peer companies, we continue to focus on opportunities for improvement each year and drive toward our aggressive safety goals. In 2013, 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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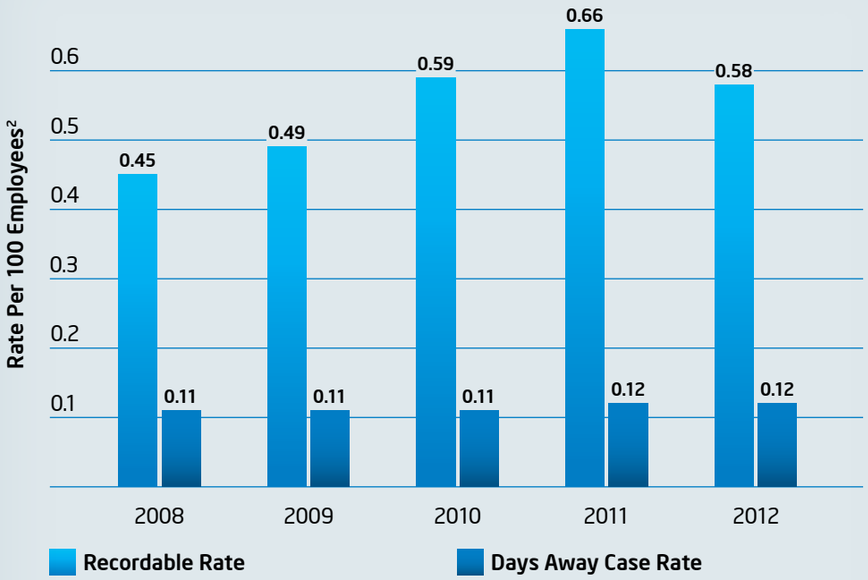
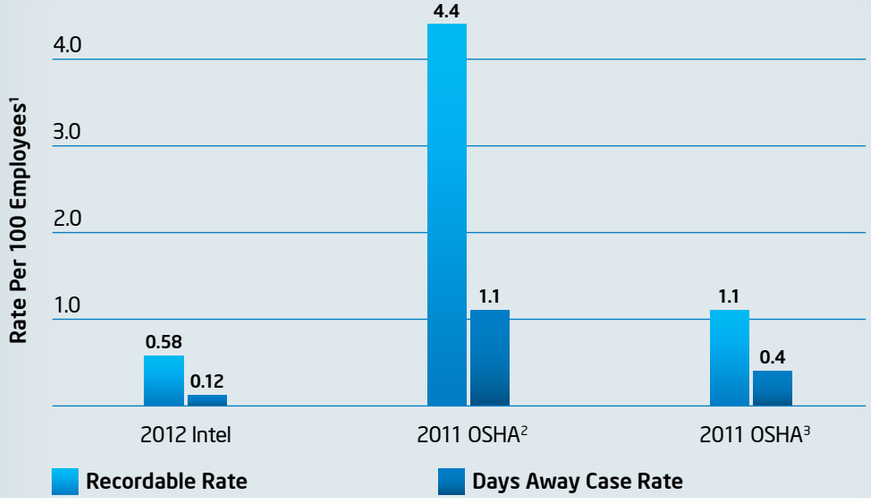
Intel Recordable and Days Away Case Rates[1]



[1] Some of the historical figures have been restated due to new cases being reported after the close of the previous period. In our 2011 report, the 2011 recordable rate was stated as 0.63. Note that 2012 data is as of April 4, 2013.
[2] Rate based on 100 employees working full time for one year.

Intel's days away case rate remained flat from 2011 to 2012, and our recordable rate for injury and illness was down 12% from 2011 levels.

Health and Safety Benchmarks



[1] Rate based on 100 employees working full time for one year.
[2] 2011 Occupational Safety and Health Administration (OSHA) rate for U.S. manufacturers.
[3] 2011 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. 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 2012, we completed initial certification audits for our manufacturing facility in Dalian, China.

In 2012, we received a safety-related Notice of Violation and a $500 fine for incorrect floor coverings and signage for storage areas during a routine fire inspection of our St. Petersburg office. The findings have been corrected and the case has been closed. 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 Caring for the Planet section of this report.

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Performance Summary and Goals

In 2012, 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 where 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 expanding our Health for Life wellness program to more employees at our sites around the world.

Goals and Performance

2012 Goals	2012 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 remained flat, we continued to invest in both internal and external initiatives to strengthen the pipeline of talent and advance our diversity objectives.	◒
Target over 70% participation and maintain or improve scores in at least 95% of the questions on our annual Organizational Health Survey.	72% of employees participated. Scores improved or remained the same on 92% of the questions, slightly below our goal of 95%.	◒
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 a 0.40 recordable rate. Intel's 2012 recordable rate was 0.58, down from 0.66 in 2011.	◒
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, with a ratio of 7.2:1, we did not meet our aggressive 2012 goal.	○

● **Achieved** ◒ **Partially Achieved or on Track** ○ **Not Met**

In 2013, we will focus on making improvements in key areas identified in our 2012 Organizational Health Survey, including career development, decision-making, and manager effectiveness. We will also drive continuous improvement in workforce diversity, and build on our solid health and safety foundation by working toward our aggressive safety goals.

Goals for 2013

Drive key improvements and hire at full availability for technical under-represented minorities and women.
Achieve at least 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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Caring for the Planet

We are committed to being a leader in environmental responsibility. We strive to continuously improve energy efficiency, reduce emissions, and conserve resources throughout our operations. We also focus on improving the energy-efficient performance of our products, and collaborate with others to develop innovative ways that technology can address long-term sustainability challenges.

Key Section Links

Performance Summary and Goals
Intel Environment Site
Product Energy Efficiency
Intel's Environmental, Health, and Safety Policy
Intel's Climate Change Policy
Intel's Water Policy
Explore Intel

Intel has been the largest voluntary purchaser of green power in the U.S. since 2008, according to the U.S. EPA.

#7

Intel was ranked number 7 on Newsweek's list of the top 500 Greenest Companies in America.

Our Sustainability in Action Grant Program provides funding for employees' innovative environmental projects.

Intel links a portion of every employee's variable compensation—from front-line staff to our CEO—to environmental metrics.

See the role that Intel® technology can play in enabling energy efficiency and solving global environmental challenges.

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Management Approach

We integrate environmental considerations into our entire business, including our governance and compensation practices, facilities design and manufacturing processes, and product design and development.

While many companies in the electronics industry outsource most of their production, 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 within our global manufacturing operations.

Watch Video Take a look inside an Intel wafer fabrication facility (fab).

We consider environmental impact when we select sites, design 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.

Intel® Product Life Cycle and Value Chain

Click or tap the ⊙ symbol 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: We report our performance for key environmental performance indicators in both absolute terms and on a normalized, or "per chip," basis. Our Normalized Production Index (NPI) is derived from our worldwide wafer production data and assumes a typical chip size of 1 cm^2 for the "per chip" calculation (although actual chips vary in size depending on the specific product). The NPI is indexed to a baseline year of 1999, with the exception of our greenhouse gas emissions and energy use indicators, which use a baseline year of 2000. One important limitation of the NPI is that it does not take into the account the number of additional manufacturing steps used in the newer process technologies. Underlying data for the performance graphs is available for download using the Report Builder web site.

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Our Commitment to Leadership and Continuous Improvement

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 actions. To learn more, see the Building the Supply Chain of the Future section of this report.

Over the past decade, we have reduced key environmental impacts such as greenhouse gas emissions while increasing our manufacturing output. We have been recognized for our sizable renewable power purchases and on-site solar installations, as well as for our leadership in green building practices. In 2012, we made progress toward achieving our new 2020 environmental goals, but continued to face challenges in reducing water use and chemical waste due to the increasing complexity of our manufacturing processes. For more information, see "Manufacturing Process Complexity and Environmental Impact" on this page and "Performance Summary and Goals" at the end of this section.

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. We are focused on reducing the environmental impact of our products and driving to new levels of energy-efficient performance.

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.

Manufacturing Process Complexity and Environmental Impact

Many of the major trends in semiconductor manufacturing have helped reduce environmental impact over time. 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, 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 and the additional manufacturing steps used to create our newer microprocessors. This complexity can be understood by comparing our manufacturing process to building a city. We used to be able to build outward, the way that cities expand into suburban areas. We are now also "building up," as cities do by constructing skyscrapers. The multi-layered, vertical nature of our newer technology creates more powerful and energy-efficient products, but it also requires increased use of chemicals and water rinses. In addition, we have been driving chemical and water use reductions for well over two decades, so many available efficiencies have already been realized, making it difficult to achieve additional large reductions. However, we remain committed to finding innovative ways to further reduce our operational environmental impact and to applying our energy-efficient technology and expertise to help customers, communities, and cities around the world become more sustainable.

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 have joined forces with businesses, academic institutions, and governments worldwide to find and promote additional ways that technology can be used to drive energy efficiency 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.

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Managing Environmental Performance

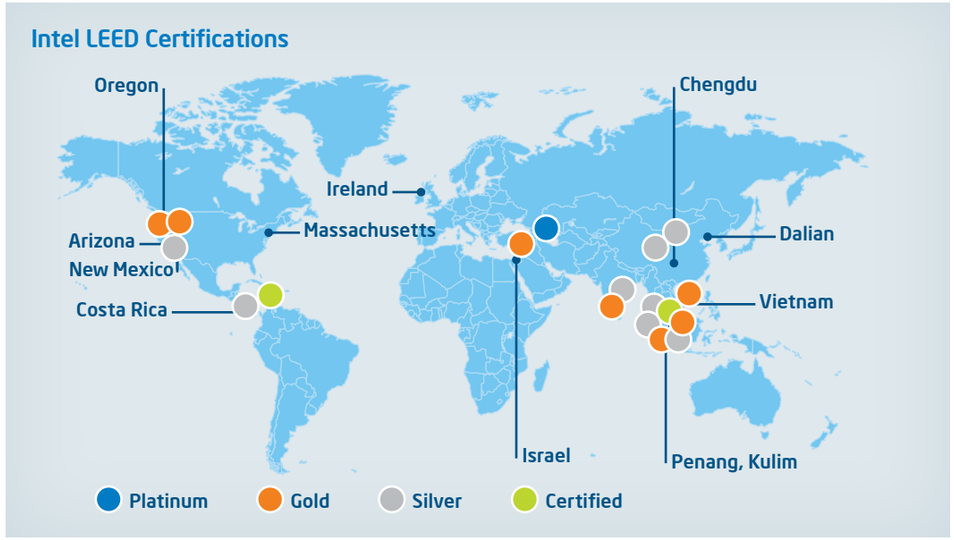
Multiple groups across Intel play critical roles in driving strategy, operational and product improvements, and policy initiatives related to environmental responsibility. Our Environmental Health and Safety (EHS) organization has primary responsibility for managing our environmental compliance and driving performance improvements in our operations. A number of groups across the company manage product-related sustainability: The Corporate Products Regulations and Standards Group, working with our EHS and Technology Development groups, drives the sustainable design of our products; the Intel Architecture Group promotes the importance of energy-efficient performance in our products; and the Intel Energy and Sustainability Lab conducts research and development on emerging technologies.

The Eco MRC, which has been 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.

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. Since 2010, Intel has also maintained a multi-site certification for OHSAS 18001, the internationally recognized standard for occupational health and safety management systems. All audits are conducted by the National Standards Authority of Ireland, an independent third-party registrar. Intel's fully integrated multi-site registration to both ISO 14001 and OHSAS 18001 extends through December 31, 2013.

Green Buildings and LEED Certification

For many years, our engineers have incorporated green design standards and building concepts into the construction of our facilities. Intel now has a policy of designing all new buildings to a minimum Leadership in Energy and Environmental Design (LEED) Silver certification level. We have also achieved LEED certification for a number of our existing facilities. In early 2013, we achieved certification for our new factory in Oregon (the first LEED Gold certified semiconductor fabrication facility in the U.S.) and achieved our first Platinum certification for one of our buildings in Israel.



As of April 2013, Intel had achieved LEED certification for 29 new and existing buildings, with a combined total of over 7.5 million square feet of floor space. The Arizona certification covered 12 buildings.

We have 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 design factors are geared toward office environments. Intel has been working with the U.S. Green Building Council and other companies to share our learnings and provide input on criteria changes that would make it easier to pursue LEED certification for manufacturing sites, with the ultimate goal of expanding the number of manufacturers implementing green building practices.

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Employee Engagement

We believe that engaging employees is key to achieving our environmental strategies and goals.

Intel Employee Engagement Strategy on Sustainability	
Learn	▪ Visibly integrate our commitment to sustainability into our vision, strategic objectives, and compensation ▪ Educate employees on our sustainability actions through internal communications channels and a regular speaker series
Act	▪ Empower employees to take action by funding their environmental project proposals through the Sustainability in Action Grant Program ▪ Recognize employees for their actions and inspire other employees to do the same through the Intel Environmental Excellence Awards ▪ Create new tools that facilitate integration of sustainability factors into employee decision-making
Share	▪ Provide support for employee "green" teams that help employees collaborate and connect with each other ▪ Connect employees through internal social media channels and our Green Intel portal

We use a "Learn, Act, Share" model to help employees understand sustainability issues, priorities, and goals; work together to take action; and share information about our priorities with other employees and external stakeholders.

Linking Compensation to Environmental Performance. Since 2008, we have linked a portion of every employee's variable compensation—from front-line staff to our CEO—to the achievement of environmental sustainability metrics. We believe that including an environmental component in the overall Employee Bonus (EB) calculation helps focus executives and employees on the importance of achieving our environmental objectives. Benchmarking and discussions with external stakeholders reveal that it is still relatively rare for companies to link compensation to sustainability goals for all employees and executives. The 2012 compensation metrics focused on carbon emission reductions in our operations and energy-efficiency goals for new products. Environmental metrics for our 2013 EB calculation will focus on solid waste recycling in our operations, in support of one of our new 2020 environmental goals. For more information, see the Caring for Our People section in this report and our 2013 Proxy Statement.

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 on addressing environmental issues in their local communities. In 2012, Intel provided funding for nine employee projects—including installing bee boxes to study colony collapse disorder in California; planting a vegetable garden at a children's home in Singapore; developing a water purification system for use in rural India; identifying energy conservation opportunities within Intel's labs in Oregon; creating a new "Ridefinder" app to promote ride-sharing in local communities in California; organizing a sustainability speaker series for employees at our U.S. and Costa Rica sites; and piloting composting strategies for food waste in Hudson, Massachusetts. From 2006 through the end of 2012, the Sustainability in Action Grant Program provided funding for 49 projects around the world.

Intel Environmental Excellence Awards. Since 2000, Intel has presented these awards to employees who have helped reduce Intel's environmental impact. In 2012, 57 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 the 12 winning projects from 15 Intel sites in five countries received monetary awards and trophies.

In addition to yielding environmental benefits, these employee projects frequently save money for Intel. Estimated annual cost savings from the 2012 winning projects exceeded $40 million, bringing the total estimated savings generated by Environmental Excellence Award projects to more than $200 million over the past three years.

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Employee Sustainability Actions

We are inspired by the many innovative employee projects that have reduced environmental impact, supported our local communities, and generated bottom-line results. Read about some of the 2012 winning projects in our Sustainability in Action (SIA) Grant and Intel Environmental Excellence Award (EEA) programs.

Watch Video Learn more about the Sustainability in Action Grant Program.

Installing Bee Boxes. A team of employees in Folsom, California used an SIA grant to raise awareness about honeybee colony collapse disorder and its implications for the broader economy. In addition to installing bee boxes on Intel's Folsom campus, the team organized a beekeeping class for Intel employees. Read the blog post to learn more.

Engaging Students. Employees in Singapore partnered with Singapore National Park to create a sustainable fruit and vegetable garden at the Pertapis Children's Home. As part of the SIA project, the team provided technology training for the children living at the home, using the garden as the focus for computer exercises.

Educating Employees. An employee in Arizona started a sustainability speaker series, bringing together employees from multiple sites through Intel's teleconferencing network. The interactive monthly meetings featured sustainability leaders from across Intel who gave presentations on a range of topics. Based on the success of the SIA project, Intel decided to continue to the fund the series in 2013.

Composting Food Waste. A team in Hudson, Massachusetts received an SIA grant to pilot new food waste composting approaches as part of their zero-waste office project. The team partnered with Intel's cafeteria and waste management suppliers to divert food waste from the landfill.

Reducing Our Energy Use. A team in Ireland received an EEA for their work to educate the local community about energy conservation. The project involved piloting energy tracking technology with local businesses and nonprofits, and saved 20,000 kWh of electricity and $4,300 for these organizations in the first year. Read this article to learn more.

Reducing Our Water Use. An employee in Arizona initiated a multi-year project to reduce the water used in the equipment that cools Intel factories worldwide. The winning EEA project saved more than 1 billion gallons of water across our operations over the past five years.

Redesigning Processes. A team in Oregon was recognized through the EEA program for their project to reduce the water required for our next two generations of manufacturing processes without compromising product quality. The new processes are projected to save 90 million gallons of water per year and generate annual cost savings of $2.5 million.

Driving Environmental Footprint Reductions. A team in Oregon drove energy and water savings and emissions reductions across our global factories by making changes to chillers, boiler plants, and vacuum pumps. One of the EEA award-winning team's modifications—changing the back-up cooling methods at one of our factories—is also projected to save an estimated $38 million.

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Green Teams and Employee Groups. Intel supports 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. 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. Every April, GREENit and other employees organize numerous volunteer projects, presentations, and educational events across the company in support of Earth Day.

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. In 2011 and 2012, Intel launched the Explore Inte web site related to our operations in New Mexico, China, Costa Rica, Ireland, and Israel to improve community engagement on our environmental performance. The interactive web sites provide local communities with real-time information and resources.

Our employees participate in environmentally focused community volunteer projects as well as education programs that encourage study and innovation in environmental sustainability, such as the Intel Global Challenge at the University of California at Berkeley and the Intel International Science and Engineering Fair. For more information, see "Stakeholder Engagement" in the Our Business and Integrated Value Approach section and the Inspiring the Next Generation section of this report.

Providing Employees with "Green" Tools and Resources

In 2012, we provided a number of 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 provided space and tools for employees to create their own gardens on our campuses. We also deployed a new carbon calculator and water framework in our manufacturing organization to help employees better quantify the environmental benefits and costs of their projects using a consistent methodology. Employees continued to connect with each other and to sustainability opportunities on our Green Intel portal.

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. We complete EIAs as part of our new site selection process, and regularly assess the 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 projects 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.

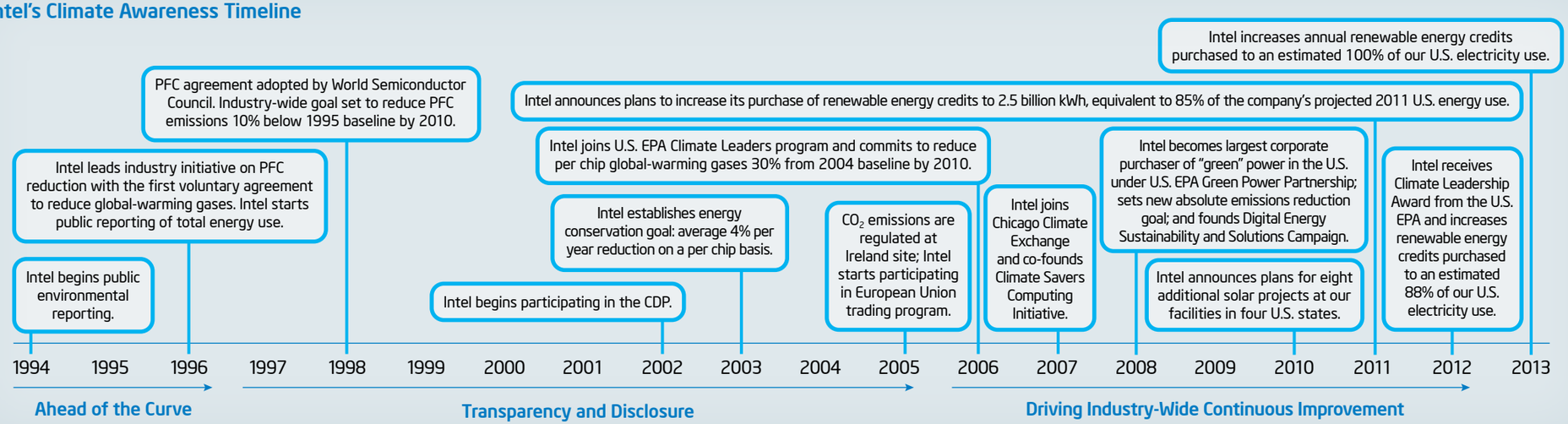
Intel believes in a portfolio approach to reducing our carbon footprint. Through a wide variety of efforts—including but not limited to conservation, energy efficiency, solar installations, green power purchases, and efficient building designs—Intel has built a strong and sustainable approach to buying 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). As of early 2013, our annual purchase commitment represented the equivalent of 100% of our U.S. electricity use. We have earned numerous recognitions for our actions to address climate change, including an Organizational Leadership Award from the EPA's Center for Corporate Climate Leadership in early 2013.

