Highlights from Intel's 2018-19 Corporate Responsibility Report

Corporate Responsibility

Intel's commitment to corporate responsibility and sustainability – built on a strong foundation of transparency, governance and ethics – creates value for Intel and its stockholders by helping mitigate risks, reduce costs, build brand value and identify new market opportunities. Intel sets ambitious goals and makes strategic investments to advance progress in the areas of environmental sustainability, supply chain responsibility, diversity and inclusion, and social impact that benefit the environment and society. Through its technology, Intel enables more people to harness the power of data addressing the world's most complex issues—from climate change and energy efficiency, to economic empowerment and human rights.

- **History of transparency.** Intel has a long history of transparency, publishing its first voluntary environmental report in 1994. In 2018, Intel continued to evolve its reporting, driving further integration of corporate responsibility data into its Annual Report/10K and Proxy Statement, as well as alignment with external reporting frameworks on climate risk and human capital management.

- **Integrated approach.** Accountability for corporate responsibility and sustainability practices are integrated throughout Intel's business. In 2018, Intel continued to link a portion of executive and employee compensation to corporate responsibility factors, engaged its stakeholders to complete an update of its materiality assessment, and reached a broader range of investors through its integrated outreach strategy.

- **Employee engagement.** Intel's employees have been central to Intel's corporate responsibility efforts during the company's 50-year history. In 2018, Intel engaged its employees through multiple initiatives – including learning forums, volunteer and matching programs, and opportunities to create and apply for project funding. Eighty-five percent of employees surveyed in 2018 reported that Intel's corporate responsibility efforts contribute to their pride in the company.

- **External recognition.** Each year, Intel receives multiple recognitions for its leadership in corporate responsibility and sustainability. In 2018, top recognitions included the Fortune 2018 Change the World List, Ethisphere's World's Most Ethical Companies, and Forbes/Just Capital's America's Most "Just" Companies.

Environmental Sustainability

Intel's long-standing commitment to environmental leadership helps the company achieve efficiency, reduce costs and respond to the needs of its customers and community stakeholders. Intel invests in conservation projects and sets company-wide environmental targets, seeking to drive reductions in greenhouse gas emissions, energy use, water use and waste generation. The company also works with others to apply Intel® technology to environmental challenges.

- **Climate.** Intel remains on track to meet its 2020 greenhouse gas (GHG) emissions goal to reduce direct GHG emissions by 10% on a per unit basis by 2020 from 2010 levels. Intel's direct GHG emissions decreased 32% on an intensity basis from 2010 levels.

- **Energy.** Intel met its energy conservation goal two years ahead of schedule. Since 2012, Intel has invested more than $200 million in approximately 2,000 energy conservation projects at its facilities worldwide, cumulatively resulting in savings of 4 billion kilowatt-hours (kWh) of energy and more than $500 million through the end of 2018.

- **Green power.** For more than a decade, Intel has been one of the top voluntary corporate purchasers of green power in the U.S. EPA's Green Power Partnership (GPP) program. At the end of 2018, 100% of Intel's U.S. and European power use, 25% of its Israel power use and approximately 71% of its global power use were from renewable sources.

- **Water.** Since 1988, Intel has saved around 64 billion gallons of water through its water conservation efforts and is on track to meet its 2020 goal to reduce water use on a per unit basis below 2010 levels by 2020. In 2018, Intel also made significant progress toward its additional goal to restore 100% of its global water use by 2025.

- **Recycling.** Intel achieved a recycling rate of 85% of its non-hazardous waste in 2017, and remained on track to achieve its goal of a 90% non-hazardous recycling rate by 2020. Intel is also on track to meet its 2020 goal of zero hazardous waste to landfill by 2020.

- **Green buildings.** Intel continued its commitment to green building practices, bringing total LEED certified space to 17.4 million square feet in 48 buildings globally – roughly 26% of the company's total operational space.

Supply Chain Responsibility

Advancing accountability and improving performance across its supply chain creates value for Intel and its customers by helping reduce risks, improve product quality and achieve environmental and social goals. Through communication, assessments and capability-building programs, Intel works to ensure that its supply chain is resilient, responsible and respectful of human rights.

- **Forced and bonded labor prevention.** As a result of Intel's work with its suppliers to build a system to detect and address risks of forced and bonded labor (such as fees charged to workers to obtain or keep employment), Intel suppliers have returned over $14 million in fees to their workers in Intel's supply chain since 2014. KnowTheChain, a project of the Humanity United Foundation, placed Intel at the top of its 2018 benchmark of technology companies taking action to eradicate forced labor from their supply chain.

- **Capability building.** More than 350 suppliers, representing over 60% of Intel's spends, were engaged in its proactive supplier leadership initiative aimed at improving performance through rigorous commitments to compliance, transparency and capability building.