As part of our commitment to transparency, since 2003 we have disclosed our greenhouse gas emissions and climate change risk through the 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

For close to two decades, Intel has been setting aggressive greenhouse gas reduction goals and working with others to drive industry-wide improvements. In 1996, Intel and other U.S. semiconductor manufacturers entered into a voluntary agreement with the EPA to reduce emissions of perfluorocompounds (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 more than 80% on a per chip basis from the 1995 baseline.

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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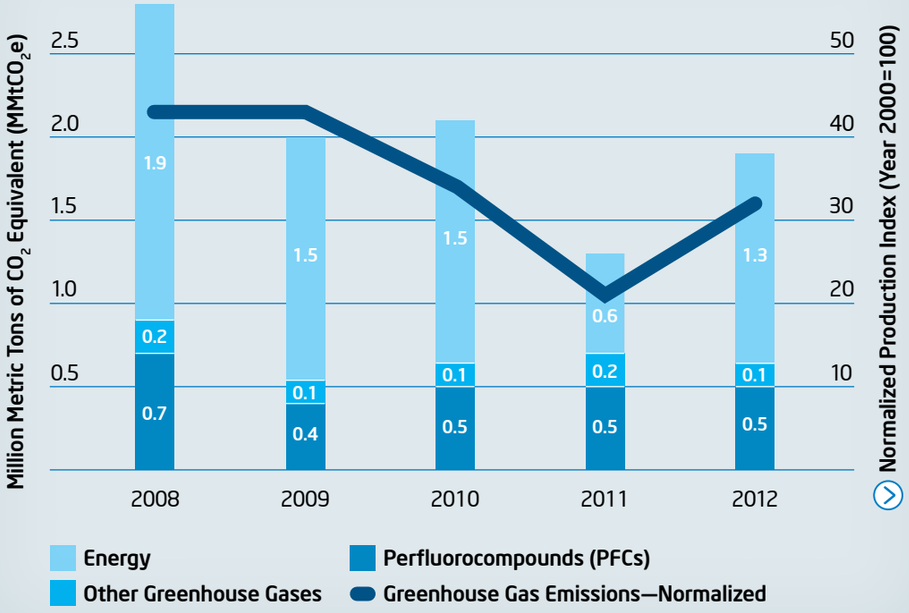
In 2008, we set a goal to reduce the absolute global-warming gas footprint from Intel operations 20% below 2007 levels by 2012. We exceeded this goal, reducing our absolute emissions more than 60% below 2007 levels by 2012. Our new 2020 environmental goals include a commitment to further reduce our direct greenhouse gas emissions 10% on a per chip basis from 2010 levels, while we continue to expand our manufacturing capacity.

Greenhouse Gas Emissions

Click or tap the ⓘ symbol for additional information.



Intel's absolute Scope 1 and Scope 2 emissions were up 32% in 2012 compared to 2011, while emissions on a per chip basis were up 48%. However, since 2008 our emissions were down 33% and 26%, respectively, on an absolute and per chip basis. Over the past four years, our purchase of renewable energy credits (RECs) has contributed to decreases in our absolute emissions. The RECs resulted in an annual reduction of approximately 1 $MMtCO_2e$ in Scope 2 emissions from 2008 through 2010, a reduction of approximately 1.8 $MMtCO_2e$ in 2011, and a reduction of 1.3 $MMtCO_2e$ in 2012. In 2012, our REC purchases represented approximately 85% of our U.S. electricity use, and as of February 2013, they represented 100% of our U.S. electricity use. Note that in 2012, we changed our greenhouse gas (GHG) emissions accounting practices to better align with new external guidance on accounting treatment of RECs. We have not restated data for prior years.

2012 Greenhouse Gas Emissions Reported by Type (metric tons of CO_2e)

Scope	Emissions	Notes
Scope 1 Emissions[1]	794,000	
Scope 2 Emissions[2]	1,054,000	
Total Scope 1 and 2 Emissions (including RECs)	1,848,000	
Scope 3 Emissions (estimated)		
▪ Direct materials supplier emissions	1,000,000	ⓘ
▪ Transportation and distribution of inputs and waste generated in operations	294,000	ⓘ
▪ Business air travel	176,000	ⓘ

Click or tap the ⓘ symbol for additional information.

[1] Included in Scope 1 emissions total are emissions related to: energy (electricity, natural gas, liquified petroleum gas, and diesel fuel consumption), perfluorocompounds (PFCs) used in manufacturing, nitrous oxide, heat transfer fluids and refrigerants, volatile organic compound (VOC) emissions that are oxidized to CO_2 in our abatement systems, on-site vehicles (e.g., security vehicles, but not including leased vehicles to employees), and the Intel air shuttle.

[2] Including renewable energy credits (RECs). Scope 2 emissions excluding RECs totaled 2,330,000 metric tons of CO_2e. The calculation of CO_2e from REC purchases is based on an average CO_2e per kWh ratio from all U.S. Intel sites.

Related Links:
World Resources Institute Global Greenhouse Gas Protocol Mobile Combustion CO_2 Emissions Calculation Tool
GHG Protocol CO_2 Emissions from Business Travel Tool

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 are publicly available in our CDP questionnaire response on the CDP web site. 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.

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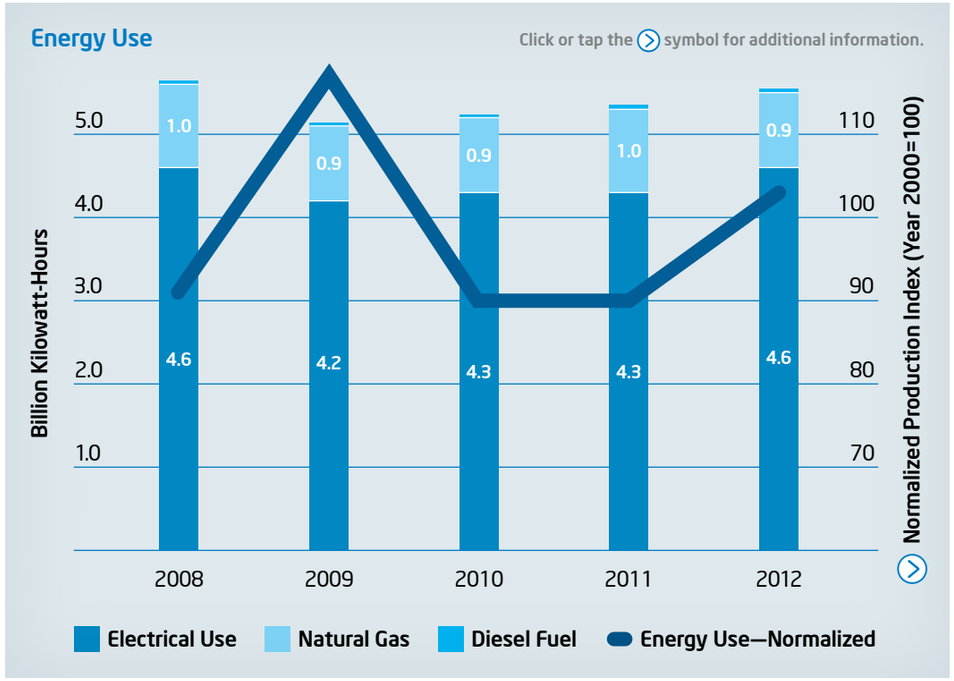
Energy-Efficient Operations

In 2012, Intel allocated approximately $30 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. Since 2008, Intel has invested more than $59 million and completed over 1,500 projects, saving more than 1.2 billion kWh of energy, or the equivalent approximate CO_2 emissions from the electricity use of more than 126,000 average U.S. homes for one year.[1] These investments also generated cumulative energy cost savings for Intel of $111 million through the end of 2012.



In 2012, energy use in our operations increased 6% from 2011 on an absolute basis and increased 15% on a per chip basis. The significant increase in the 2009 per chip figure was due primarily to lower manufacturing levels. The increase in 2012 was due to lower manufacturing output at the end of the year.

[1] Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.

Energy Conservation Project Savings

Year	Energy Savings Per Year Based on Projects Implemented (Million kWh)	Cumulative Energy Savings Since 2008 (Million kWh)	Cumulative Cost Savings[1] Since 2008 (Millions of $)
2008	86	86	8
2009	145	231	21
2010	223	454	40
2011	325	779	68
2012	442	1,221	111

[1] Savings are calculated based on the year the project was implemented, and no allowance is made for changes in utility rates in subsequent years. The assumption is that all sustainable savings (excluding one-time projects) carry forward only five years.

Over the past five years, our investments in energy conservation projects in our operations have helped reduce energy consumption and have generated energy cost savings for Intel.

Intel's information technology (IT) sustainability policies and guidelines promote IT to use data center, compute, and office infrastructure, as well as our client offerings, to contribute toward Intel's emissions reduction goal. Intel IT has taken steps to embed sustainability principles into our strategies and business processes.

In 2012, we continued to implement a variety of strategies to improve overall efficiency of our data center operations, including reducing the number of data centers across Intel's operations from 87 to 68. We also replaced older servers with fewer higher performing servers based on the latest Intel® Xeon® processors and Intel® Solid-State Drives (Intel® SSDs). As a result, we exceeded our goal of reducing cost per compute unit by 10%.

IT also continued to implement cloud and virtualization strategies that increased Intel's virtualization percentage from 64% to 75%. These improvements helped IT maintain flat energy and CO_2 footprints while significantly increasing Intel's compute, storage, and IT customer capabilities. Intel IT also completed energy conservation projects that saved approximately 50 million kWh of electricity in 2012. To read more about Intel IT's efforts to improve our business and efficiencies, see the 2012–13 Intel IT Annual Report.

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We also successfully piloted a new technology at our site in New Mexico in 2012 to cool servers in the data center by submerging them in oil. The goal was to identify new ways to save energy in data centers without compromising server performance. Read this blog post to learn more.

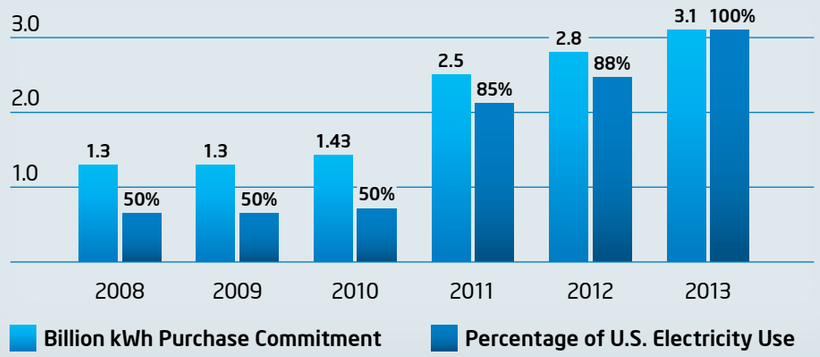
Videoconferencing continues to be a highly successful collaboration tool for Intel's global employee teams. As of year-end 2012, we had 200 video collaboration rooms in Intel facilities in 30 countries around the world. Videoconferencing has enabled employees to eliminate more than 100 million miles in travel in 2012, saving over 600,000 hours of travel-related downtime, and avoiding 95,000 metric tons of travel-related CO_2 emissions. During 2012, Intel IT supported an average of 975 videoconference meetings per week.

Investing in Renewable Power and Clean Energy

In early 2013, Intel was recognized for the fifth consecutive year as the largest voluntary purchaser of green power in the U.S., according to the U.S. EPA's Green Power Partnership rankings. We increased our purchase commitment from 2.8 billion kWh of green power in 2012 to approximately 3.1 billion kWh in 2013. Our 2013 purchase will be enough to meet 100% of our U.S. electricity use for the year, and will have the equivalent environmental impact of eliminating the CO_2 emissions from the annual electricity use of more than 320,000 U.S. homes. Intel has committed to purchase a total of approximately 12.4 billion kWh of green power from 2008 through 2013, which is equivalent to the greenhouse gas emissions impact of taking 1.8 million cars off the road for one year.[1]

Intel's renewable energy efforts are intended to provide leadership, help spur the market, make renewables less expensive and more accessible over the long term, and reduce the overall carbon emissions from electricity generation. We increased our investment levels over the past five years despite the economic downturn, because of the projected long-term benefits. All purchases will be certified by the nonprofit Center for Resource Solutions' Green-e* program, which certifies and verifies green power products to meet the requirements of the U.S. EPA's Green Power Purchasing Program.

Intel's Renewable Power Purchase History



Since 2008, Intel has steadily increased its commitments to purchase renewable energy credits (RECs). Our REC commitments have included a portfolio of wind, solar, small hydroelectric, geothermal, and biomass sources.

Solar and Wind Installations. Between 2009 and April 2013, we partnered with third parties to complete 18 solar electric installations on nine Intel campuses—in Arizona, California, New Mexico, Oregon, Israel, and Vietnam—collectively generating more than 10 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; rooftop installations; and solar support structures in Intel parking lots (including four 1-megawatt installations). When installed, each U.S. installation was ranked among the 10 largest solar installations in its respective utility territory. The project in Vietnam is the largest solar project in Vietnam and received awards from the Vietnamese government. The RECs generated by these installations are often transferred to local utilities to support their regulatory obligations and programs. We have also installed solar hot water systems in India, Israel, and Costa Rica. The India installation supplies nearly 100% of the hot water used at our two largest campuses in that country, saving approximately 70,000 kWh annually. In 2013, we are exploring a broad expansion of the solar hot water program across our global sites.

[1] www.epa.gov/cleanenergy/energy-resources/calculator.html#results

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In 2013, we will also pilot on-site wind micro-turbines and ground-source heat pumps at our site in Guadalajara, Mexico. We are completing these pilots to test the feasibility of using these technologies for additional sites.

Electric Vehicle Charging Stations. In 2012, we piloted four electric vehicle charging stations for employees at our sites in California and Oregon. Based on the success of the pilots, in 2013 we plan to expand the program by installing about 95 more charging stations at more than 10 of our U.S. sites. When they have been completed, we believe our roll-out will be one of the largest corporate-wide installations of charging stations in the U.S.

Climate Leadership Activities and Advocacy

Intel collaborates with multiple stakeholders on initiatives aimed at reducing ICT-related emissions and identifying ways that the ICT industry can help reduce energy consumption and carbon emissions across other sectors of the global economy.

Digital Energy and Sustainability 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 hosted by the Information Technology Industry Council.

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.

In 2012, DESSC expanded its activities to encompass the role of ICT in water resource management by supporting a Chesapeake Conservancy project aimed at identifying ways to apply technology in land conservation efforts in the Chesapeake Bay watershed.

The Green Grid. Intel serves on the board of the Green Grid, a global consortium of companies dedicated to resource efficiency in business computing ecosystems. The Green Grid, founded in 2007, provides industry-wide recommendations on best practices, metrics, and technologies to improve overall data center resource efficiency. In 2012, another collaborative initiative that Intel had co-founded with other industry partners to drive computing energy efficiency, the Climate Savers Computing Initiative, merged into the Green Grid.

In 2012, the Green Grid launched Data Centre Life Cycle Assessment Guidelines aimed at identifying and describing how to assess a data center's complete life cycle, taking all relevant environmental impacts into consideration. The Green Grid continues to lead the industry in infrastructure efficiency technologies, such as "free-air" data center cooling, and well as pioneering work in water and carbon efficiency.

For more information on our public policy activities, see "Public Policy and Political Accountability" in the Our Business and Integrated Value section of this report.

"In 2013, Intel increased its use to 100% green power, marking the fifth consecutive year that the company has topped the EPA's list as the largest voluntary purchaser of green power in the country. This commitment to operating sustainably helps advance the market for clean, renewable resources and results in meaningful environmental progress."

Blaine Collison, Director of EPA's Green Power Partnership

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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.

Water and energy experts at our locations around the world help us manage and research opportunities to reduce consumption, such as incorporating water conservation elements into the design of our facilities and establishing specific water goals for new process technologies. In 2012, we continued to face challenges in reducing water use on both absolute and normalized bases due to the increasing complexity of our manufacturing processes. Water use was up 8% on an absolute basis from 2011 and 2012, and up 27% on a per chip basis. We are investing in research and pilot programs to identify new ways to save water without adversely affecting product output and quality. For more information about our commitment to water conservation and responsible water management, read the Intel Water Policy.

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 45 billion gallons of water—enough for roughly 420,000 U.S. homes for an entire year.[1]

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 2012, we internally recycled approximately 1.7 billion gallons of water, equivalent to about 18% of our total water withdrawals for the year.

Water Use

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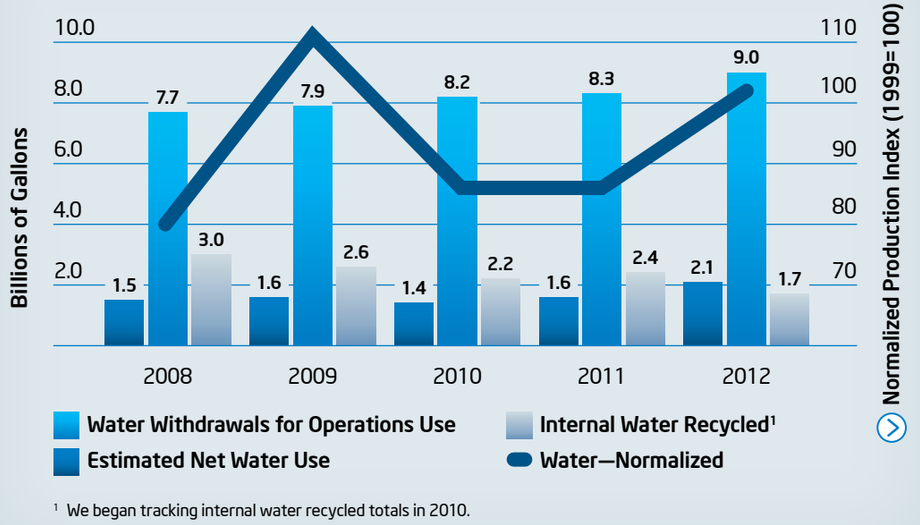

[1] We began tracking internal water recycled totals in 2010.

While this graph details our water withdrawals, our estimated net water use is much lower, as approximately 80% of the water that we use in our operations is returned to the local water system. In 2012, water withdrawals at our U.S. operations were 6.2 billion gallons, or 69% of our total water withdrawals. In 2012, our global water withdrawals increased 8% from 2011 levels on an absolute basis, and increased 21% on a per chip basis. Estimated net water use was up 31% from 2011 to 2012. We have set a goal that by 2020 we will reduce water withdrawals for our operations on a per chip basis below 2010 levels.

[1] Equivalency estimate based on information from the U.S. Environmental Protection Agency Office of Water.

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Water Discharge and Water Quality

Although 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 2012, we sent an estimated 7.3 billion gallons (or 77% of the water withdrawals 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 (roughly 20% of incoming supply, or 2 billion gallons) was lost to evaporation.

Our water discharge methods vary by site, based on the needs of individual communities. While we work with local water management agencies to determine appropriate 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 use Oregon's standard to establish the goal 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.

Collaboration and Opportunity

To identify and share best practices, we regularly benchmark our performance on water use and reuse with other semiconductor companies. 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.

Encouraging Water Reuse Through WaterMatch

In early 2012, we 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. The site promotes the beneficial reuse of municipal effluent for industrial and agricultural use at the local level.

Through the project, students populated the map with information on available wastewater resources in Arizona, where Intel has a large manufacturing presence and had been reusing reclaimed wastewater for years in its operations. Prior to the project, no resources were listed on the map for Arizona, but now more than 200 resources are listed. In the next phase of the project, students will expand their research to New Mexico, another major site for Intel.

In 2011, Intel participated in the development of the Global Environmental Management Initiative (GEMI) Local Water Tool* (GEMI LWT), a free, publicly available tool designed to help companies understand their local water challenges. We have agreed to support the second phase of the tool's development and will collaborate on this process in 2013.

In 2012, 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 2012, we also worked with Project WET, which provides students, parents, educators, and communities with water education resources. Intel's corporate water programs manager has served on the board of directors of Project WET since 2010.

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

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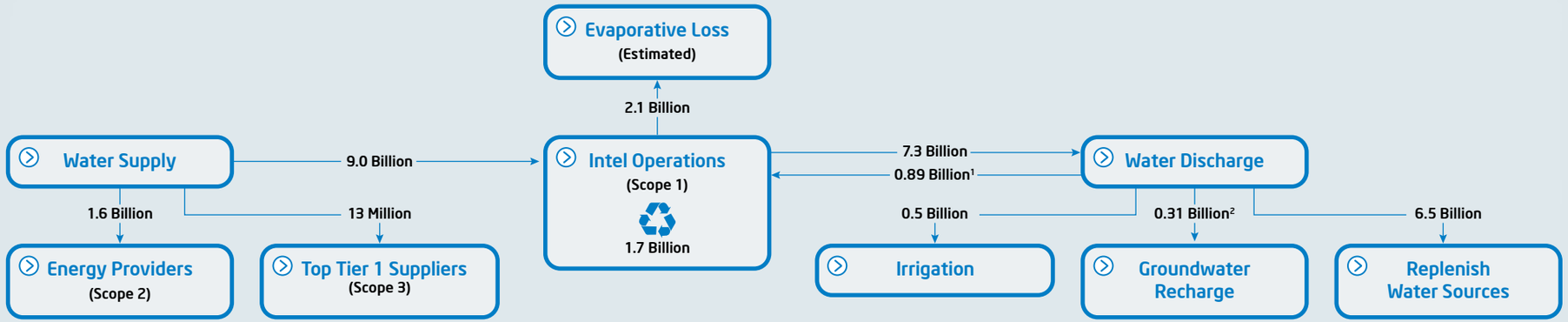
Water Footprint Analysis

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 our Scope 2 and Scope 3 water use,[3] including a "water equivalency" analysis to adjust total water use by site based on the location's water stress level. The study 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 can also help reduce our overall water footprint. In 2013, we engaged Quantis to complete a third study to analyze water quality and our water discharges. The study results will help us prioritize future investments in water conservation and management systems.

Intel's Operational Water Footprint (in gallons)

Click or tap the ⓘ symbol for additional information.



[1] Reclaimed water from the municipal water treatment operations in Chandler, Arizona for use at our site. This amount includes 560 million gallons in our manufacturing operations, such as in cooling towers and air scrubbers, and 330 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 5.1 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.

This water footprint illustration provides a high-level view of our operational water use. The estimate for water use from top Tier 1 suppliers was drawn from our water footprint analysis completed in 2010. The estimate for water use from energy providers was updated using 2012 data and an updated methodology. The estimate incorporates our purchase of renewable energy credits (RECs). Without RECs, our estimated Scope 2 water use would have been 3.1 billion gallons.

[1] Copyright 2010 IEEE. Reprinted with permission from "Performing a Water Footprint Assessment for a Semiconductor Industry."
[2] Copyright 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.

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Local Water Use Data

The following table details the fresh-water use and sources for our larger sites around the world. As mentioned earlier, 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 on the previous page.

2012 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	135	107	29	28	Surface: Fuhe River
	Dalian	383	328	76	55	Surface: Biliu and Yingna Rivers
Costa Rica	San Jose	125	80	5	45	Ground: Colima Superior Aquifer
India	Bangalore	16	9	6	7	Surface: Kabini River
Ireland	Leixlip	769	751	66	18	Surface: River Liffey
Israel	Jerusalem	28	21	15	7	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
	Qiryat-Gat	717	459	39	258	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
Malaysia	Kulim	223	129	25	94	Surface: Muda River
	Penang	254	140	5	114	Surface: Muda River
United States	Chandler, Arizona	280	112	1	168	Surface and ground: Salt and Verde Rivers, local aquifer
	Ocotillo, Arizona[3]	2,100	1,876	773	563	Surface and ground: Salt and Verde Rivers, local aquifer
	Folsom, California	166	57	–	109	Surface: American River
	Santa Clara, California	80	64	6	16	Surface: Tuolumne River
	Hudson, Massachusetts	141	109	72	28	Ground: Assabet River Basin Aquifer
	Rio Rancho, New Mexico	1,689	1,464	260	225	Ground: Santa Fe Aquifer
	Aloha, Oregon	245	196	–	49	Surface: Tualatin River
	Ronler Acres, Oregon	1,537	1,318	315	219	Surface: Tualatin River
Vietnam	Ho Chi Minh City	87	30	–	57	Surface: Dong Nai River

[1] In millions of gallons. Figures represent water use/withdrawals by site. [2] For each water source, our 2012 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.

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Waste: Reduce, Reuse, Recycle

Since 2008, we have recycled more than 75% of the total waste generated in our operations. We are also taking actions to reduce the amount of solid and chemical waste generated and increase the amount recycled, in support of our 2020 environmental goals.

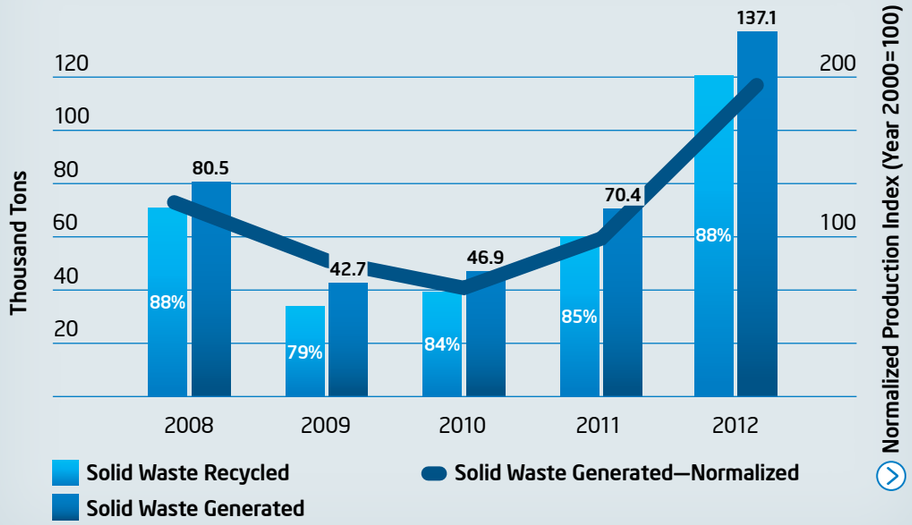
Solid Waste

In 2012, solid waste generated increased 95% over 2011 levels, due primarily to ongoing construction of new manufacturing facilities. Close to half of the solid waste generated was related to construction activities. In 2012, our global solid waste recycle rate was 88%, up from 85% in 2011. Our 2020 solid waste goal is to recycle 90% of our solid waste worldwide. To emphasize to employees the importance of this goal, we have also included solid waste recycling metrics in our 2013 employee bonus.

We have implemented several programs to reduce, reuse, and recycle the solid waste resulting from construction activities and other Intel operations, including donating materials to schools and nonprofits and composting cafeteria waste. In 2013, we will roll out a new initiative across our sites aimed at significantly increasing the composting of pre-consumer and post-consumer waste in our on-site cafeterias and converting to all reusable dishware and utensils.

Solid Waste Generated/Recycled

Click or tap the ⓘ symbol for additional information.

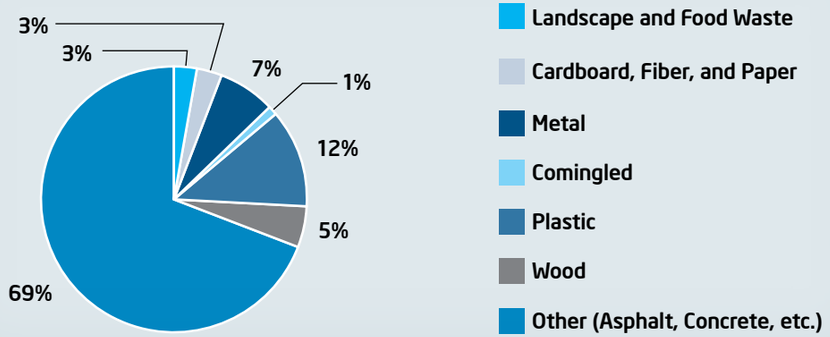


Solid waste generated was up 95% on an absolute basis and up 118% on a per chip basis in 2012 compared to 2011. We estimate that 34% and 47% of the solid waste generated in 2011 and 2012, respectively, was related to construction projects. Note that we restated our solid waste figures from 2008 to 2011; they had been overstated in the 2011 report. For 2012, we included data from a number of our smaller sites that were previously not included. Data from prior years has not been restated.

Reinvesting Recycling Savings in Employee Benefits

In recent years, our recycling efforts have saved millions of dollars. We have reinvested a portion of the savings to reward our employees for their recycling efforts, including providing rebates in our cafeterias; purchasing employee fitness center equipment; and adding basketball courts, putting greens, and other site improvements.

Solid Waste Recycled



Landscape and food waste are turned into mulch and compost, respectively. The "Other" category primarily includes materials related to our construction activities.

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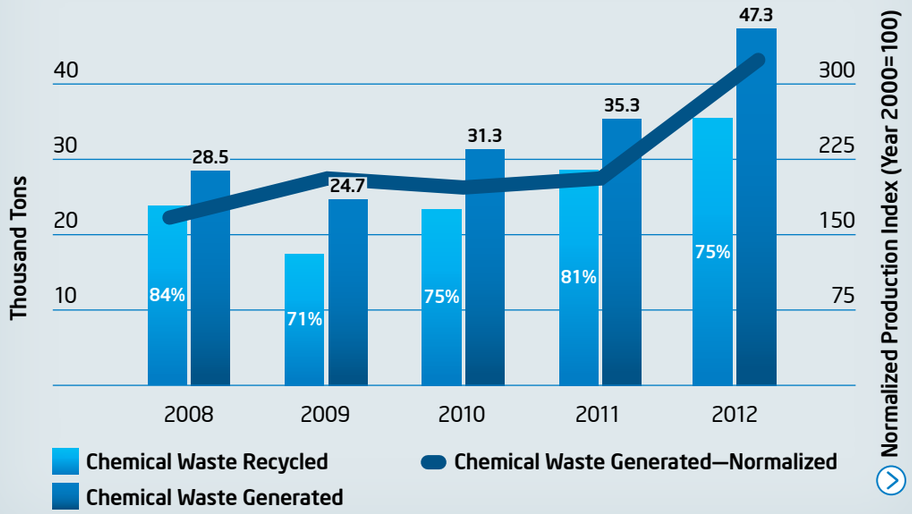
Chemical Waste

In 2012, we continued to recycle a high percentage (75%) of our chemical waste. However, chemical waste generated has risen both on an absolute and per chip basis since 2008, due to the increasing complexity of our manufacturing processes, as described earlier in this report.

In early 2012, to maintain our focus on driving reductions, we set new 2020 goals to reduce chemical waste generation by 10% on a per chip basis by 2020 from 2010 levels and to also achieve zero chemical waste to landfill by 2020. In addition, multiple groups across Intel are working on projects to identify innovative ways to treat or eliminate waste streams.

Chemical Waste Generated/Recycled

Click or tap the ⓘ symbol for additional information.



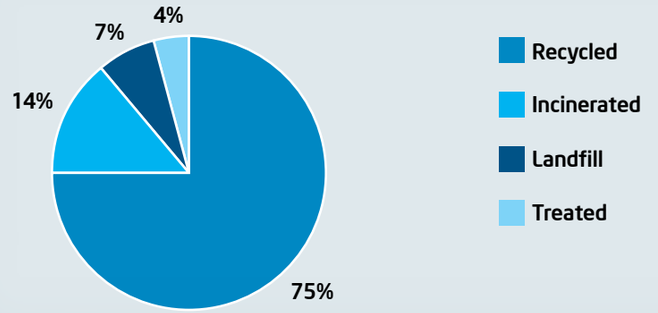
Chemical waste generated was up 34% on an absolute basis and up 50% on a per chip basis in 2012 compared to 2011.

Watch Video See how our employees are innovating to identify new ways to reduce chemical waste.

A team in Israel received a 2012 Intel Environmental Excellence Award for a new process that recycles 89% of two chemical waste streams. These waste streams were previously shipped to Israel's national waste management site, where they were blended with other fuels and incinerated. Recycling the waste streams not only reduced waste generation, but also reduced emissions associated with incineration. The costs of recycling these streams were also lower than the costs of incinerating and transporting them, resulting in projected annual cost savings of $1.5 million.

Our Israel site also started an innovative and resource-efficient solvent recycling program. Our used solvents are recovered into individual ingredients for reuse as feed stocks in Israel's manufacturing industry. We are maintaining the high value and usage potential of our used general solvents, and they are a now source of profit instead of a waste management expense.

Chemical Waste Management Methods



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

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Reducing Air Emissions

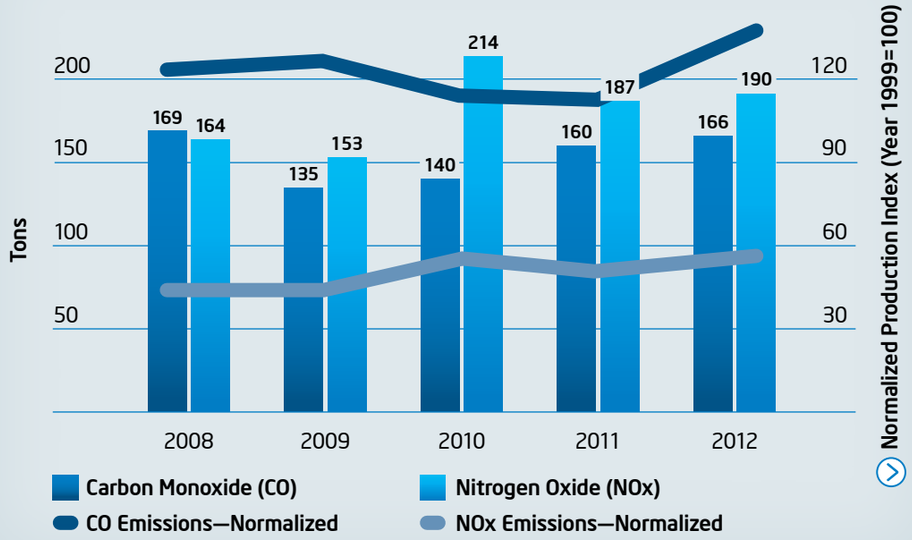
Through careful design of our production processes, we have reduced our absolute air emissions since 2000 while expanding our operations more than two-fold.

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 recirculate 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 or applicable local requirements to ensure that emissions are minimized.

NOx and CO Emissions

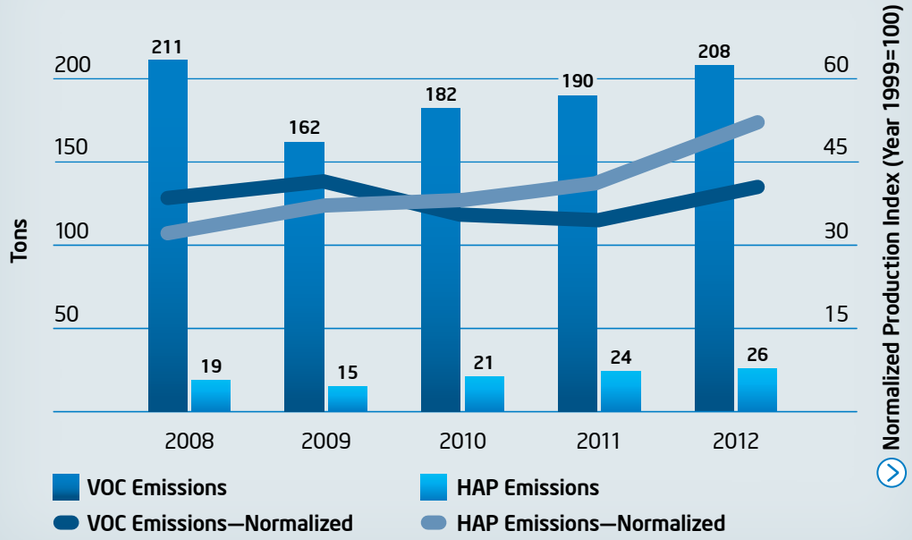
Click or tap the ⓘ symbol for additional information.



Absolute CO emissions were up 4% and per chip CO emissions were up 16% in 2012 compared to 2011. Absolute NOx emissions were up 2% and per chip NOx emissions were up 14% in 2012 compared to 2011.

VOC and HAP Emissions

Click or tap the ⓘ symbol for additional information.



In 2012, absolute VOC emissions were up 9% and VOC emissions were up 22% on a per chip basis. Absolute HAP emissions were up 7% and per chip HAP emissions were up 19%. Our long-term trend is positive, however, as we have achieved absolute reductions in HAP emissions compared to 2000 levels.

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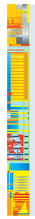
Product Energy Efficiency and Product Ecology

Energy-efficient performance is a key element of our product design and overall environmental footprint reduction efforts. 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.

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 smartphone, tablet, and embedded processors to those used in laptops, desktops, and servers.

In 2012, we ramped shipments of 22-nanometer (nm) processors with Intel's breakthrough 3-D Tri-Gate transistor technology. The new transistors enable chips to operate at lower voltage with lower leakage, providing significantly improved performance and energy efficiency compared to previous generations of 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 compared to Intel's 32nm planar transistors. Alternatively, the new transistors consume less than half the power of 2-D transistors on 32nm chips operating with similar performance. We estimate that we have about a 2-year process technology lead and about a 3.5-year lead in introducing revolutionary transistor technologies such as strained silicon, High-K Metal Gate, and Tri-Gate into high-volume manufacturing, compared to our nearest competitor.



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).

Calculating Scope 3 Emissions: Use of Products and Services Sold

As part of our carbon footprinting efforts, Intel estimated that the total energy used in a year by average Intel® microprocessors in servers and desktop and notebook computers sold in 2012 was 13,467,000 metric tons of CO_2 equivalent.

This figure represents 2012 emissions from products sold in 2012, calculated using the U.S. Energy Star* typical energy consumption model for computing products, and the Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard. For detailed information on our Scope 3 emissions, download our most recent CDP disclosure from the CDP web site.

Data Center Efficiency. Intel Xeon processor-based servers help IT organizations around the world virtualize their data centers to reduce costs and add automation so they can improve service levels, energy efficiency, and agility. Intel Xeon processors power the majority of servers in today's virtualized data centers and clouds, as well as many of today's highest performing workstations. Servers based on the latest Intel Xeon processor E5-4600[1] product families (launched in early 2012) deliver up to 88% higher performance compared to similar Intel Xeon processor E5-2600 processor family-based servers. These processors also include advanced technologies to help solve the storage, networking, and security challenges of today's increasingly dynamic computing environments. In addition, energy-proportional architectural improvements have reduced "typical" server energy consumption by about 15%, as measured by the industry standard benchmark SPECpower. Intel's leadership in SPECpower implies a reduced carbon footprint for customers who use Intel products.

[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/content/www/us/en/processors/processor-numbers.html.

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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® 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.

We are committed to helping our customers lower the energy costs associated with their computing and data center needs. For example, Panasonic Taiwan expanded its server capabilities using the Intel Xeon processor 5600 series running Dell servers, which reduced server rack space by up to 50% while lowering server room energy consumption by up to 45%. In another example, a new University of Oklahoma High Performance Computing (HPC) cluster built using Intel Xeon processors delivered 3.5 times the sustained performance per server over the previous cluster and reduced energy consumption by approximately 30%.

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).

For more than a 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. While legislation does not require the elimination of halogenated flame retardants, Intel has played a role in facilitating industry consensus around low-halogen practices and has chaired industry standards committees on materials selection and eco-design. We also have reviewed our products and engaged our suppliers to meet the requirements of the European Union's Registration, Evaluation, Authorisation, and Restriction of Chemical substances (REACH) regulation.

Servers based on the latest Intel® Xeon® processor E5-4600 product families (launched in early 2012) deliver up to 88% higher performance compared to similar Intel® Xeon® processor E5-2600 processor family-based servers.

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. We provide information to channel partners and customers about EPEAT through our Intel® Reseller Center web site.

Electronic Waste

Managing e-waste, such as computers, televisions, and mobile phones, is a global concern. While our components are not typically subject to recycling or e-waste laws, we work with original equipment manufacturers (OEMs), retailers, customers, and others to identify shared solutions for used electronics. We also take steps to integrate environmental considerations into the design phase of our products to minimize environmental impacts of electronics at end of life.

Globally, there are many regulations that now govern the management of e-waste. For example, the EU Waste Electrical and Electronic Equipment (WEEE) Directive requires producers of certain electrical and electronic equipment to develop programs that allow consumers to return products for recycling. Many of our products—including motherboards, microprocessors, and other components—are generally not considered to be within the scope of the e-waste laws until they are incorporated into a final product, generally by an OEM. In some countries, our distributors provide recycling options for products covered by these e-waste laws.

Through the Intel equipment surplus program, we reuse, donate, sell, or responsibly recycle electronic equipment from our own operations. We have also hosted e-waste collection events in our communities for close to a decade, helping individuals and organizations to recycle their used electronics responsibly. Since many U.S. states now provide opportunities for e-waste recycling, we have reduced the number of events, but during the past two years we have hosted or sponsored events in Costa Rica, Massachusetts, and Arizona.

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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 and deliver new technologies to address sustainability challenges, including developing more energy-efficient production and transportation systems, and applying 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 sustainable cities.

The Intel Energy and Sustainability Lab (Intel ESL), based at our Ireland site, drives Intel's research agenda in the application of IT to enable a high-tech, low-carbon economy with strong alignment to the European Union's 2020 sustainability goals. Going beyond smart grids, Intel ESL researchers investigate technologies that could enable sustainable cities. For example, micro-grids let neighborhoods share energy, and sensors not only help buildings conserve energy intelligently, but also keep an eye on the weather or rush-hour traffic.

Watch Video The Pecan Street project is advancing smart grid technology using Intel®-based servers.

Watch Video **Improving Decision-Making with Building Energy-Sensing Technology (BEST).** BEST (formerly WEST) is a plug-in device that provides visual and real-time feedback on energy use to help consumers understand their electricity bills and better manage and reduce energy costs.

Sustainable Connected Cities. In 2012, the Intel ESL launched the Intel Collaborative Research Institute for Sustainable Connected Cities in partnership with researchers from Imperial College London and University College London to drive the application of computing technologies to advance the social, economic, and environmental wellbeing of cities. Read the blog post to learn more.