- **Environmental reporting.** All of the 83 Intel tier one suppliers asked by Intel to participate in the CDP climate and water surveys responded, helping Intel earn a Leadership (A) score in CDP's 2018 Supplier Engagement Rating.

- **Responsible minerals.** In 2018, Intel continued to make progress toward validating that its supply chain uses responsibly sourced minerals. All smelters identified through its annual

supply chain survey process were participating in an independent third-party assurance program, or Intel had reasonably concluded through its own efforts that their products were conflict free.[1]

- **Supplier diversity.** Intel made progress toward its goal to increase its annual spending with diverse-owned suppliers to $1 billion by 2020, with $777 million spending with diverse suppliers in 2018. Intel also reached its $100 million commitment for spending on women-owned businesses more than a year early and announced a new goal of $200 million for 2020.

Diversity and Inclusion

Intel believes that to shape the future of technology, it must be representative of that future. Inclusive teams of people with diverse perspectives are more creative and innovative. Inclusion is the foundation of a high-performance workforce, where employees are empowered to do their best work. Intel's diversity efforts go beyond hiring and retention, to also include spending with diverse suppliers, diversifying its venture portfolio, and strengthening the technical pipeline to encourage more women and underrepresented minorities to enter and succeed in technology careers.

- **Full representation.** In January 2015, Intel set a goal to reach full representation[2] of women and underrepresented minorities (URMs) in Intel's U.S. workforce by 2020. The company also committed $300 million to support this goal, increasing diverse representation not just at Intel, but across the technology industry. In 2018, Intel achieved its goal, two years early.

- **Gender pay equity.** In early 2019, Intel announced it had achieved global gender pay equity. This achievement was a direct result of a years-long evaluation of global gender pay equity and follows our announcement that in 2017 we achieved gender and racial pay equity for all U.S. employees.

- **Retention.** Intel's inclusive Warmline service drives retention by providing a support channel for employees. We have processed more than 20,000 cases with an 82% retention rate since the service was launched.

- **Career pathways**. Intel became a founding member of the Reboot Representation Tech Coalition, through which 12 companies have pledged more than $12 million to double the number of women of color graduating with computing degrees in the U.S. by 2025.

- **Investing in STEM.** Intel's collaboration with the Oakland Unified School District continued to achieve results in 2018, with 31 graduating seniors completing the engineering pathway program and heading off to colleges and universities.

Social Impact

Intel is committed to creating a better world through the power of its technology and the passion of its employees. Intel believes that the health of the company and local economies both depend on an increasingly inclusive community of innovators. Intel is committed to applying technology to broaden access to opportunity and prepare people for the jobs of the future. Intel also empowers its employees to apply their expertise to solve global challenges, support local communities, and inspire the next generation of innovators around the world.

- **50th anniversary goal.** Our employees surpassed Intel's 50th anniversary goal to have 50,000 employees give 1 million hours to local communities, with over 68,000 volunteers contributing approximately 1.5 million hours.

- **Engaging employees.** The Intel Employee Service Corps provides opportunities for employees to empower people through technology in education, health, agriculture, and other fields. In 2018, IESC volunteers supported 12 projects in seven countries, including Women in Science (WiSci) camps in the countries of Namibia and Georgia.

- **Empowering women.** Through the Intel® She Will Connect program, Intel met its goal to reach 5 million women in Sub-Saharan Africa with digital literacy skills two years ahead of schedule. Participants reported that the program increased their self-esteem and gave them skills to pursue personal goals, while delivering enhanced access to educational and job opportunities for themselves and their families.

- **Inspiring middle school girls.** Intel continued to expand the Intel She Will Connect program in the U.S. to support coalitions of partners working to inspire and empower middle school girls from to become technology creators and innovators. Pre- and post-program surveys found that the percentage of participants who envision themselves going to college rose from 24% to 78%, and their confidence in science and technology subjects increased from 14% to 70%.

- **Intel Foundation.** In 2018, the Intel Foundation celebrated 30 years of catalyzing positive change, investing in innovative STEM programs, providing humanitarian relief and amplifying the investments of Intel employees across a broad spectrum of personal philanthropy and volunteerism.

- **Charitable giving.** In 2018, charitable giving by Intel and the Intel Foundation totaled $84.2 million, and approximately $490 million over the past five years.

To read the new report, visit www.intel.com/responsibility. More information on Intel's corporate responsibility programs can be found at the CSR@Intel blog and on Twitter.

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1 "Conflict free" refers to products, suppliers, supply chains, smelters, and refiners that, based on our due diligence, do not contain or source tantalum, tin, tungsten, or gold that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries

2 Full representation is the point at which Intel's workforce in the U.S. matches the supply of skilled talent available (market availability) for current roles at Intel.