Pecan Street. Intel has also been working with Pecan Street Inc., a nonprofit consortium of universities, technology companies, and utility providers collaborating on testing, piloting, and commercializing smart grid technologies. One of the primary goals of Pecan Street is to drive new products, services, and economic opportunities in the area of consumer energy management. Pecan Street has gathered almost two years of energy consumption data from sensor systems in more than 200 households in the Mueller community of Austin, Texas. Intel also worked with Pecan Street on a proof of concept to deploy Intel® Distribution for Apache Hadoop* software to help speed the data analytics, processing, and visualization capabilities for the Pecan Street researchers. Read the white paper.

Personal Office Energy Manager (POEM). Intel has developed a proof-of-concept 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. For more information, read the white paper or watch the online demo.

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Performance Summary and Goals

In 2012, we took additional 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 continued to link variable compensation to energy reduction goals to further encourage our employees to take action. We made progress on product energy efficiency 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.

Goals and Performance

2020 Environmental Goals	Progress Against Goals	
Greenhouse Gas Emissions. Reduce direct greenhouse gas (GHG) emissions by 10% on a per chip[1] basis by 2020 from 2010 levels.	Per chip GHG emissions were up in 2012, largely driven by decreased production at the end of the year. Absolute emissions were only slightly up from 2011 levels, and we increased our annual purchase commitment of renewable energy credits to 100% of our U.S. electricity use. We remain on track to meet our goal.	●
Water. Reduce water use on a per chip[1] basis below 2010 levels by 2020.	Reducing water use continued to be a challenge, and increased on both a per chip and absolute basis from 2011 to 2012. However, we completed water conservation pilots and have initiated design projects that will help us meet our goal by 2020.	◒
Energy. Achieve additional energy savings of 1.4 billion kWh from 2012 to 2015, and by the end of 2013 publish additional energy conservation targets for 2016 to 2020.	We continued to invest in energy conservation projects during 2012, investing $30 million and achieving energy savings of 117 million kWh. Taking into account other planned investments, we are on track to reach our goal.	●
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[1] basis by 2020 from 2010 levels.	While we continued to achieve high recycling rates for both solid and chemical waste, we saw steep increases in waste generation. This trend is projected to continue, so we are evaluating new treatment technologies to help us meet our goal by 2020.	◒
Green Chemistry. Implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020.	We made progress on our enhanced green chemistry screening and selection process and are on track to meet our 2020 goal.	●
Green Buildings. Design all new buildings to a minimum LEED* Silver certification between 2010 and 2020.	We continued to complete LEED certification for existing buildings and incorporated LEED design practices into new facilities under construction.	●
Product Energy Efficiency. Increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels.[2]	We achieved our product-related energy efficiency targets and are on track to meet our 2020 goal.	●

[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.

● **Achieved or on Track** ◒ **Partially Achieved** ○ **Not Met**

Looking Ahead

In 2013, we will continue to work toward attaining our 2020 goals, placing a strong emphasis on reducing water use and chemical waste, and driving higher levels of energy-efficient performance in our products. 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.

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Compliance Information and Reporting

In 2012, 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-assessments include reviews of environmental performance, site health and safety performance, ergonomics, and health and wellbeing programs.

Another key aspect of our EHS compliance assurance program is the ongoing completion 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.

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

	2008	2009	2010	2011	2012
Number of NOVs	4	5	2	5	5
Fines or Fees	$1,794	$1,620	$27,400	$675	$500

Many of the Notices of Violation (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, which are posted on our Corporate Responsibility Report web site.

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 web site.

As with many companies that have manufactured for more than 40 years, Intel is actively engaged in some legacy sites where soil and groundwater clean-up activities are ongoing. The goal of these initiatives is to minimize public exposure and return the sites to their original state in a quick and efficient manner. For more information, visit the Intel Superfund web site.

2012 Environmental Inspections and Compliance

Location	Violation	Fine	Intel's Corrective Action
Chandler, Arizona	The City of Chandler issued an NOV for levels of chloroform above the compliance limit.	None	Corrective actions were taken to satisfy City of Chandler requirements and ensure continuous compliance.
Hudson, Massachusetts	The Massachusetts Department of Environmental Protection issued an NOV for administrative findings related to documentation of on-site hazardous waste.	None	Corrective actions were taken to improve documentation following the audit.
Folsom, California	The Sacramento County Environmental Management Department issued an NOV for administrative and procedural findings related to storage of hazardous materials on-site and storage of petroleum oils.	None	All findings were corrected and the county responded that no further action was required.
Santa Clara, California	The Santa Clara Fire Department found a non-operational overfill alarm for a diesel tank and an improper container used for flammable waste.	None	Both findings were corrected and actions communicated to the Fire Department.

EHS officials from various regulatory agencies made more than 80 visits (including audits and inspections) to Intel sites across the globe in 2012. Intel received four environmental-related Notices of Violation (NOVs) and one health and safety-related NOV in 2012. The safety-related NOV, described in the Caring for Our People section of this report, resulted in a fine of $500. Most of the notices were administrative in nature, with no impact on employee health and safety or the environment.

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Inspiring the Next Generation

Technology plays a pivotal role in addressing the major 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 Section Links

Performance Summary and Goals
Intel® Education
Intel Foundation
Intel World Ahead Program
Intel in Your Community
Intel Programs for Girls and Women
Intel Across Healthcare

Intel is a strategic partner for 10x10, a social action campaign aimed at reaching global audiences and inspiring individuals to take action for girls.

200+
Programs

Intel has over 200 programs in more than 70 countries that are transforming education for millions of students.

People-centered research and development drive Intel® solutions in the healthcare space.

1.2M

In 2012, close to half of our employees volunteered more than 1.2 million hours in their communities.

In 2012, we reached 7 million students through the Intel International Science and Engineering Fair, a program of Society for Science & the Public.

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Management Approach

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.

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. The program works to improve teaching and learning worldwide by catalyzing a global ecosystem of education technology providers to drive the adoption of K–12 one-to-one (1:1) e-learning environments, in which each student and teacher has a dedicated computer. 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.

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

Watch Video See how we envision the future of education.

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 benefitting the company. Education is the foundation of innovation, and as a technology company, Intel's success rests 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. 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.

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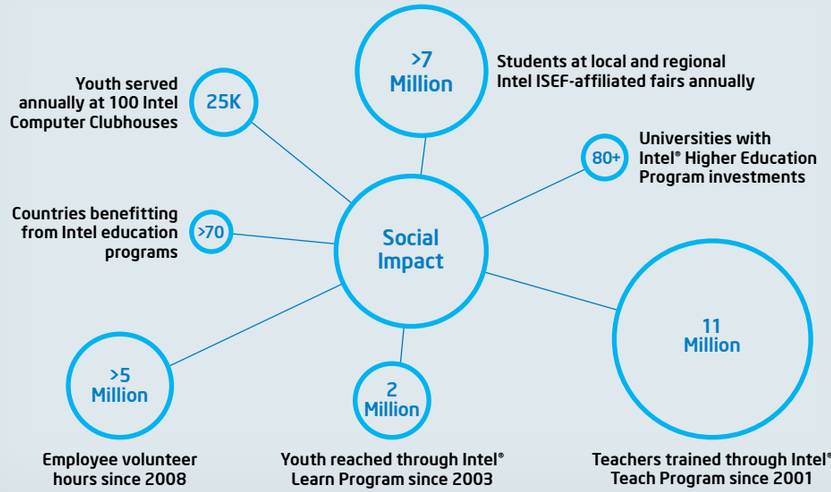
Social Impact and Strategic Giving Snapshot

Funding for our social impact activities comes from both Intel and the Intel Foundation[1] and is aligned with our strategic focus areas of education and supporting local community needs. Strategic giving includes charitable giving (cash and in-kind) as well as other investments, such as programs that empower employee giving and service, and applications of technology to create positive impact. We also collaborate with other organizations, leveraging additional giving and resources to further scale our initiatives.

Intel also invests in processes to engage with our local communities and measure our impact. For more information, see "Stakeholder Engagement" and "Financial Results and Economic Impact" in the Our Business and Integrated Value Approach section of this report.

Social Impact By the Numbers



The contributions that we make to our communities impact the lives of millions of people around the world.

[1] Through local and national grants, the Intel 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 under-served 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.

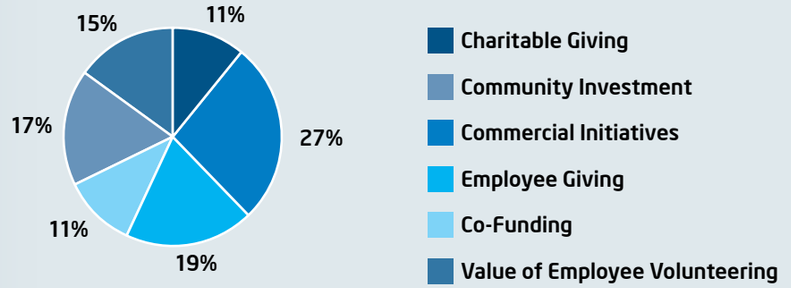
2012 Total Contributions (in millions)

	Corporate Cash	Foundation Cash	In-Kind Giving	Total
U.S.	$31.3	$34.5	$0.1	**$65.9**
Int'l	$28.3	$10.9	$0.4	**$39.6**
Total	**$59.6**	**$45.4**	**$0.5**	**$105.5**
Total Giving as a Percentage of Pre-tax Net Income				**0.7%**

Over the past five years, charitable giving by Intel and the Intel Foundation totaled $527 million, representing on average 1.1% of annual pre-tax net impact.

2012 Strategic Giving and Social Investments by Category

We evaluate our strategic giving using guidelines from the London Benchmarking Group and the Committee Encouraging Corporate Philanthropy to ensure maximum impact and alignment with strategic focus areas. 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.



Interactive diagram. Click or tap the chart key titles or boxes for more information.

In addition to our own contributions, many of our programs leverage the power of our employees and co-funding. We estimate that the total value of our strategic giving and leverage in 2012 was $184 million.

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Stories of Impact From Across the Globe

In line with our vision to "connect and enrich the life of every person on Earth," Intel technologies, products, and social impact programs are helping to empower people to create positive change. Explore the map to read about a few examples.

Map contains interactive elements. Click or tap the titles or bullets for more information.

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Education Transformation

Technology enables an unprecedented opportunity to advance student achievement and increase access to quality education. Intel brings the expertise, technology, and robust ecosystem that can provide the foundation for educators and governments to transform education.

One of the United Nations Millennium Development Goals is to achieve universal primary education by 2015, so that children everywhere—boys and girls alike—have the opportunity to complete a full course of primary schooling. 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. Over the past decade, Intel and the Intel Foundation have invested more than $1 billion in programs to improve education around the world.

Intel's model of education transformation combines advocacy for policy reform, curriculum standards and assessment, sustained professional development, information and communications technology (ICT), and support for research and evaluation. Through scalable programs, technology solutions, and ecosystem support, Intel is helping countries improve the quality of their education systems and compete in the global marketplace.

Technology Solutions 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 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.

Education Transformation Model

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

Intel® Education Solutions enable a 21st century learning environment based on a full-featured, open architecture and software applications that promote learning through exploration and interpretation. Intel also equips these products with the manageability and security capabilities required to keep students safe online while simultaneously maximizing learning time by minimizing down time.

In China, over 2 million teachers—more than 15% of all K–12 teachers in the country—have received Intel Teach training.

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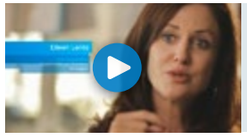
Intel® Education Software offers a comprehensive suite of applications that help students develop key skills through exploration and interpretation, including critical thinking and problem-solving, creativity and innovation, communication, and collaboration. It helps teachers facilitate learning and efficiently manage their classrooms at the same time that it assists Information Technology departments in protecting students and managing infrastructure.

The Intel® Education Alliance brings together hardware, software, content, infrastructure, and service providers to deliver locally relevant, integrated solutions to students worldwide, starting with the required connectivity. This rich ecosystem enables a comprehensive, sustainable solution, while increasing local technology capacity and creating new economic development opportunities in the communities Intel serves.

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. Below is information about a few Intel programs that are helping to transform education worldwide. Visit the Intel Education web site to learn more about these and other programs.

Intel® Teach Program. Since 1999, the Intel® Teach Program has helped more than 10 million teachers in over 70 countries integrate technology and create active learning environments in their classrooms. Through face-to-face instruction and Intel Teach Elements online lessons, K–12 educators learn to develop materials and activities designed to engage their students with self-directed, project-based learning. The program's free online resources, tools, and course offerings on topics such as critical thinking and collaboration in the digital classroom are available in 24 languages. In addition, the Intel Teachers Engage online global community enables educators to connect and share ideas and strategies to transform K–12 classrooms through the effective use of technology.



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

Education Transformation and Shared Value Creation

In 2012, Intel's education transformation strategy was featured as a best practice example in "Measuring Shared Value: How to Unlock Value by Linking Social and Business Results," a report by consulting firm FSG and Harvard Business School professor Michael Porter et al. Intel's strategy simultaneously focuses on the social goal of improving education quality and access worldwide, while also benefitting the information and communications technology (ICT) industry by increasing product sales in the education market, and—in the long term—helping to prepare the future ICT workforce.

Intel worked with FSG in piloting the methodology to help develop it further and to improve our internal ability to measure business and social impact and apply it in our decision-making. "What we found at Intel was that just because you have the data, it isn't everything. It's more about how you're using that data and how you're changing your decision-making with that data," said Shelly Esque, Intel's Vice President of Corporate Affairs.

According to FSG, "Insights from measuring technology effectiveness in the classroom are informing Intel's product and program improvements, resulting in better learning and increased business."

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 program sustainability 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. 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. For example, in Korea, Intel Teach 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.

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Independent evaluation is integral to the Intel Teach Program. In 2012, Intel commissioned a research report on the link between the Intel Teach Program and the use of technology in the classroom. The research revealed that 93.9% of the teachers in the study who took the Intel Teach Essentials course realigned their teaching to focus more on problem-solving, critical thinking, collaboration, or technology. To view survey results and additional evaluations, reports, and case studies about Intel Teach, visit the Evidence of Impact web site.

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. The program extends learning beyond classrooms to informal environments in community centers. Intel Learn includes over 90 hours of project-based curricula designed to tap into children's interest in their communities. The program has reached more than 1.9 million learners in 16 countries. For more information, visit the Intel Learn web site.

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.

Competitions to Inspire Young Innovators

Research shows that science competitions are catalysts for improving education in the classroom, and that students involved in research are more likely to complete advanced degrees and pursue careers in STEM. 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. In addition, Intel and the Intel Foundation support regional science competitions for various age groups. For more information on our education competitions, visit the Intel® Education Competitions web site.

Watch Video Jack Andraka of Maryland won the Gordon E. Moore Award at the 2012 Intel ISEF competition. See this and other highlights from the event on the Intel ISEF web site.

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 2012. 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. In 2012, 15-year-old Jack Andraka of Maryland captured the top Gordon E. Moore Award for developing a new way to detect early-stage pancreatic cancer. For more information, visit the Intel ISEF web site.

Intel Science Talent Search (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 scientists. The Intel Foundation awards more than $1.25 million to Intel STS winners and their schools during the annual competition. In 2012, 17-year-old Nithin Tumma of Michigan won the top award of $100,000 for research showing that inhibiting certain proteins might slow the growth and decrease the malignancy of cancer cells. Tumma's research could potentially lead to breast cancer treatments that are more effective and less toxic. For more information about the competition and the 2012 winners, visit the Intel STS web site.

"We support the Intel International Science and Engineering Fair because we know that math and science are imperative to future global growth. This competition encourages millions of students to engage their skills for innovation and develop promising solutions to global challenges."

Wendy Hawkins, Executive Director, Intel Foundation

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Enabling the Ecosystem

As a technology innovator and manufacturer of some of the most complex products in the world, Intel has developed decision-making practices and problem-solving capabilities that can help transform global education. To maximize impact, we share our core competencies with others who share our vision, including universities, other companies, development agencies, multilateral organizations, governments, and nonprofits. 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 and Multi-Stakeholder Collaborations. In early 2012, we announced a partnership with the American Society for Engineering Education (ASEE), designed to measure, evaluate, and celebrate excellence in retention, graduation, and diversity in engineering education. In collaboration with engineering schools, Facebook, MTV, and Google, we also launched the Stay With It™ campaign in 2012. The campaign helps connect engineering students to each other and to experienced engineers, role models, and influencers to encourage them to stay with engineering as their field of study. As part of our involvement with the campaign, we doubled the number of summer engineering internships at Intel in 2012.

In Argentina, the national initiative "Conectar Igualdad" is using Intel® Education Solutions to improve public education and reduce the country's digital literacy gap. The program also provides much-needed infrastructure improvements, professional development for teachers, and new opportunities for economic growth. Through the initiative, 3 million 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 on this and other education collaborations, visit the Education Transformation: Research and Evaluation web site.

Intel, other companies, academia, USAID, and the government of Vietnam are collaborating to transform higher technical education in Vietnam. Through the Higher Engineering Education Alliance Program (HEEAP) initiative, faculty members from Vietnam's top technical universities and vocational colleges attend a summer institute at Arizona State University, where they work on curriculum design and prioritize education reforms. Upon returning home, attendees train their peers on new methodologies. In 2012, HEEAP announced a $2 million expansion of the program to rapidly scale up the modernization of accredited undergraduate engineering programs in Vietnam. To help close a gender gap in technology fields, HEEAP is also providing scholarships to women interested in technical careers. For more information, visit the HEEAP web site.

Disaster Relief Efforts: An Education Focus

Intel's multifold approach to disaster relief has evolved over time, as we have learned from experience what types of assistance are most beneficial in the hours and days after a catastrophic event, and in the months—and even years—that follow. After Intel has extended initial relief support, we begin collaborating with local leaders to address rebuilding in disaster-hit regions. In keeping with our philanthropic emphasis on improving education around the world, much of our rebuilding assistance focuses on getting children back to school.

Our recovery work in Haiti following the devastating 2010 earthquake illustrates our short- and long-term approach to disaster relief. Immediately following the quake, the Intel Foundation pledged $250,000 to relief efforts and agreed to match employee donations up to $2,000 per employee. Given our position as a leading technology company, shortly after the quake we delivered hundreds of laptops to World Vision to enable workers to organize their rescue and relief efforts, and communicate with each other and contacts outside Haiti. Grants given in 2012 focused on digital literacy for youth, economic self-sufficiency skills training for women, and science and math education. Giving and planned long-term recovery support from Intel, the Intel Foundation, and employees have totaled more than $3 million since 2010.

(Photo courtesy of Inveneo)

Similarly, in China, where a devastating earthquake rocked the Sichuan Province in May 2008, we collaborated with the Chinese government in rebuilding schools—many of which were destroyed by the quake—and have established more than 200 technology-filled classrooms throughout the region, and have taken several other steps to create sustainable, state-of-the-art learning environments.

For more information on our approach to disaster relief, visit the Intel Foundation web site.

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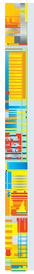
Intel and some of the other largest multinational companies in the world are leading Millennium@EDU, a broad initiative aimed at advancing the United Nations Millennium Development Goals through the use of information, communication, and scientific technologies in learning and education. The initiative aligns with Intel's longstanding commitment to education and our work across the ecosystem to bring a holistic approach to education, including technology solutions, teacher training, and education programs. The program is committed to providing 15 million Millennium@EDU Solution Packs globally through 2015.

Intel is also a founding member of ATC21S, a collaboration with Cisco and Microsoft headquartered at the University of Melbourne in Australia. 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 took place in Australia, Finland, Singapore, and the U.S., and the project has now been placed in the public domain for use by policymakers, teachers, and assessment institutions.

In 2012, we continued our work with the Khan Academy, a nonprofit organization dedicated to providing free, world-class education to anyone, anywhere. In collaboration with two new partners—the Inter-American Development Bank and the Latin American Network of Government Educational Portals—Intel supported the translation of about 600 videos into Spanish and Portuguese. Through YouTube channels alone, the translated videos have received more than 5 million views. Several governments have also adopted the videos for use in their official education portals.



"The Intel Collaborative Research Institutes program underscores our commitment to establishing and funding collaborative university research to fuel global innovation in key areas and help address some of today's most challenging problems."

Justin Rattner, Intel's Chief Technology Officer

Intel Educator Academies. In support of Intel ISEF, Intel hosts educator academies that 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 academies, participants create action plans to address strategic education challenges, combining desired outcomes with timelines, measurable goals, and success criteria. For example, in September 2012, participants at the Intel Educator Academy EMEA in Slovakia developed a plan that outlines ways to increase the number of students studying STEM subjects in the region.

Higher Education. 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. Intel® Higher Education Programs, funded by Intel, interact with universities around the world through curriculum programs and research projects.

Intel and the Intel Foundation's support of universities includes grants, equipment donations, fellowships, scholarships, and internships. Intel's support also includes funding for larger scale university research labs such as Intel Science and Technology Centers (ISTCs) at several universities in the U.S. Building on the success of the ISTCs, in 2012 Intel announced plans to extend its global research network by investing in three new university research centers, collectively called Intel Collaborative Research Institutes (ICRIs). The ICRIs will be located in the United Kingdom, Germany, and Israel. Each one will have a specialized focus and will collaborate with its own multi-university community as well as other ICRIs and the U.S.-based ISTCs.

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 nanotechnology, parallel programming, and embedded systems. For more information, visit the Complementing University Curricula Efforts web site.

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Social Innovation and Entrepreneurship

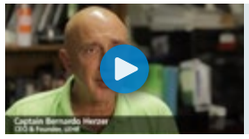
Intel was founded by inventors, and the company's continued existence depends on innovation and entrepreneurship. Our own history reinforces our belief that innovation is key to driving economic growth and improving social conditions.

We are passionate about fostering entrepreneurship in communities around the world and advancing innovation to address global challenges. For many years, we have invested in programs designed to give social entrepreneurs and innovators the education, skills, and resources they need to improve communities and create sustainable enterprises. These programs include business plan competitions, curricula, and university seminars designed to help engineering, science, and business faculty build entrepreneurship programs.

Empowering Social Entrepreneurs

At the annual Intel Global Challenge at UC Berkeley in California, winners of regional entrepreneurship 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, and the Intel Foundation provides cash prizes for teams with ideas that have the potential to positively impact lives. For a full list of entrepreneurship competitions, visit the Intel Global Challenge at UC Berkeley web site.

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 use technology to solve global environmental challenges.



Watch Video See how the winners of the 2012 Intel Environment Award at The Tech Awards are using technology to address global issues.

Young Entrepreneurs Help Families Breathe More Easily

The winning team in the 2012 Intel Global Challenge entrepreneurship competition, India-based Greenway Grameen Infra, is helping people breathe more easily with efficient biomass-based cooking solutions. The fledgling company's Greenway Smart Stove* has a unique air-flow generator that enables clean and efficient combustion of wood, dung, and other bio-fuels—reducing fuel use by up to 65% and smoke by up to 70%. Cooks in over 12,000 households across India are already using the Greenway Smart Stove and are saving money through lower fuel costs while—more importantly—helping to save their families' health and the environment through reduced emissions of harmful pollutants.

Intel also partners with educators and governments to develop curricula, training, workshops, and leadership seminars that encourage entrepreneurship teaching, culture, and learning. Since 2010, the Intel Learn Program has included curricula that introduces young learners worldwide to the basic concepts of entrepreneurship, and teaches them how to use the Internet tools and computing applications to develop business plans.

The Intel® Learn Easy Steps digital literacy course is designed for adults in developing countries who have little or no experience with computers. Participants learn basic computer skills that can be used in creating small businesses or micro-enterprises. The course is deployed through partnerships with NGOs and governments, and over the past two years Intel has reached more than 1 million learners in 22 countries, and has been instrumental in empowering governments to set unprecedented digital literacy goals. In India, for example, Intel contributed to the creation of the National Digital Literacy Mission, which seeks to proliferate digital literacy across the country. As a result, the Indian government announced an ambitious information technology (IT) policy mandating that one citizen per household be digitally literate by 2020.

In 2012, we expanded our Intel® Youth Enterprise Program to include India, Ireland, Tunisia, Turkey, and the U.S. The program helps high school and undergraduate students develop ideation and innovation skills by giving them opportunities to work on solving social problems. For more information, visit the Intel® Youth Enterprise Program web site.

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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 technologies to tackle 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.

Code for Good. To leverage the enthusiasm and technical expertise of our employees, in 2012 we launched Code for Good, an open initiative designed to facilitate the development of software solutions to social problems around the world. So far, events in the United States, Israel, and China have partnered Intel employees with students and nonprofit organizations to develop targeted software solutions. Read more on our CSR@Intel blog.

NetHope. NetHope is a consortium of chief information officers, senior program managers, and technical experts from some of the largest international NGOs. Intel has collaborated with NetHope, its nonprofit members, and other companies to use technology in social innovation projects aimed at transforming schools in Tanzania; eradicating a disease attacking cassava crops in central and east Africa; and saving the lives of people with HIV/AIDS and other diseases. We also work with NetHope on disaster recovery efforts to ensure that relief experts have the technology tools they need to function effectively in the field.

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, Grameen Intel Social Business Ltd., combines Intel's technology innovation and Grameen's extensive experience in creating opportunities for economic development and income generation at the village level. The goal is to develop technology solutions as a means to economic development using appropriate local skills, knowledge, and partners. Current projects include an initiative aimed at improving maternal healthcare in Bangladesh and India and a soil-testing project that helps farmers increase productivity by selecting appropriate seeds and fertilizers.

Technology Solutions in Action

Some 413 million children around the world live in extreme poverty, and 24,000 of them die each day from lack of food and clean water, or from preventable diseases. ChildFund International works to reduce these statistics by matching children with sponsors who help provide them with education, food, medical care, and more.

Intel provides support and technical expertise to help NGOs such as ChildFund International achieve their missions more efficiently. Intel helped ChildFund build a technology platform to enable field workers to improve productivity and serve more children, and to facilitate connections between children and their sponsors. Although the platform was designed for netbooks, ChildFund switched to Ultrabook™ systems because of their thin and light form factors, ruggedness, long battery life, instant-on, and other attributes. Following successful pilots in Dominica, Zambia, and Brazil, ChildFund now believes that the technology will fundamentally change the way the organization does business.

Building the Ecosystem

Because we believe 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. Such alliances help us enhance our understanding of critical needs, share our expertise in applying technology solutions, and leverage other Intel programs and resources.

In China, for example, our corporate responsibility team has aligned key programs and initiatives to support the government's strategic objectives of promoting social innovation and creating a more vibrant social sector. Intel China's Innovation Award for Non-profit Program, now in its third 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. For the past three years, Intel has also worked with the Hope Institute of Korea to host the Asia NGO Innovation Summit, bringing together NGO leaders to explore and develop practical methods and tools to scale social innovation programs across the region.

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Empowering Girls and Women

Intel believes that education is a fundamental right for everyone—including girls and women—as it provides the foundation for a successful future and breaks the cycle of generational poverty. We also believe that providing technology access along with quality education further strengthens the ability of girls and women to become powerful catalysts for change that will improve not only their own lives, but those in their families and communities.

In 2011, Intel launched a focused campaign to educate and improve technology access for girls and women around the world. Through programs and collaborations that inspire action, we are encouraging millions of girls and women to participate, prosper, and lead in the global economy. In 2012, we published a research paper that highlights the lessons we have learned and recommendations for future efforts in this area.

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 in these areas in the Caring for Our People section of this report and in "Supplier Diversity" in the Building the Supply Chain of the Future section of this report.

Educating to Create Opportunity

For many years, Intel's education programs have been helping to improve the social and economic standing of females around the world. More than 5 million female teachers have participated in the Intel Teach Program, which helps educators integrate technology and project-based learning into their classrooms. In addition, an assessment of the Intel Learn Program by the International Center for Research on Women found that the program has been able to reach large numbers of girls and women, and is enhancing their technology skills, critical thinking, and self-confidence; and improving their effectiveness as students, community members, and businesswomen. The initiative has reached approximately 900,000 girls and young women in 18 countries around the world since it started in 2004.

Robotics Tournaments

Intel and the Intel Foundation provide funding for FIRST* LEGO* League robotics competitions, which are designed to excite youth about science and engineering degrees and careers with hands-on STEM engagement. As robotics team participants build, test, and program robots, they practice critical thinking, team-building, and presentation skills, and research challenges facing today's scientists and engineers. In keeping with our mission to encourage more girls and women to pursue STEM careers, in 2012 we provided funding to help kick-start 25 new all-girl teams across the U.S. Past Intel-supported robotics teams are also doing their part to give back to their local communities. Read the story about winning Team AFOOFA (All For One, One for All) on our web site.

Intel employees also contribute to the empowerment of girls and women through programs such as the Intel Education Service Corps (IESC). For example, IESC teams have worked with the Kisaruni Secondary School for Girls in rural Kenya to install and maintain a computer lab of Intel-powered classmate PCs. The school, which was opened in 2010 by the Canadian-based nonprofit organization Free the Children, provides regular updates on its web site.

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. Each year, the Intel Foundation awards scholarships and grants to help educate women and underserved minorities with the skills needed to succeed in the innovation economy.

Promoting Technology Access and Economic Empowerment

Research indicates that economic opportunities for women 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. In early 2013, in collaboration with the U.S. State Department's Office of Global Women's Issues, UN Women, and World Pulse*, a global media network for

[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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women, Intel released the groundbreaking report "Women and the Web." The report unveils concrete data on the enormous Internet gender gap in the developing world and the social and economic benefits of securing Internet access for women.

The report also found that enabling Internet access for more women and girls in developing countries promises immediate and immense benefits. Seeing another 600 million women online could potentially contribute an estimated $13 billion to $18 billion to the annual gross domestic product across 144 developing countries.[1]

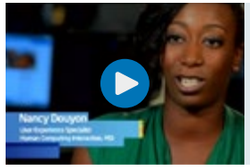
Through technology literacy, entrepreneurship training, and access to information, Intel empowerment programs are providing the building blocks for women to tap into their own ideas and initiatives for personal and professional growth. In collaboration with Telecentre.org, for example, in 2012 Intel supported the Telecentre Women: Digital Literacy Campaign, which teaches digital literacy skills to underserved women worldwide through the Intel Learn Easy Steps course. The campaign was piloted in Kenya and the Philippines.

Inspiring Action and Involvement

We also work to encourage others to take action to improve technology access and education for girls and women.

10x10. Intel is a strategic partner for 10x10, a social action campaign aimed at reaching global audiences and inspiring individuals to take action for girls. The center of the campaign is "Girl Rising," a feature-length film that uses the power of storytelling to deliver a single message: Educating girls in developing nations will change the world. The film, which debuted in March 2013, features the stories of nine extraordinary girls from nine countries. To learn more about the film and the campaign, visit the 10x10 web site.

Ashoka Changemakers. In 2012, Intel partnered with Ashoka Changemakers to launch She Will Innovate: Technology Solutions Enriching the Lives of Girls. The competition awarded cash and in-kind prizes to three winning projects. With strategic funding and



Watch Video The Intel Computer Clubhouse Network promotes gender equity through a variety of programs. See how Nancy Douyon journeyed from foster care to a PhD with the help of the Intel Computer Clubhouse Network.

access to the Ashoka Fellows community, Intel sponsored four new Ashoka Fellows who are helping people live healthier, smarter, and more meaningful lives through the use of technology. For more information, read our CSR@Intel blog.

World Pulse. In 2012, Intel hosted three women who came to the U.S. for the first time to share how they use the power of new media and technology to create solutions for today's most pressing issues. Visit the World Pulse* web site for their webchats and interviews.

Half the Sky and Games for Change. Games for Change facilitates the creation and distribution of social impact games that serve as tools in humanitarian and educational efforts. Intel joined Games for Change to support the Facebook launch of Half the Sky Movement: The Game. This partnership represents a tremendous opportunity to unlock the power of social media to drive social change. Read more about Half the Sky on their web site.

Code for Good. The Code for Good initiative enables Intel employees to collaborate with Intel partners, including Room to Read and World Pulse, to develop mobile applications and solutions that address challenges facing girls in education.

Equal Futures Partnership. To further our commitment to the education and empowerment of girls and women, we are supporting the Equal Futures Partnership, which was started by former U.S. Secretary of State Hillary Clinton and aims to garner women's full participation in public life.

[1] *Women and the Web: Bridging the Internet gap and creating new global opportunities in low- and middle-income countries.* Intel Corporation, Dalberg Global Development Advisors, GlobeScan (2013).

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Healthcare Innovation

Through technology innovation and collaboration with healthcare partners, we are helping to drive improvements in the quality, affordability, and accessibility of healthcare worldwide.

Healthcare decision makers around the world struggle daily with tighter budgets, rising costs, worker shortages, an explosion of data, and higher rates of chronic disease as populations age. Technology, business, and regulatory landscapes are shifting rapidly toward team-based care, personalized medicine, and patient participation in health decisions.

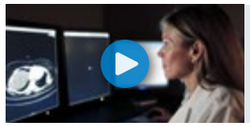
Intel innovations have been powering the healthcare industry for more than 40 years. To drive innovation, Intel conducts ongoing research to examine how the computing experience—every solution that Intel delivers, from microprocessors embedded in bedside medical devices to technology in clinics, hospitals, and homes—can help improve care. Intel social scientists travel the world conducting ethnographic research in hospitals and homes.

Healthcare Technology Solutions

Intel innovations power solutions from mobile devices to the cloud, from the hospital to the home, and from the world's most remote villages to its most sophisticated data analytics and supercomputing clusters.

Intel architecture delivers performance, security, and a seamless experience so that people can collaborate to achieve better health. Intel is building smaller and faster processors, and enabling manufacturers to build lighter tools with longer battery life so that health workers can reach people in remote areas. Intel technology enables healthcare organizations to maximize the use of public, private, and hybrid clouds. Intel works with leading industry groups to accelerate the development of broadly adopted standards that enable interoperable solutions, including serving as the technical advisor to the Open Data Center Alliance.

Intel offers a range of hardware-assisted security technologies to help protect personal health information, including accelerated data encryption, anti-theft technology, identity protection, malware detection, and remote management of PCs, laptops, and devices. Care



Watch Video See how Intel® technology is helping doctors diagnose and treat even the tiniest patients.

Innovations,* Intel's joint venture with General Electric Company through its GE Healthcare Division, produces home health devices to help caregivers, family members, and patients coordinate care and support independent living.

Global Initiatives and Collaborations

Intel works with governments, healthcare organizations, and technology innovators worldwide to streamline and secure the healthcare workflow. We are working on health reform and public policy in more than a dozen countries to address critical issues such as payment reform and the adoption of healthcare IT standards.

The Intel® 1Mx15 Health Program aims to bring technology skills to 1 million healthcare workers in developing countries by the end of 2015. The program will enable healthcare workers with technology, education tools, and 21st century ICT skills to help accelerate progress toward better health, with an emphasis on women and children. In collaboration with governments, private industry, development communities, and academia, the program will establish various country initiatives to increase the availability, affordability, and usage of computers and broadband.

As part of this program, Intel created Intel Skoool™ Healthcare Education, which provides an anytime, anywhere multimedia content delivery and assessment platform. The no-charge, open-access-license platform is designed to help address the need for health education and capacity building of the healthcare workforce in developing countries.

Intel has also researched and invested in consumer wellness ecosystem development, including the Continua Health Alliance for health device interoperability, and the Dossia Health Management System, a holistic wellness solution for health records management. For more information, visit the Intel Across Healthcare web site.

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Employee Contributions to Society

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. Read about some of our employees' 2012 volunteer efforts in the Stories of Impact From Across the Globe map in this section.

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 2012 campaign generated over $17 million in employee and retiree donations, up from $16.2 million in 2011. With the Intel Foundation match, the total contribution was more than $26 million. Intel's is one of the largest United Way corporate campaigns in the U.S., and we have 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.

Intel Involved and Skills-Based Volunteering

Our global corporate volunteer program—Intel Involved—identifies worthwhile opportunities for individual volunteers and team projects as well as days of community service. Our employees generously donate their energy and professional skills to tackle environmental challenges, improve education, and help meet other community needs. 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 IT expertise to schools, nonprofits, and NGOs. During 2012, employees logged an estimated 448,000 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 5,000 hours in 2012, estimated to be valued at more than $1.25 million.[1]

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 2012, the Intel Foundation paid out more than $9.9 million in matching grants for schools and nonprofits, bringing total contributions to more than $83 million since the program launched in 1995.

Intel also offers a variety of targeted programs designed to help engage employees and retirees in service to communities around the world. Descriptions of a few of these programs follow.

[1] Based on a $250 per hour rate from CECP and the Taproot Foundation.

2012 Volunteerism by the Numbers	
Number of hours	1.2 million
Number of countries	42
Percentage of employees who volunteered	47%
Schools or nonprofits benefitting from the program	>5,400
Total dollar match under Intel Involved Matching Grant Program	$9.9 million
Estimated in-kind value of volunteer hours[1]	$27 million

[1] Calculation based on the 2011 Value of Volunteer Time rate of $21.79 per hour, published by Independent Sector.

We estimate that approximately 36% of Intel employee volunteer hours in 2012 were related to education activities; 49% to community and civic activities; and 13% to environmental, health, and safety activities. In 2012, we exceeded our volunteer goal of 40% participation. For historical volunteer data and goals, download the Report Data File on the Report Builder web site.

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Intel Education Service Corps. The Intel Education Service Corps (IESC) program 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. Since 2009, IESC volunteers have donated skilled labor worth $4.1 million[1] to 39 projects in 16 countries. They have helped set up 1,250 classmate PCs at more than 100 schools, and have directly trained 700 teachers and 9,000 students. We estimate that another 1,300 teachers and 58,000 students have benefited indirectly from their support.

Intel Encore Career Fellowships. Created in partnership with Civic Ventures, the Intel Encore Career Fellowships 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 support of the White House "Joining Forces" initiative, the Intel VET program provides U.S. veterans and their partners with technology training and mentoring services as they transition from military careers to employment in the private sector. Intel employees from our American Veterans at Intel chartered employee group volunteer as mentors to participants.

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. Projects are selected for grants based on their originality, potential impacts, measurable outcomes, and other criteria. In 2012, grants were awarded to employees who worked to increase enthusiasm for science at a school in India, helped seniors in China improve their digital literacy, and initiated a number of other projects. Many Intel sites around the world also offer programs to help fund employees' local volunteer efforts. Intel India, for example, sponsors an annual Social Initiatives Contest that encourages employees to team up with NGOs to develop project proposals and apply for funding from Intel.

Sustainability in Action Grant Program. This program provides funding and support for multidisciplinary employee teams that initiate and carry out environmentally focused service projects. In 2012, grants were awarded to employees who established bee colonies at our Folsom campus and to others who organized an internal sustainability speaker series. For more information, see the Caring for the Planet section of this report.

Intel Involved Hero Award Program. We also extend the impact of Intel volunteers' efforts and recognize their extraordinary achievements and impact through this special award. 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. The 2012 winner was David Prendergast of Ireland, whose personal loss of a child to leukemia inspired him to be the driving force behind the establishment of the country's first children's hospital.

Employee Voices

"By far, the most profound experience in my 14 years at Intel, instructing students, young women, and teachers in Kenya via the IESC program, was the crowning jewel in watching Intel leverage technology to inspire and educate girls and women worldwide."
Lisa Depew, IESC participant, California

"I am now working in the Market area of the Roadrunner Food Bank of New Mexico.... The LEAN principles and training I received from Intel are driving the market changes."
Sonia Hodshire, Intel Encore Fellow, New Mexico

"As a veteran, I am exceptionally proud to work for a company that values the unique contributions that veterans have provided to our country and the great potential they represent. Participating in the Intel VET program allowed me to help veterans build the skills they need to reach their full potential."
Brian Gaffin, Intel VET Mentor, Washington, D.C

[1] Based on a senior IT professional per-hour rate from the Taproot Foundation.

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Performance Summary and Goals

In 2012, 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 47% volunteering over 1.2 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.

Goals and Performance

2012 Goals	2012 Performance	
Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities.	Achieved 47% volunteer rate globally and over 1.2 million volunteer hours, including skills-based activities.	●
Establish Intel education programs in 100 countries and grow the education market segment (including PCs, tablets, and smartphones) to 100 million units by 2014.	We are on track to establish Intel education programs in 100 countries by 2014, although it may take longer to grow the education market segment to 100 million units.	◒
Provide ICT training to 1 million healthcare workers in developing countries by the end of 2015 through the Intel World Ahead 1Mx15 Health Program.	We have launched programs in countries such as Ghana and Bangladesh, and are on track to achieve our goal of providing training to 1 million healthcare workers in developing countries by 2015.	◒

● Achieved ◒ Partially Achieved or on Track ○ Not Met

In 2013, 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 priority 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 additional opportunities to support girls and women.

Goals for 2013 and Beyond

Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities.
Support a successful launch of the "Girl Rising" film and accompanying 10x10 social action campaign.
Establish Intel education programs in 100 countries and grow the education market segment (including PCs, tablets, and smartphones) to 100 million units by 2014.
Provide ICT training to 1 million healthcare workers in developing countries by the end of 2015 through the Intel World Ahead 1Mx15 Health Program.

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Building the Supply Chain of the Future

Intel has one of the world's most complex, technologically advanced supply chains. We hold the many suppliers with whom we do business accountable for operating with the same high standards that we expect of ourselves. We communicate our expectations clearly, work to identify and address issues at the system level, and share our findings and best practices across the industry. Through accountability and transparency, we are raising the social and environmental performance bar for companies around the globe and building the supply chain of the future.

Key Section Links

Performance Summary and Goals
Intel Supplier Site
Intel Supply Chain Responsibility
Intel Code of Conduct
Intel Human Rights Principles
Electronic Industry Citizenship Coalition
Intel Statement on Human Trafficking and Slavery
Conflict Minerals White Paper

We convened our first Supplier Sustainability Leadership Summit in China, bringing together executives from our top suppliers, government officials, leading NGOs, the media, and academics. See what participants said about the event.

75 GRI REPORTING

We trained our suppliers on how to prepare sustainability reports and requested that our top 75 suppliers publish a GRI-based report by the end of 2013.

73
Tantalum
Ta 180.94788

We achieved our goal to manufacture a microprocessor that is "conflict-free" for tantalum; Intel was one of the first companies to set public goals related to "conflict minerals."

7 Gartner SUPPLY CHAIN TOP 25

Intel ranked number 7 on the Gartner Supply Chain Top 25 list for excellence in supply chain management, up from number 16 in 2011.

Intel is committed to leading our industry and supply chain in caring for people and the planet. See what we are doing.

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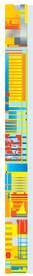
Management Approach

We strive to reduce Intel's supplier-related environmental and social footprint while maintaining a technologically advanced, cost-effective, resilient, and reliable supply chain. From human rights and worker safety to environmental impact, we look for leadership and collaboration opportunities that will bring about lasting change.

Unlike many electronics companies, we design and manufacture most of our products in our own factories. As a result, the environmental and social impacts of our own operations are significantly larger than those of our supply chain. Although we do business with thousands of suppliers each year, over 87% of our production materials, capital equipment, and logistics spends are with approximately 75 suppliers. We focus most of our supplier management efforts on a broader group of "top Tier 1" suppliers[1] to drive maximum impact, while continuing to advance accountability and improve performance across our entire supply chain.

As a major supplier to other 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 identify risks and opportunities for supply chain leadership. Where appropriate, we also enlist the help of others to effect broader change throughout the industry.



"Intel is committed to leadership in supply chain responsibility—from working with our suppliers to achieve higher levels of transparency and performance to collaborating on solutions to complex challenges such as conflict minerals."

Brian Krzanich, Intel's Chief Operating Officer

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

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. To maximize impact, we collaborate on broad initiatives with our suppliers, the Electronic Industry Citizenship Coalition (EICC), and other industry associations.
- **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, 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.

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; achieve our operational 2020 environmental goals by working with suppliers on factory tool selection and "green" chemistry; and improve the overall quality, ethics, transparency, and accountability of companies in our global supply chain.

In 2012, we took steps to achieve higher levels of legal compliance, business ethics, accountability, and transparency. We worked with our suppliers to improve their performance and capabilities, and collaborated to address systemic issues such as working hours and health and safety culture. We also continued to lead our industry toward our goal of having a "conflict-free" supply chain.

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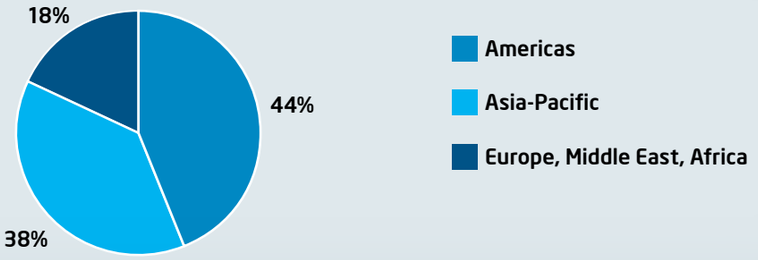
Our Global Supply Chain

Our multi-tiered supply chain comprises more than 16,000 suppliers in over 100 countries. Suppliers provide direct materials for our production processes, tools and machines for our factories, and logistics and packaging services. We also have suppliers for non-production office materials and travel services.

In recognition of our continuing supply chain management excellence, we ranked number 7 on the Gartner Supply Chain Top 25 list in 2012, up from 16 in 2011. This was the largest single-year improvement among all companies on the list in 2012. We have also seen a 45% improvement in our supply chain sub-score in the Dow Jones Sustainability Indexes over the past three years as a result of our actions to further integrate environmental, social, and governance factors into our supply chain management processes.

2012 Supplier Spends by Region



The geographic breakdown of our supplier spends in 2012 was similar to that of 2011; in 2011, 43% were in the Americas, 38% in the Asia-Pacific region, and 19% in Europe, Middle East, and Africa.

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

Advanced Semiconductor Engineering, Inc.
Advantest Corp.
AEM Holdings Ltd.
Agilent Technologies, Inc.
Air Products and Chemicals, Inc.
Altis Semiconductor
Amkor Technology, Inc.
Applied Materials Inc.**
ASM International N.V.
ASML Holding N.V.**
Carl Zeiss**
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
FEI
Flextronics
Fujifilm Electronic Materials USA, Inc.**
Gemtek Technology Co., Ltd.
GlobalFoundries Inc.
Grohmann Engineering GMBH
Harbor Electronics Inc.
Hitachi High Technologies America**
Hitachi-Kokusai Electric Corp*
Hon Hai Precision Industry Co., Ltd. (Foxconn)
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
MEMC Inc.
Micron
Microprobe Inc.
Mitac International Corporation
Mitsubishi Gas Chemical Company, Inc.*
Muratec Automation Co. LTD
Nanium
Nanometrics Inc.
Nan Ya PCB Corp.
Nikon Corp.
Nuflare Technology Inc.
Pegatron Corporation
Praxair Electronics
Quanta Computer Inc.
Quantum Global Technologies, LLC dba Quantum Clean
Samsung Electro-Mechanics
Schenker Logistics, Inc.
SEH America Ltd.
Shinko Electric Industries Co., Ltd.**
Siltronic AG**
StatsChipPAC
Sumco Corp.*
Tektronix, Inc.
Texas Instruments Incorporated
Tokyo Electron Ltd.*
Tokyo Ohka Kogyo America
TSMC
Ultratech, Inc.
United Microelectronics Corp.
United Van Lines
Universal Scientific Industrial Co.
UTI IMS Inc.
VWR International

[1] As of December 31, 2012. Note that one supplier declined to be listed, so we included the supplier with the next largest 2012 spends.
* Suppliers that received a 2012 Supplier Continuous Quality Improvement (SCQI) award (criteria include CSR metrics) ** Suppliers that received a 2012 Preferred Quality Supplier (PQS) award (criteria include CSR metrics)

To promote transparency, we have published this list of our top suppliers since 2009. These suppliers represented 87% of Intel's 2012 purchasing spends in production materials, capital, and logistics. All SCQI and PQS winners in 2012 met or exceeded our CSR criteria.

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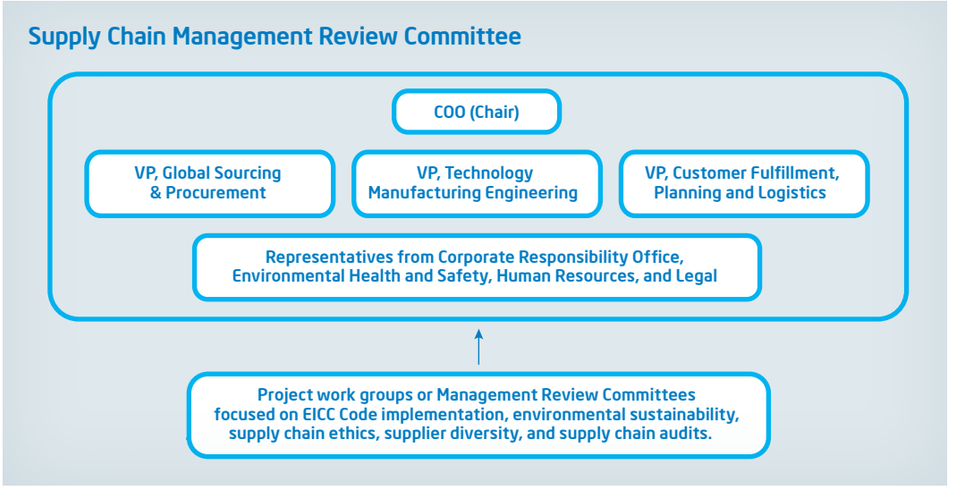
Our Expectations

We expect our suppliers to develop their own corporate responsibility strategies and policies, establish robust legal compliance and business ethics policies and processes, set aggressive goals, engage with and audit their own suppliers, and report on their performance. Setting these expectations is critical to increasing the overall maturity of the entire supply chain, as some of our suppliers have thousands of their own suppliers. Each year, our senior executives send letters to our suppliers to reinforce our expectations.

In 1998, Intel first codified our expectations of suppliers regarding human resources, environmental management, worker safety, and business ethics. In 2004, we helped form 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 embodies principles from external human rights 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. For more information, see the Respecting Human Rights section of this report.

We offer training and a number of tools to ensure that our suppliers are well-informed and compliant with our expectations. 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.



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. The primary leadership team chartered with setting the direction and strategy for supply chain corporate responsibility issues is our Supply Chain Management Review Committee.

Business Continuity and Risk Management. With sites and suppliers all over the world, Intel must be prepared to respond quickly to a wide range of disasters. Intel Crisis Management (ICM) handles our end-to-end response to crises and major business disruptions. ICM sets the standards and provides oversight for our emergency management and business continuity programs across Intel, and requires all Intel organizations 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 business continuity plans. For more information, see the Our Business and Integrated Value Approach section of this report.

Watch Video Intel is committed to leading our industry and supply chain in caring for people and the planet. See what we are doing.

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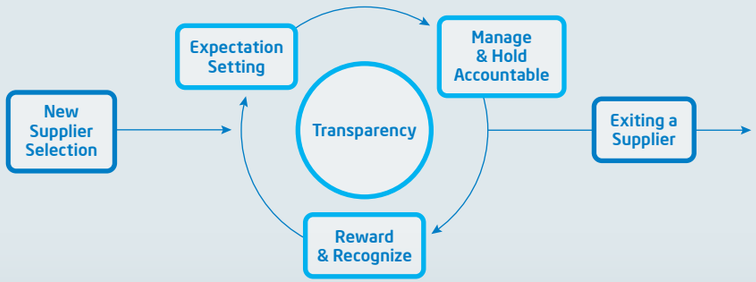
Industry Collaboration. We actively participate in a number of external supply chain-related organizations, including the EICC. Intel representatives serve on the EICC board and various committees that work to advance improvements throughout the industry, including the development of audit processes, third-party anti-corruption due diligence questions, membership compliance, and tools to track assessment data and emissions information. Our EICC representatives provide regular updates to Intel's internal work groups and Management Review Committees to ensure that Intel's supply chain responsibility priorities align with those of the EICC. In 2012, Intel representatives helped drive EICC working-group initiatives on conflict minerals, human trafficking and anti-corruption, and working hours. Intel also helped initiate a new EICC transparency task force working to formulate guidance on sustainability reporting for EICC members.

In recent years, we have also worked 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 implement systemic solutions. When we are not able to resolve concerns, we begin the process of ceasing business with, or "exiting," a supplier.

Measuring Our Suppliers' Sustainability Performance

We use a variety of tools and processes to manage supplier performance, including a Supplier Report Card (SRC). In 2012, we continued to improve how we integrate 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. In 2012, 77% of our top 75 suppliers that were evaluated received a perfect score on the CSR criteria in the SRC.

Supplier Selection and Management. We have comprehensive management and oversight processes that cover all aspects of the 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 an industry-standard, risk-based approach to prioritize our audits. When serious concerns are identified through an audit, 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 take remedial actions up to and including termination of their contracts.

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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 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.

Over the past few years, we have continued to raise the bar for environmental, social, and governance factors in our award selection process to reinforce our supplier expectations and provide additional incentive for suppliers to improve their CSR performance. The awards now include criteria related to CSR management systems, reporting practices, goal-setting, involvement in external consortia, and anti-corruption efforts. In 2012, several suppliers were removed from awards eligibility due to their poor performance on the CSR criteria, but on the positive side, we also saw demonstrable performance improvements. In 2012, 82% of our suppliers met the new environmental minimum criteria; 18% did not, but the average score among these suppliers still increased.

In one example, Munters—a supplier of a facilities solution for volatile organic compound (VOC) exhaust abatement used at our manufacturing facilities—improved its score by 125% on the environmental criteria from 2011 to 2012 by developing a new environmental management system, establishing corporate Environmental Health and Safety (EHS) functions linking executive compensation to EHS objectives, and incorporating environmental criteria into supplier selection and audit processes. Also, through a new standardized database, the company is now able to establish clear benchmarks for waste reduction, recycling, carbon data, and strategic targets for succeeding years. Munters has also improved its equipment design to reduce fuel consumption and greenhouse gas emissions, helping Intel achieve its own manufacturing environmental goals. For more information about the awards and a list of recent SCQI and PQS winners, visit our Supplier Quality Portal.

Raising the Bar on Transparency

In addition to our own commitment to transparency in reporting about our supply chain responsibility efforts, we took steps in 2012 to raise transparency expectations for our suppliers.

In early 2012, we requested that our top 75 suppliers publish sustainability reports using the Global Reporting Initiative* (GRI) Guidelines by the end of 2013. To support this request, we partnered with the GRI to provide training to help suppliers get started or make improvements to their reporting practices. The free training was made available in person and online to all Intel suppliers.

We also partnered with others in our industry to propose and create a Transparency Task Force within the EICC. Intel is a part of that task force, collaborating with other member companies to develop clearer guidance on transparency and reporting for our industry.

Ethics and Legal Compliance

We communicate our supplier legal compliance and business ethics expectations throughout the year in meetings and training events, as well as on our Supplier Site. 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. The passing of the UK Bribery Act and a re-evaluation of the Foreign Corrupt Practices Act drove an increase in the bribery and corruption due diligence performed on our 10,000 existing suppliers and new suppliers in 2012. Suppliers are also expected to maintain robust internal reporting channels and to report any legal compliance or business ethics concerns to Intel, so that we can investigate and take appropriate action. Reporting can be done through several channels, in English or a local language.

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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.

Our assessments and audits cover more than 300 ethics; labor; and environmental, health, and safety factors. Since 2008, we have completed or reviewed over 2,400 supplier assessments or audits, and by the end of 2012, all of our top 75 suppliers had been evaluated using our risk-based assessment process.

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.

In 2012, we doubled the number of on-site audits completed to ensure that we are gathering data from a robust cross-section of our suppliers. We also added environmental, social, and governance criteria to Intel's Quality Assessment audits to drive closer integration with other supplier management processes and achieve broader reach. Collectively, these actions enabled our supply chain organization to better analyze supplier performance and take appropriate actions, and—more importantly—to begin to move from simply managing compliance to identifying broader system-level issues and opportunities for supplier education and capacity-building initiatives.

Risk Assessments and Audits[1]

	2008	2009	2010	2011	2012
RA2 (in-depth assessment with over 300 questions)	49	74	172	249	379
RA3 (on-site third-party audit)[2]	9	0[3]	8	49[4]	39
Other on-site audits (include Intel-led targeted audits on specific topics and quality assessments that include CSR criteria)[4]	n/a	n/a	n/a	n/a	67
Total on-site audits	**9**	**0**	**8**	**49**	**106**

[1] While we still perform RA1s during new supplier selections, we no longer perform RA1s for existing suppliers, as all of our "Top Tier 1" suppliers are now required to have RA2s completed.
[2] Total includes on-site third-party audits completed, 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.
[3] No on-site audits were conducted in 2009 after the EICC audit process was put on hold while the audit process was refined.
[4] 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.

In 2012, we increased the total number of assessments and on-site audits (including third-party audits) compared with 2011.

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On-site audits completed in 2012 included a mix of third-party audits and those performed by Intel personnel—including new first-time third-party audits, reviews of third-party audits, re-audits, and targeted audits focused on a specific topic or in response to a known concern. 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. Half of the 39 third-party audits conducted in 2012 were in China, followed by Taiwan, Japan, Korea, and the Philippines.

Audit Findings and Gap Closure Process

Audit findings are divided into three categories: priority, major, and minor. With some compliance issues, we require immediate corrective action due to the severity, such as finding locked emergency 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 a Management Review Committee dedicated to reviewing gap closure plans and closure evidence on a quarterly basis, or more frequently if needed.

Most audit findings in 2012 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, health and safety concerns with facilities, and lack of adequate labor and ethics management systems. These categories of findings were consistent with the top findings in 2011, but the frequency of labor findings decreased from 2011 to 2012. In addition, we found fewer instances in which management was not aware of the EICC Code and its requirements.

We are committed to investing resources and working directly with our suppliers to hold them accountable for closing gaps and improving their performance. We consider findings closed only when root causes are addressed and closure evidence is documented. For example, installing safeguards on a machine is not sufficient to close a finding; we require that procedures be updated so that when new equipment is installed, a process is in place to review machine hazards and install safeguards. Following audits in 2011, we encountered some challenges in closing gaps within the specified time frame. We set a goal in 2012 to improve time to closure and saw improvement as a result. 82% of the non-working-hour findings from 2011 were closed by the end of 2012.

At the end of 2012, two of our top 75 suppliers—Foxconn (also known as Hon Hai) and Gemtek Technology Co., Ltd.—were required to develop and obtain Intel's approval for "targeted action plans" to address open RA3 findings that were not closed within the

Third-Party Audits: Holding Ourselves Accountable

We hold ourselves accountable to meet or exceed the same standards we set for our suppliers. For the past two years, Intel has completed RA2 reviews of our own manufacturing facilities to test and demonstrate the value of the EICC audit process. Underscoring our commitment to transparency, we published summary reports of these RA2 reviews on our Supplier Site, and we will update the reports after we complete new assessments in the second half of 2013.

In 2012, we took this process one step further and proactively commissioned an RA3 third-party audit of our assembly and test facility in Chengdu, China, even though the RA2 assessment had indicated that our facilities were all "low risk." The audit gave us insights and data that we can compare and contrast with the audit results of our suppliers. The audit also confirmed that our Chengdu facility was "low risk," with only eight minor (administrative) non-conformances identified, all of which were closed promptly. We leveraged the learnings from this audit to close minor gaps in our training and procedures across our other sites. To learn more, read the summary report of the audit.

Unlike many other U.S. electronics manufacturers, Intel has for many years owned and operated its own factories in the Asia-Pacific region. This position gives us a unique opportunity to identify and share our own best practices with our suppliers, similar to how we have shared quality and engineering initiatives over the years.

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

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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	
		2011	2012	2011	2012	2011	2012
Ethics	Lack of system for employees to anonymously report issues; lack of written policies on collusion or fair advertising	28	48	17	12	35%	31%
Labor	Working hours in excess of 60 hours per week; workers not given at least one day off in seven	112	74	46	27	94%	69%
OHS	Concerns about food, sanitation, and housing; lack of emergency lighting and concerns about exits	104	53	31	23	63%	59%
Environmental	Issues with on-site storage of chemical and hazardous waste (segregation, proper containers, and labeling)	23	14	13	10	27%	26%
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	88	24	15	49%	38%

A total of 14 priority and major findings were identified during the audits completed or reviewed in 2012, and suppliers were put on corrective action plans. For issues related to labor, OHS, and management systems, suppliers tended to have multiple findings—indicating a more systemic issue that we would need to address.

requested time frames. The targeted action plan process brings together executive management of both Intel and the supplier for regular evaluation meetings, so we can jointly drive performance improvements and collaborate on gap closure for audit findings. In addition to the executive-level review meetings, we took other actions with these suppliers in 2012, including conducting on-site re-audits, providing training on Intel health and safety expectations for suppliers, and restricting additional business until issues are resolved.

For example, in 2012 we conducted re-audits of Foxconn locations where we had previously identified areas for improvement, including issues related to working hours, labor conditions, safety systems, and management systems. To address some of the system-level issues that we found, Intel senior leaders met with Foxconn executives, and also agreed to loan two EHS experts from our Chengdu manufacturing facility to assist Foxconn in 2013 with analysis and improvement plans for their environmental and safety systems. We also hosted management from Foxconn at our Chengdu facility in early 2013 to learn firsthand about our management systems.

As a result of the increased interaction with each of these suppliers over the past year, we saw expedited closure of almost all of the items related to EHS, and saw demonstrated improvements in human resource management systems and communications practices. Our goal when working with a supplier on a targeted action plan is for that supplier to improve to an acceptable level of performance. We will continue to engage with and monitor the progress of these suppliers and expect that the issues will be resolved. However, if satisfactory progress is not made, we are prepared to take additional actions up to including ending the supplier relationship.

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Moving From Compliance to System-Level Improvements

We approach corporate responsibility in our supply chain the same way that we first approached the issue of quality management decades ago. We recognize that many supplier issues are symptoms of larger systemic problems 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 systemic issues through one-on-one discussions with suppliers and through supplier education and standard-setting with others in our industry.

The increased audit activity in 2011 and 2012 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 in areas such as the following:

Working Hours. Audit findings reveal a wide range of severity with respect to labor hours. Some companies exceeded the EICC 60-hour workweek cap by one hour, while others had workweeks of up to 85 hours. Similarly, we found instances of 12 consecutive days of work and one instance of 60 consecutive days of work, far exceeding the 6-day EICC limit. To help prioritize actions, in 2012 our supply chain team worked to influence changes within the EICC to align on definitions for different severity levels of working-hour findings, using human factors study data, and establishing a strict timeline to correct violations. This alignment will help ensure that immediate action is taken for the most egregious findings—when physical harm and employee health concerns are greatest—while affording more time to work with suppliers on sustainable solutions to non-priority findings. The team also studied the effectiveness of different supplier approaches to addressing working hours, comparing suppliers who implemented immediate enforcement against those who adopted a phased-in approach.

Safety and Management Culture. Audits have shown, particularly for our suppliers in Asia, that managers often lack the proper management systems to track employee data, do not invest in employee training or performance reviews, and do not role model safety practices. For instance, one manager at a Chinese factory showed up for an audit wearing flip-flops instead of the appropriate closed-toe shoes and personal protection equipment. On the positive side, we are seeing evidence that some of the education on safety and compliance issues is filtering across multiple supplier sites. For example, multiple priority issues were discovered during a 2011 audit at one supplier site; in 2012, when we audited a second site of the same supplier, we found evidence that learnings from the gap closure process at the first site had been implemented at their other locations.

In 2013, we will continue to raise the bar and take additional steps toward reaching our ultimate goal of zero priority or major corporate responsibility findings in our supply chain and encouraging suppliers to invest in systemic improvements.

Supplier Sustainability Leadership Summit

We held our first management conference specifically dedicated to sustainability topics in Shanghai, China in September 2012. The two-day 2012 Supplier Sustainability Leadership Summit brought together 185 representatives from multiple stakeholders, including senior leaders from our top suppliers, government, academia, leading non-governmental organizations (NGOs), press, and representatives from other industries.

We were encouraged to see the diverse group of participants at the summit openly discussing—some for the first time—pressing challenges such as overtime, employee health and safety, environmental management, and sustainability reporting. We heard different perspectives and gained insight from the various panel discussions, keynotes, and conversations. The summit included interactive small group roundtable sessions that led to the creation of a resource guide containing a list of key challenges, best practices, and recommended next steps.

In her opening remarks at the conference, Intel Vice President Jackie Sturm said, "The time for the question 'to be or not to be sustainable' has passed.... In the world that we are operating in today, this is not an option. Society demands it." A supplier attendee noted, "[We] very much appreciate Intel's investment at this summit. Bringing together suppliers and representatives from relevant government departments and appropriate business partners is a great way to re-energize, re-ignite, and re-inforce the significance of sustainability to individuals and organizations. I am certainly more aware and more committed to do more."

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Conflict-Free Minerals

"Conflict minerals"[1] from the Democratic Republic of Congo (DRC) or adjoining countries are sometimes mined and sold by armed groups to fund civil violence and human rights violations. Some of these minerals and the metals created from them (tantalum, tin, tungsten, and gold) can make their way into the supply chains for products used around the world, including those in the electronics industry.

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. We do not want to stop all purchases originating in DRC and adjoining countries due to the negative economic impact it would have on legitimate miners, but we do want our purchases from the region to be "conflict-free"[2]. In practice, Intel products may already be conflict-free, but it is not possible to know that with certainty until mature systems are in place to validate sourcing to the depth needed, including to the mine of origin. Intel and others in our industry have been collaborating with a range of stakeholders to identify solutions, and have invested significant resources to address the issue.

In 2012, we achieved our goal to manufacture microprocessors that are conflict-free for tantalum[3] and are working toward our second goal of manufacturing the world's first microprocessor validated as conflict-free for all four metals by the end of 2013. We believe that establishing and publishing these goals can help drive action and move our industry more quickly toward improving the situation in the DRC and surrounding region.

Driving Accountability in the Supply Chain. In 2009, we surveyed suppliers to determine whether they had implemented conflict-free sourcing policies, could trace the minerals they use back to the mine of origin, and could identify the smelters used to refine the minerals in their supply chains. We found great variance in the amount of information suppliers knew about the minerals in their supply chain. As a result, we determined that the most effective way to eliminate conflict minerals from the electronics supply chain was to implement a verification system at the smelter level, where the raw ore is refined into metals.

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.

By year-end 2012, we had mapped over 90% of our supply chain and visited smelters in 20 countries. Our visits enabled us to better understand the manufacturing flow and supply lines of each metal industry. The visits also laid the groundwork for the EICC and the Global e-Sustainability Initiative (GeSI) to develop and implement the Conflict-Free Smelter (CFS) program, a process for independent third-party smelter audits. As of year-end 2012, 29 smelters had been identified as compliant with the CFS program for tantalum, tin, and gold. Smelters that have successfully complied with audit programs are identified publicly through the CFS web site, to recognize their accomplishments and to provide new sourcing options for companies that want to obtain conflict-free minerals.

Encouraging Broad Action. Intel has 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 CFS audit program, and have co-chaired the EICC and GeSI Extractives Working Group since 2008. As we helped to implement the CFS audit program, we learned that the cost of the audits might potentially limit smelter participation. To address this issue, Intel initiated and drove the formation of the CFS Early Adopters Fund, which reimburses smelters that successfully complete a CFS audit for half of the initial audit costs, up to $5,000. With grants from Intel, Hewlett-Packard, and the GE Foundation, the fund is administered by the non-governmental organization RESOLVE.

[1] The term "conflict minerals" is defined in federal law as columbine-tantalite (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); wolframite (the metal ore from which tungsten is extracted); and gold. The term broadly covers these minerals on a worldwide basis, but the focus of the law is on the possibility that the mining and sale of these minerals from the DRC or adjoining countries could be financing armed conflict.

[2] We define "conflict-free" products as those manufactured with metals from smelters that have been validated by the EICC and GeSI CFS program or other country of origin determination and due diligence to be "DRC conflict free," as that term is used in law.

[3] As of December 2012, all tantalum smelters identified in our microprocessor supply chain had been validated to be "conflict-free" via the EICC and GeSI CFS program.

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Over the past several years, Intel has also helped convene a number of well-attended industry meetings on conflict minerals and has partnered on events with other industries and their associations—including the World Gold Council and the Responsible Jewelry Council—to share learnings from the CFS audit 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 Corporation to source conflict-free tantalum from the DRC. We also support the U.S. Department of State and U.S. Agency for International Development Public-Private Alliance for Responsible Minerals Trade. These groups seek to demonstrate paths for conflict-free sourcing and support for artisanal mining in the region. In addition, we continue to work with other entities in the Organization for Economic Cooperation and Development (OECD) 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 effective solutions 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, and the U.S. Securities and Exchange Commission (SEC) followed with disclosure requirements affecting public companies in the U.S. While Intel's efforts on this issue pre-date this legislative action, we have supported fair and timely rules and believe that the SEC's regulatory process has been helpful in bringing others to the table and maintaining broad momentum toward resolution.

> "Four leading companies—Intel, Motorola Solutions, Hewlett-Packard, and Apple—have been pioneers of progress...These leading companies have developed conflict minerals programs that have paved the way for other companies to follow."
>
> Enough Project, Company Rankings on Conflict Minerals 2012

Smelters and Smelter Visits

	Tantalum	Tungsten	Gold	Tin	Total
Smelters identified in Intel's supply chain	12	15	72	53	**152**
Smelters visited by Intel representatives	7	9	33	17	**66**
Third-party smelter audits completed[1]	10	–	12	–	**22**

[1] Of the 10 smelter audits, 6 covered smelters used for our microprocessor production. Third-party audits for tungsten and tin had not been completed in 2012, although we will continue to work with other organizations in 2013 to gain traction in these areas.

This table includes smelters identified, site visits, and audits completed through the end of 2012. Smelter visits have been completed in Australia, Austria, Belgium, Bolivia, Canada, Chile, China, Germany, Hong Kong, Indonesia, Japan, Malaysia, Norway, Peru, South Africa, South Korea, Switzerland, Taiwan, Thailand, and the United States.

In late 2012, a petition was filed by the National Association of Manufacturers, the U.S. Chamber of Commerce, and the Business Roundtable for judicial review of the final rule Section 1502. Intel is a member of these trade associations; however, the positions of these organizations do not always completely align with Intel's positions. Consequently, Intel signed a multi-stakeholder group statement on the "Challenge to the Conflict Minerals Rule" to demonstrate our unwavering commitment to this issue. The statement urges stakeholders to continue the momentum on addressing conflict minerals in the supply chain.

In 2013, we will continue to focus our energy and efforts as we always have—on implementing the systems and processes that will enable Intel to achieve a conflict-free supply chain in collaboration with our business partners, governments, and NGOs. For more information, see our most recent white paper and web site on this topic.

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Supplier Diversity

We understand that working with a diverse supply chain brings increased innovation to our business and creates a more responsive and competitive supply base.

We estimate that in the past six years, Intel has derived more than $280 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.

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. Organizations that we engaged with in 2012 included the National Minority Supplier Development Council, the National Gay and Lesbian Chamber of Commerce, WEConnect International, and Minority Supplier Development China. We also participated in events sponsored by local organizations dedicated to supplier diversity.

> "Intel's supplier diversity and inclusion leaders have been particularly helpful with expansion into India and China as members of local WEConnect International advisory boards."
>
> Elizabeth A. Vazquez
> CEO and Co-founder, WEConnect International

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 $171 million in 2012. We achieved our 2012 goals of including historically under-represented businesses in 100% of all eligible non-capital bidding opportunities. In 2013, we will continue to include under-represented businesses in all eligible non-capital bidding opportunities and will further establish cross-industry global women's business initiatives. We will also work to build greater awareness of the business value of supplier diversity throughout the global supply chain.

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

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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. We also work 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 comes from our own operations, since we manufacture most of our products in our own factory network. However, we collect environmental performance data from our top suppliers to inform our supplier engagement strategy and footprinting methodologies, and have formally integrated the data into scorecards that are reviewed as part of our supplier quality and achievement awards programs. For more information on how we are working to reduce the carbon and water footprints related to our own manufacturing operations, see the Caring for the Planet section of this report.

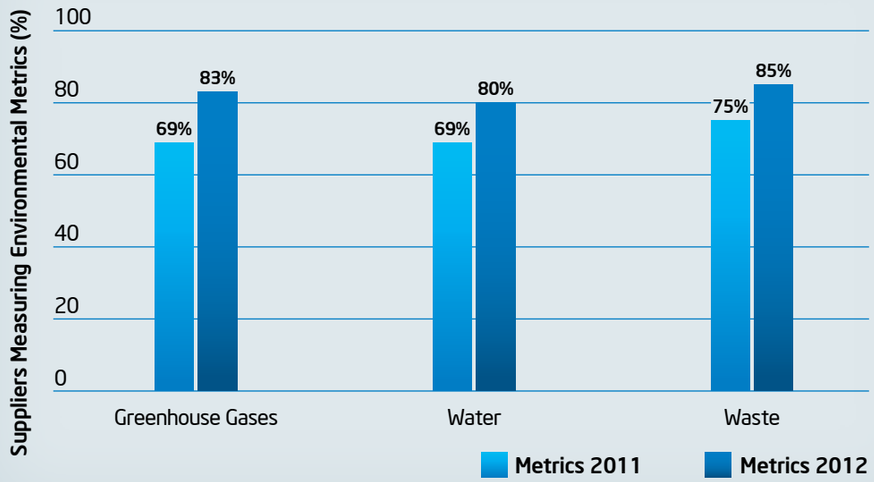
In 2012, we placed a priority on collecting Scope 1 and Scope 2 greenhouse gas emissions data, and asked suppliers to report on their progress in setting goals and achieving emissions reductions. We also requested water and waste metrics and looked for the presence of established goals, placing an emphasis on suppliers located in water-stressed countries (as defined by the United Nations).

Ground Transportation and Logistics. Intel has set an aggressive goal of achieving a "100% Green Intel Ground Transportation Fleet"[1] by 2016. By the end of 2012, 65% of our leased and rental fleets were "green," and we had reduced fleet emissions by 5% for our U.S. and European leasing activities from 2011 to 2012. Key 2012 actions included: adding fuel-efficient diesel cars to our rental fleet, implementing an on-demand car-sharing pilot with electric vehicles, and selecting more fuel-efficient vehicles for our fleets. We also expanded the use of hybrids in our leasing fleet, including increasing hybrid usage from 4% to 13.5% in Israel alone. In 2013, we will take additional steps to increase the average fuel economy of our fleet and will push for improved reporting from our transportation suppliers on their sustainability performance. We will also take steps to increase tracking utilization of SmartWay* vehicles (a U.S. Environmental Protection Agency eco-rating) and further increase the use of hybrids.

In 2012, we also increased our efforts to reduce the emissions and environmental impact associated with our transportation and logistics suppliers (which includes shipment of products between Intel sites and inbound/outbound shipments to suppliers and customers). Based on the analysis of our footprint, we determined that the greatest opportunity to reduce emissions is to convert more shipments from air to ocean transport, since the emissions associated with ocean transport are a fraction of those associated with air transport. In 2012, we made a number of conversions that resulted in a 13% reduction in CO_2 emissions from our 2011 baseline and cost savings of $48 million. In addition, we worked

[1] Defined as all vehicles in the fleet having one or more of the following attributes: an average fuel economy of 35 mpg or better; being a hybrid, electric vehicle, or subject to another eco-label such as SmartWay; or being available for car sharing.

Top Tier 1 Supplier Environmental Metrics



In 2012, we saw significant improvement in the number of our "top Tier 1" suppliers that were tracking metrics in the areas of greenhouse gas emissions, water, and waste.

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with our logistics suppliers to understand more clearly what specific modes of transportation are being used to ship our products, and we have asked them to take actions to improve the efficiency of their fleets. Finally, we have engaged with organizations working on reducing transportation-related emissions at the industry and standards level, including Smartway, Green Freight Asia Network, and Green Freight Europe.

2012 Transportation-Related CO_2 Reductions	
Action	**CO_2 Reduction From 2011 to 2012**
Converting shipments from air to ocean	11%
Supplier "green" programs and CO_2 reduction efforts	2%
Total	**13%**

In 2012, we reduced our logistics transportation-related CO_2 by 13% from our 2011 baseline.

Product Packaging and Logistics. In 2012, our logistics packaging team continued to drive changes in the materials we use to ship products between Intel sites and to our customers to reduce waste and environmental impact. Through engineering improvements and the reduction in packaging size and materials, we reduced the amount of paper and plastic by 109 tons in 2012. These actions also resulted in a reduction of more than 351 metric tons of CO_2. From 2010 through 2012, we reduced packaging and shipping materials by over 700 tons, helping us eliminate more than 1,800 metric tons of CO_2 emissions.

Savings From Logistics Packaging Reduction Projects (in Tons)			
	2010	**2011**	**2012**
Plastic	21	363	78
Corrugated Paper	148	28	31
Wood	48	–	–
Total	**217**	**391**	**109**

We exceeded the goal set by our logistics teams to reduce materials packaging by 25% in 2012 over 2011 levels.

Reducing the Impact of Product Packaging

Intel worked with two suppliers to come up with a way to reuse and recycle product packaging material (called "tape and reel") that was previously scrapped after one use. The new process reduced waste while reducing costs by $75,000. Intel split the cost savings with the two suppliers, to recognize the value of the collaboration and provide incentive for other supplier collaborations going forward. The solution has the potential to be proliferated across other Intel suppliers, potentially saving more than $3 million per year.

In another example, over the past four years, Intel's logistics packaging team has redesigned our plastic shipping trays, moving from thicker plastic-injected molded trays (PIMTs) to nested thermoform trays (NTTs). The newest NTT designs reduce both the weight and cost of the trays by more than 50% compared to the PIMTs. The new trays are also easier to recycle, and the nesting feature allows up to 30% more trays to be stacked in one of our standard shipping boxes.

We also redesigned the packages used to ship product samples to customers. Instead of shipping all samples in a standard size box, we now ship samples in much smaller boxes that are customized to the number of product samples. The new sample boxes weigh 80% less than the previous standard sample boxes.

Due to the fragile nature of Intel's silicon wafers and finished products, as our engineers test new packaging designs and materials, they must strike the right balance between reducing the volume and environmental impact of our packaging and preventing product breakage or damage. The team tests new packaging designs in the lab, simulating shocks, vibrations, and crushing that could occur during transport.

In 2013, our teams will work to identify new ways to reduce packaging used in warehouse operations and customer returns, and to replace existing packaging with more sustainable materials. Our long-term vision is to achieve 100% sustainable packaging for all inbound, outbound, and rebound shipments in support of Intel's 2020 waste reduction and recycling goals.

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Event Planning. In 2011, our procurement and event marketing teams launched the *Blue Guide to Being Green: A Step by Step Guide to Smart Event Practices that Improve the Social, Economic, and Environmental Outcomes of Your Events*. The guide contains 70 resources to help our employees and suppliers reduce the environmental impact of Intel events, including a step-by-step planning template and access to training webinars and mentorship support. By year-end 2012, Intel teams had used the guide to create "green" plans for 17 events ranging in size from a few hundred to thousands of attendees. The employees who designed the guide received an Intel Environmental Excellence Award.

Many event-planning decisions can have an impact on carbon emissions, including the decision to eliminate bottled water, reuse carpet and exhibits, recycle event waste, and implement systems that consolidate and store freight for more efficient forwarding. While we did not measure all event practices in 2012, we can verify that more sustainable design reduced potential carbon dioxide emissions by at least 1,313 metric tons and resulted in the recycling of 35 tons of mixed materials and the composting of 14.4 tons of organic materials.

2012 Green Event Management Achievements	
73K	73,000 plastic bottles eliminated from Intel Developer Forum events in the U.S., Brazil, and China since 2008.
87%	11 tons of landfill waste eliminated from 2012 Intel Developer Forum in San Francisco compared to 2011, achieving a record-setting 87% diversion rate.
1/2 Ton	Half a ton of paper eliminated from 2012 Intel Sales and Marketing Conference through the use of smaller pocket guides and mobile event applications.
79,073 Gallons	79,073 gallons of diesel conserved in 2012 by ensuring that Intel staff and agencies working on five major shows in North America adhered to strict shipping schedules, enabling consolidation of event freight onto the fewest trucks possible.
43%	5.7 tons of food waste recovered and diverted from 2012 Intel Capital Global Summit through composting, helping the event achieve a 43% diversion of waste from landfill.

Incorporating sustainability factors into our event planning has driven significant reductions in the environmental impact of our events. Surveys revealed that 80% of attendees were extremely or very satisfied with Intel's sustainable event efforts.

Watch Video Learn more about our "green" event activities and the Intel Environmental Excellence Awards program.

Employee and Supplier Innovation. Employees across our supply chain organizations have taken steps to develop new ways to reduce environmental impact through supplier collaborations.

Through collaborative design reviews with our supplier Dainippon Screen Mfg Co. Ltd, we achieved a reduction in water usage in our single-wafer-cleans process. The project was deployed in four factories in 2012, saving a total of 40 million gallons of water; the project will be rolled out to two additional factories by 2014.

A team of Intel employees in Arizona received a 2012 Environmental Excellence Award for their work to transform 1,500 tons of used plastic reels from the factory waste stream into pencil boxes that were then donated to local students as part of Intel's annual school supply drive. The project tested the feasibility of reusing and recycling certain waste streams from our operations and our supply chain by partnering with local businesses and community organizations. For more information, read the blog post.

In another project, employees worked with our suppliers to develop a novel technique to recover tantalum deposits from our manufacturing tools to enable recovery of the tantalum so that it can be recycled. Implementation of the project brings the recovery of our total purchased tantalum to between 50% and 60%, up from the 30% to 40% in place previously, and reduces landfill waste by 6 to 7 tons per year. The project also has a financial benefit to Intel since the new technology eliminates certain process costs, and the tantalum can be sold to smelters at a profit. Beyond the environmental and financial benefits of the recycling effort, this project has broader societal impacts, as the recycled tantalum can be reused in the electronics industry, providing another conflict-free source of tantalum for the industry.

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Performance Summary and Goals

Throughout 2012, we continued to drive accountability and systemic change in our supply base. We completed more supplier assessments and audits, and focused on reducing priority and major findings in the areas of labor and health and safety. We also made progress on our goal to build microprocessors free of conflict minerals, and achieved our 2012 goal on tantalum. We took steps to advance supplier transparency by requesting that our top 75 suppliers publish GRI-based sustainability reports. To address system-level issues in the supply chain, we expanded our efforts to share best practices, work directly with suppliers, and provide education on key issues, including hosting a two-day Supplier Sustainability Leadership Summit in China.

Goals and Performance

2012 Goals	2012 Performance	
Complete or review results from 50 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure.	Completed a total of 106 on-site audits, including 39 third-party audits. Made significant progress on closing priority and major findings.	●
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.	Achieved our tantalum goal. Continued to take actions toward our 2013 goal.	●
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.	Saw improvements in the percentage of our top Tier 1 suppliers that have environmental metrics. Made a formal request to our top 75 suppliers to prepare GRI-based sustainability reports and provided training sessions on getting started with reporting.	●
Reduce packaging weight by 25% from 2011 levels.	Reduced packaging weight by 10% from 2011 levels. While we successfully implemented the planned reduction projects, we did not meet our goal due to a drop in the volume of products shipped from 2011 to 2012.	○
Establish a 100% "green" Intel ground transportation fleet by 2016.	Continued to make progress toward our 2016 goal, achieving 65% by end of 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 or on Track** ○ **Not Met**

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To continue to drive accountability and systemic change in our supply base, in 2013 we will continue to work toward our objectives of monitoring compliance and driving system-level improvements on labor and environmental, health, and safety issues, encouraging improved supplier transparency, and achieving our 2013 conflict minerals goal.

In support of our objectives, we introduced a new program in early 2013 called the Program to Accelerate Supplier Sustainability (PASS). The program is focused on raising the bar on supplier performance through increased requirements related to compliance, performance, and transparency. The increased requirements will be rolled out to our suppliers over the next three years, beginning with suppliers in the Supplier Continuous Quality Improvement program and the Preferred Quality Supplier program. We believe that over the next few years, the PASS program will continue to evolve our supplier engagement strategy from being primarily compliance-oriented into a more collaborative two-way discussion on the proactive steps suppliers can take to build internal capacity and significantly improve their performance over time.

Goals for 2013 and Beyond
Complete or review results from 75 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure.
Complete the rollout of the new PASS program to the first group of suppliers by the end of 2013.
By the end of 2013, manufacture the world's first microprocessor fully validated as "conflict-free" across all four minerals (tantalum, tin, tungsten, and gold).
Track the percentage of our top 75 suppliers that have published Global Reporting Initiative*-based sustainability reports in response to our formal request for increased transparency.
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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Respecting Human Rights

Intel is committed to maintaining and improving systems and processes to avoid complicity in human rights violations related to our own operations, our supply chain, and our products. We have established an integrated approach to managing human rights across our business. We also support the advancement of human rights through our global efforts to help bridge the digital divide, expand education access, promote social innovation, and improve the social performance of companies in our supply chain.

Key Section Links

Performance Summary and Goals
Intel Human Rights Principles
Intel Code of Conduct
Corporate Governance and Ethics
Statement on Human Trafficking and Slavery
Conflict Minerals White Paper

We held a series of stakeholder calls facilitated by a third party to help inform our strategy.

We expanded disclosure about our approach to human rights and updated our Human Rights Principles.

We joined the Human Rights Working Group organized by Business for Social Responsibility to expand our knowledge of best practices and evolving stakeholder expectations.

We are working closely with our subsidiaries to ensure their alignment with our approach to human rights.

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Management Approach

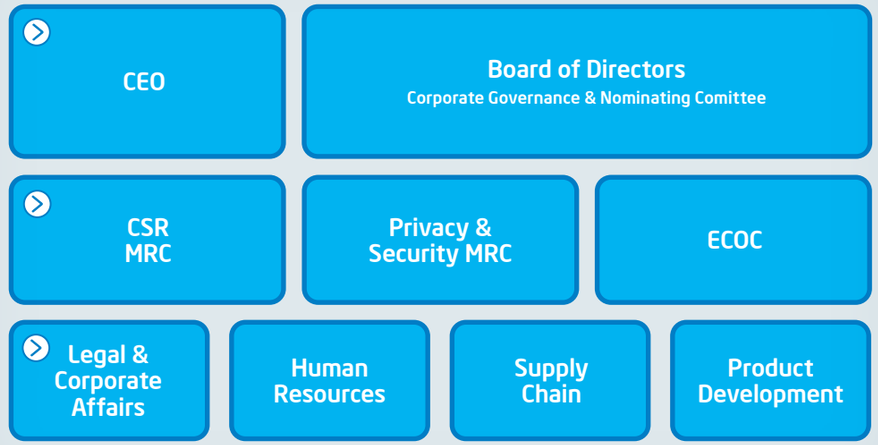
As part of our strong commitment to respecting human rights, Intel has instituted global policies and management systems to proactively identify and address issues before they arise.

The Guiding Principles on Business and Human Rights, endorsed by the United Nations Human Rights Council, set out the responsibilities corporations are expected to 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 managing human rights issues.

Our commitment to human rights is outlined in our own Human Rights Principles and in the Intel Code of Conduct. These policies address diversity and nondiscrimination, workplace safety, child labor, forced labor and human trafficking, working hours and minimum wages, and freedom of association and collective bargaining. We also have a number of additional policies that guide our action in specific areas, such as supply chain, environmental health and safety, and privacy; these policies are available on our Governance and Ethics web site.

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. The following pages outline the steps we are taking to address potential risks in each of these areas.

Intel's Human Rights Oversight Structure



Click or tap the ⓘ symbol for additional information.

We maintain an integrated and horizontal management approach to human rights.

Our Operations

We manufacture the majority of our products in our own factories, which gives us significantly more control over the enforcement of our Code of Conduct and human rights expectations 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 occurs at sites in the U.S., we view our direct operations risk as low. We also have operations in a number of countries, cited by leading human rights organizations as countries of concern (including China), that represent higher levels of risk. However, we apply the same high expectations and human rights standards for all of our employees regardless of where we operate.

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Product-Related Security, Privacy, and Human Rights Issues
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Our goal is to cultivate a safe, diverse, and respectful work environment where employees can thrive, innovate, and feel comfortable raising issues to management and be assured of non-retaliation. We have a number of initiatives targeted at increasing the representation of women and under-represented minorities in our workforce. We maintain an "open door" policy, which enables employees to speak directly with all levels of management about their ideas or concerns, and each year we conduct a company-wide Organizational Health Survey to assess the satisfaction level of our employees. We also provide other ways for employees and external stakeholders to report concerns, such as a third-party-operated hotline and community advisory panels. For more information, see the Caring for Our People section of this report.

Influencing the Electronics Supply Chain

We believe that we have a responsibility to set clear expectations for our suppliers and maintain management systems to audit and manage our suppliers' human rights performance.

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. We work to help improve human rights standards throughout our industry's supply chain by collaborating with others to address system-level improvements on issues such as working hours and conflict minerals. For more information, see the Building the Supply Chain of the Future section of this report.

Intel's Approach to Managing Human Rights

Establishing Policy

- Adopted Intel Human Rights Principles in 2009, and updated them in 2012 to cover product responsibility issues.
- Directly referenced Human Rights Principles in the Intel Code of Conduct and annual Code training materials.
- Included our commitment to the human right to water in Intel's Water Policy.
- Set expectations for our suppliers to comply with the Electronic Industry Code of Conduct and to maintain progressive employment practices that promote fair labor standards and respect for human rights.

Assessing Impact

- Completed a high-level impact assessment overview of our operations, supply chain, and product responsibility, with input from a stakeholder panel and Business for Social Responsibility.
- Completed a high-level impact assessment of our McAfee subsidiary's business.
- In 2013, we will explore additional impact assessments for Intel's software business.

Taking Action

- Documented management processes related to human rights for operations, supply chain, and product responsibility.
- Piloted new screening process for McAfee products in 2012.
- Completed additional human rights trainings for employees.
- Increased audit and supplier education efforts.
- Expanded efforts on digital inclusion and education access, including an initiative advocating for the education of girls globally.
- In 2013, we will continue to explore ways to strengthen our training, and grievance and remediation processes.

Reporting Progress

- Expanded disclosure on our approach to human rights in the 2011 Intel Corporate Responsibility Report.
- Continued to cover human rights issues in our CSR and Public Policy blogs, and our annual outreach meetings with socially responsible investors.
- Continued to expand supplier communications on key human rights and labor issues, including holding a Supplier Sustainability Leadership Summit in China.
- In 2013, we will continue to raise expectations for our suppliers and hold additional internal discussions on product responsibility and human rights.

In 2012, we completed a mapping of our overall approach to implementing the Guiding Principles on Business and Human Rights throughout Intel's business, using a recommended framework published by Business for Social Responsibility.

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Product-Related Security, Privacy, and Human Rights Issues

In recent years, there has been growing interest in the privacy, security, and freedom of expression impacts of information and communications technology.

This interest covers a range of technology products and services spanning the global digital infrastructure—from Internet services and software to network equipment and consumer electronics devices. Intel has long been committed to respecting privacy, security, and human rights related to our core products and business operations.

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. Intel uses 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 to ensure that we meet product and market expectations. 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 have also been evaluating the positive role that technology products can play in enhancing human rights through greater transparency and access to information. In addition, we work to educate consumers about the importance of online data protection. We also 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.

Value of Stakeholder Dialogue

We engage with stakeholders to gather feedback on our approach to human rights. Intel engaged Business for Social Responsibility (BSR) to convene a stakeholder panel to provide input on our human rights policies and disclosure during a series of calls in the first half of 2012. The stakeholder panel included participants from socially responsible investment firms, human rights-focused non-governmental organizations, academia, and our customers. With the feedback we received from the engagement, we identified opportunities to strengthen our Human Rights Principles, management systems, and disclosure. We also subsequently joined the Human Rights Working Group facilitated by BSR to advance our continued learning on the topic and share our experiences with others.

As the products and services we offer become more diverse, we have been tracking growing concerns about how technology products can potentially impact privacy, data security, and human rights—including the possibility that our products may be misused by customers (and governments) to limit the freedom of expression and human rights of individuals. We are evaluating our policies and risk assessment processes to better analyze these new risks.

Many of the questions we have received over the past two years focused on a product from our McAfee subsidiary, McAfee SmartFilter*, because of reports of governments using the product to censor political dissidence and restrict Internet access. In 2012, McAfee piloted a new draft human rights impact assessment tool and monitored sale approval process to address these concerns. The tool uses a risk-based approach to identify transactions that would require additional reviews and approvals. Potential sales that are deemed high risk across product type[1], end-user country[2], and end-user type[3] are placed on a hold list in McAfee's sales management system. Additional information is then gathered via a standardized form for review by McAfee management. Going forward, Intel and McAfee will continue to meet to review and inform further development of management systems and policies.

[1] Including those that are capable of filtering unwanted, as opposed to "malicious," traffic.
[2] Those identified as high risk by third-party experts and human rights organizations.
[3] Government, telecommunications, and Internet service provider end users.

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Performance Summary and Goals

In 2012, we took steps to evaluate our policies, processes, and overall approach to human rights, and engaged with external stakeholders and leading human rights organizations to understand changing expectations and best practices related to implementation of the Guiding Principles on Business and Human Rights.

Goals and Performance

2012 Goals	2012 Performance	
Continue to improve disclosure on human rights.	We expanded the human rights section of our Corporate Responsibility Report, developed with feedback from an external stakeholder panel.	●
Update our Human Rights Principles to address new product-related concerns.	We updated our Human Rights Principles in May 2012 to include information on privacy, and on the human rights responsibilities of our suppliers.	●
Work with our subsidiaries to further align our policies and management processes.	While we continued to meet with McAfee about the pilot of a new human rights screening process, we did not make as much progress on our engagement with other subsidiaries.	◒

● **Achieved** ◒ **Partially Achieved or on Track** ○ **Not Met**

In 2013, we will continue to identify opportunities to integrate human rights content into employee training, strengthen our grievance and remediation processes, conduct a targeted impact assessment for our software business, and work with our subsidiaries to further align our policies and management processes.

Goals for 2013 and Beyond

Conduct a targeted human rights impact assessment for our software business.
Strengthen grievance and remediation processes related to human rights concerns that may arise.
Work with our subsidiaries to further align our human rights policies and management processes.

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Appendix

Report Scope and Profile

With the Intel 2012 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 2012 (ended December 31, 2012). Our previous report was published in May 2012.

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 2012 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 Software and Services Group subsidiaries, such as the Wind River Software Group, McAfee, Havoc, and Telmap.

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 greenhouse gas (GHG) emissions are calculated using the existing GHG Protocol Corporate Accounting and Reporting Standard 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. 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).

For the 2012 CR Report, we again engaged Ernst & Young to review selected indicators, including our Scope 1, 2, and some Scope 3 GHG emissions data. Ernst & Young's review report is included in this Appendix.

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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)	5, 6	
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	7	Additional details are available in our 2012 Annual Report and Form 10-K.
2.10 Awards received in the reporting period.	●	Integrated Value	28	
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.	●	Report Scope and Profile	115	
3.5 Process for defining report content.	●	Integrated Value	23	
3.6–3.8 Boundary of the report; Limitations on scope and/or report boundary; Basis for reporting on joint ventures, subsidiaries, etc.	●	Report Scope and Profile	115	
3.9 Data measurement techniques and the bases of calculations.	●	Caring for the Planet (Planet); Report Scope and Profile	50, 115	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.	●	Report Scope and Profile and individual indicator descriptions	115	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 2012 Annual Report and Form 10-K.

● **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
3.12 Table identifying the location of standard disclosures in the report.	●	GRI Index	116	
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	12, 13, 15	Additional information on Board committees and composition is available in our 2013 Proxy Statement (p 10).
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	●	Caring for Our People (People); Planet	44, 54	For additional details on our approach to linking pay and performance, see our 2013 Proxy Statement (p 54).
4.6 Processes in place for the highest governance body to ensure that conflicts of interest are avoided.	●	Integrated Value	12	Additional information is provided in our 2013 Proxy Statement (p 27).
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.	●	Integrated Value	12	Information on the process for selecting new directors is included in our 2013 Proxy Statement (p 10). 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; Planet; Building the Supply Chain of the Future (Supply Chain); Respecting Human Rights (Human Rights)	11, 15, 52, 94, 110	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	13	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.	●	Integrated Value	13	Additional information is provided in our 2013 Proxy Statement (p 18).
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	Planet	51	Reference is also included in our Intel Code of Conduct.
4.12 Externally developed charters, principles subscribed to.	●	Integrated Value; People; Planet; Supply Chain; Human Rights	11, 47, 53, 94, 110	Specific charters/principles are covered in specific sections of the report by topic.

● **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
4.13 Memberships in associations and/or advocacy organizations.	●	Integrated Value; People; Planet; Supply Chain; Inspiring the Next Generation (Next Generation); Human Rights	17, 42, 61, 81, 94, 112	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.
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	20	
5a. Economic Performance Indicators				
Management Approach Disclosures: Economic	●	Integrated Value	26	Additional information is included in our 2012 Annual Report and Form 10-K.
EC1 Direct economic value generated and distributed. (Core)	●	Integrated Value; Next Generation	26, 75	Additional information is included in our 2012 Annual Report and Form 10-K (p 25).
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change. (Core)	●	Integrated Value; Planet	24, 57	Climate change risk is also covered in our 2012 Annual Report and Form 10-K (p 10, 12).
EC3 Coverage of the organization's defined benefit plan obligations. (Core)	●	People	44	Additional information is available in our 2012 Annual Report and Form 10-K (p 75).
EC4 Significant financial assistance received from government. (Core)	◒	Integrated Value	25	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 2012 Annual Report and Form 10-K (p 88).
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation. (Core)	●	Supply Chain	93	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)	●	People	42	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)	●	Next Generation	75	

● **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
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional)	●	Integrated Value	26	
5b. Environmental Performance Indicators				
Management Approach Disclosures: Environment	●	Integrated Value; Planet	11, 51	
EN1 Materials used by weight or volume. (Core)	◒	Planet; Supply Chain	51, 92	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)	◒	Planet	69	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)	●	Planet	59	See also our CDP questionnaire response on the CDP web site.
EN4 Indirect energy consumption by primary source. (Core)	◒	Planet	59	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)	●	Planet	59	
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)	●	Planet	62	
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; Planet	8, 56	Major locations and manufacturing sites are listed in this report, and owned and leased facilities are listed in our 2012 Annual Report and Form 10-K (p 8, 22).
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)	●	Planet	58	See also our response on the CDP 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
EN19 Emissions of ozone-depleting substances by weight. (Core)	●	Planet	68	
EN20 NOx, SOx, and other significant air emissions by type and weight. (Core)	●	Planet	68	
EN21 Total water discharge by quality and destination. (Core)	●	Planet	63	Additional information is available in SARA Title III Reportable Chemicals by Site.
EN22 Total weight of waste by type and disposal method. (Core)	●	Planet	66	
EN23 Total number and volume of significant spills. (Core)	●	Planet	73	No major spills were reported in 2012. Other non-compliance issues are included in this report.
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	●	Planet	69, 71	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category. (Core)	◒	Planet; Supply Chain	70, 104	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)	●	Planet	73	
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)	●	Planet; Supply Chain	58, 104	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; People; Supply Chain	11, 33, 92	
LA1–LA2 Total workforce by employment type, employment contract, and region. (Core); Total number and rate of employee turnover. (Core)	◒	People	36	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)	●	People	44	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.

● **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
LA4 Percentage of employees covered by collective bargaining agreements. (Core)	●	People	40	The percentage is zero. See also our Human Rights Principles.
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. (Core)	◒	People	40	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)	●	People	48	
LA8 Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases. (Core)	●	People	45, 47	
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)	●	People	38	
LA12 Percentage of employees receiving regular performance and career development reviews. (Additional)	●	People	38	
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)	●	People	43	
LA14 Ratio of basic salary of men to women by employee category. (Core)	◒	People	43	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)	◒	People	45	
5d. Social Performance Indicators: Human Rights				
Management Approach Disclosures: Human Rights	●	Integrated Value; Supply Chain; Human Rights	11, 92, 110	

● 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
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	●	Human Rights	110	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	97	
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)	●	Supply Chain; Human Rights	95, 111	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)	●	Supply Chain; Human Rights	97, 110	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)	●	Supply Chain; Human Rights	97, 110	
5e. Social Performance Indicators: Society				
Management Approach Disclosures: Society	●	Integrated Value; Next Generation	11, 75	
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; Next Generation	20, 75	
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)	●	Integrated Value	15	

● 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
SO4 Actions taken in response to incidents of corruption. (Core)	◒	Integrated Value	15	Data is reported on anti-corruption training and assessment processes. Summary types of findings from our Ethics and Compliance Oversight Committee 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)	●	Integrated Value	17	
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)	●	Integrated Value	15	See also the Competition in the Innovation Economy web site and our 2012 Annual Report and Form 10-K (p 91).
SO9–SO10 Operations with significant potential or actual impact on local communities and prevention/mitigation activities. (Core)	●	Integrated Value; Planet; Next Generation	20, 56, 75, 88	
5f. Social Performance Indicators: Product Responsibility				
Management Approach Disclosures: Product Responsibility	●	Integrated Value; Planet; Human Rights	11, 69, 112	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)	●	Planet	51	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)	◒	Planet	69	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; People	10, 44	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)	●	Integrated Value	15	Covered in the Intel Code of Conduct and in our 2012 Annual Report and Form 10-K (p 10).
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)	◒	Human Rights	112	Total number not reported, but information is available on Intel's Privacy Policy and Public Policy web sites.
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 2012 Annual Report and Form 10-K (p 90).

● **Covered in the Report** ◒ **Partially Covered in the Report** ○ **Not Covered in the Report**

United Nations Global Compact—Communication on Progress 2012

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 stated in the Letter From Our CEO at the beginning of this report, our continued support for the UNGC principles as a UNGC LEAD member is part of our ongoing commitment to continuous improvement in our own practices and collaboration with other organizations to advance best practices in corporate responsibility worldwide. Our 2012 Corporate Responsibility Report provides detailed information on our corporate responsibility strategy and performance for fiscal year 2012 and covers the UNGC Advanced/LEAD Communication on Progress requirements.

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 2012, see the Respecting Human Rights 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 the Respecting Human Rights 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 Caring for Our People 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 Our Business and Integrated Value Approach 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 35,000 employees were trained on our anti-corruption policies and procedures in 2012. For more information see the Our Business and Integrated Value Approach 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 accompanying table and as presented in Intel Corporation's 2012 Corporate Responsibility Report (the "Report") for the year ended December 29, 2012. 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 accompanying table and as also presented in the Report, and for selection of the criteria against which the subject matter is measured and presented.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included:

- inquiries of persons responsible for the subject matter;
- obtaining an understanding of the data management systems and processes used to generate, aggregate and report the subject matter;
- analytical procedures over the accuracy and completeness of the subject matter; and,
- performing such other procedures as we considered necessary in the circumstances.

A review is substantially less in scope than an examination, the objective of which is an expression of opinion on the subject matter. Accordingly, we do not express such an opinion.

Non-financial information contained within corporate responsibility reports is subject to measurement uncertainties resulting from limitations inherent in 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 29, 2012 is not presented, in all material respects, in conformity with the relevant criteria.

Ernst + Young LLP

May 8, 2013

San Jose, California

Performance Indicators Reviewed

Indicator Name	Scope	Unit	2012 Value[1]	2012 Report Page
Scope 1 Greenhouse Gas (GHG) Emissions	Global	Tonnes carbon dioxide equivalent (tCO_2e)	794,000	58
Scope 2 GHG Emissions[2]	Global	tCO_2e	1,054,000	58
Scope 3 GHG Emissions[3]	Global	tCO_2e	176,000	58
Energy Use[4]	Global	Billion kWh	5.5	59
Water Withdrawals for Operations Use[5]	United States	Billion gallons	6.2	62
Days Away Case Rate[6]	Global	Days away cases / 200,000 work hours	0.12	48
Recordable Rate[6]	Global	Recordable incidents / 200,000 work hours	0.58	48
Suppliers Undergoing Third-Party Audits for Human Rights	Global	Number of reviews of third-party audits completed by Intel management[7]	39	97
	Global	RA3 audit priority/major findings by category	Ethics: 48 Labor: 74 Occupational Health and Safety: 53 Environmental: 14 Management Systems: 88	99

[1] All figures for the year ended December 29, 2012, unless otherwise noted. Values rounded where appropriate.
[2] Value reported net of renewable energy credits purchased and calculated using the average CO_2e per kWh ratio from all U.S. Intel sites.
[3] Assurance limited to Scope 3 emissions associated with business air travel booked through Intel's third-party travel agency.
[4] Includes natural gas, diesel and electricity.
[5] "Operations" includes Intel controlled fabrication and assembly and test facilities in the United States.
[6] Recordable rate and days away case rate determined as of April 4, 2013 for the 2012 calendar year.
[7] Total includes on-site third-party audits completed during 2012, as well as third-party audits completed using the Electronic Industry Citizenship Coalition standard process within the previous two years. For 2011 audits included, Intel completed formal reviews of the audit results in 2012.

For more information, visit www.intel.com/go/responsibility

0513/SPF/LAI/AP/PDF 328965-001US