2010 Corporate Responsibility Report

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At Intel, we never stop looking for bold ideas in technology, business, manufacturing, and corporate responsibility. Amazing things happen with Intel Inside.®

In this report, we discuss our corporate responsibility performance during 2010, including our strategic approach to key environmental, social, and governance indicators. We prepared this report using the Global Reporting Initiative* (GRI) G3.1 guidelines, and we self-declare the report at the GRI Application Level A.

On the cover:
The "visibly smart" 2nd generation Intel® Core™ processor family features built-in graphics that enable a richer, higher performance computing experience while efficiently managing power use.

"Corporate social responsibility is no longer optional for business leaders. I am very proud of Intel's long history of transparency and leadership in this area, and for the actions taken by employees in 2010 to push to higher levels of performance; we continue to extend our impact worldwide, with our education programs and driving energy efficiency in our products."

Jane E. Shaw, Chairman of the Board

Throughout Intel's history, we have pushed the boundaries of what's possible to improve how people work, live, and play. Our vision for the next decade is even more ambitious: to create and extend computing technology to connect and enrich the lives of every person on earth. A key determinant of our success will be our ability to innovate and advance our leadership in corporate responsibility.

At Intel, we don't separate corporate responsibility from our business. One of the four objectives in our global strategy is, "Care for our people and our planet, and inspire the next generation." Every person at Intel has a role in achieving this objective, whether they design our products, work in our factories, or interface directly with our customers or suppliers. Our employees' ongoing focus and achievements create value for Intel and for society.

Care for our people. We work to cultivate a safe, respectful, and ethical work environment that enables employees to thrive both on the job and in their communities. We invest heavily in mentoring, training, and leadership development programs, including targeted initiatives aimed at increasing the number of women and under-represented minorities in our managerial ranks. By investing in our employees, we empower them to build stronger communities; in 2010, close to half of Intel's workforce donated more than 1 million hours of service in schools and nonprofit organizations globally.

Care for the planet. Development of energy-efficient computing technologies is a key part of our efforts to help our customers conserve energy and address the issue of climate change. Our new Intel® Xeon® processor 5600 series for servers, for example, can increase performance by up to 40% while also saving power compared to the previous-generation Intel® Xeon® processor 5500 series. For the past three years, Intel has been the largest voluntary purchaser of green power in the U.S., according to the U.S. Environmental Protection Agency. In 2010, we also opened our first Leadership in Energy and Environmental Design (LEED)-certified building, a design center in Israel.

Inspire the next generation. We believe that a solid math and science foundation coupled with key skills such as problem-solving, critical thinking, and collaboration are the foundation for innovation. Over the past decade, Intel and the Intel Foundation have invested more than $1 billion to improve education globally, partnering with educators, governments, and other companies to develop a range of transformative programs and technology solutions. In 2010, in conjunction with U.S. President Barack Obama's "Educate to Innovate" campaign, Intel announced a $200 million commitment to advance math and science education in the U.S. In February 2011, I was honored to host President Obama on a visit to our Oregon site, where we discussed our shared commitment to improving education, and its critical importance to fueling innovation and sustainable economic development.

Looking ahead, we will continue to address challenges in reducing water use and chemical waste in our operations as we grow, and to drive leadership in supply chain responsibility. As part of our effort to operate with the gentlest environmental footprint possible, we will explore new ways that we can apply our technology—along with the considerable energy and talents of our employees—to improve economic and environmental sustainability, and to transform education and technology access around the world.

While the world faces huge social and environmental challenges, I am proud to be part of a company that can—and is—making a difference. I encourage you to read this report and give us your feedback and ideas. Working together, we can make our world a better place for everyone.

Paul S. Otellini
President and Chief Executive Officer

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- QuickTime*

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

Corporate Profile

Intel is committed to pushing the boundaries of technology to make the lives of people everywhere more exciting, fulfilling, and manageable. We enable innovation across a spectrum of computing devices by building successive generations of microprocessors that can cost less to manufacture, have improved performance and energy efficiency, and offer more capabilities.

Mouse over numbers to see more images.

1 2 3

~90% Percentage of 2010 revenue derived from products that did not exist at beginning of year

61% Percentage of wafer manufacturing (including microprocessors and chipsets) that took place at our U.S. sites as of year-end 2010

10 Quintillion Number of transistors that Intel shipped in 2010

Key Corporate links:

Intel 2010 Annual Report and Form 10-K

Intel Investor Relations

Intel Sponsors of Tomorrow.™

Intel® Products

Technology Leadership

Innovation at Intel

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Intel is the world's largest semiconductor chip maker, based on revenue. We develop advanced integrated digital technology, primarily integrated circuits, for industries such as computing and communications. Our goal is to be the preeminent computing solutions company that powers the worldwide digital economy.

We are transforming from a company with a primary focus on the design and manufacture of semiconductor chips for PCs and servers to a computing company that delivers complete solutions in the form of hardware and software platforms and supporting services. We serve customers in more than 120 countries, and at fiscal year-end 2010 we had 82,500 employees in more than 50 countries. To learn more about Intel's history of innovation, visit our Corporate Timeline web site.

Products

Our products include microprocessors, chipsets, motherboards, and wireless and wired connectivity products, as well as platforms that incorporate software to enable and advance these components. We strive to optimize the overall performance of our products by improving energy efficiency, seamless connectivity to the Internet, and security features.

Most of our revenue is from the sale of microprocessors and chipsets, and the majority of our microprocessors are manufactured using our 32-nanometer (nm) second-generation Hi-k metal gate silicon process technology. In December 2010, we introduced the 2nd generation Intel® Core™ processor family (formerly code-named Sandy Bridge), a new microarchitecture[1] based on our 32nm process technology that represents the largest increase in computing performance and capabilities over any previous generation in our history. Members of this family incorporate over 1.1 billion transistors.

New categories of compute devices such as smartphones, smart TVs, tablets, in-vehicle systems, and more are connecting to the Internet and becoming more intelligent—and Intel is at the center of this trend. We shipped our 80 millionth Intel® Atom™ processor into the netbook market segment in 2010, and our products are being designed into more than 35 tablets, many of which are expected to launch in 2011. In 2010, we introduced nine products for the smart TV market segment, for televisions, Blu-Ray* players, and set-top boxes. For more information, visit our Products web site or our 2010 Annual Report and Form 10-K.

Customers

We sell our products primarily to original equipment manufacturers (OEMs) and original design manufacturers (ODMs). We also sell our products to other manufacturers, including makers of a wide range of industrial and communications equipment. Our customers include those who buy PC components and our other products through distributor, reseller, retail, and OEM channels throughout the world. In 2010, Hewlett-Packard Company accounted for 21% of our net revenue and Dell Inc. accounted for 17% of our net revenue (these percentages were unchanged from 2009). No other customer accounted for more than 10% of our net revenue. In 2010, 80% of our revenue came from outside the Americas.

Operating Segments

Intel has multiple operating segments spanning the continuum of computing products and services. In the first quarter of 2011, we completed the acquisition of McAfee Inc. to accelerate and enhance our hardware and software security solutions, improving the overall security of our platforms; and the Wireless Solutions business of Infineon Technologies AG to expand our capabilities in the area of connectivity.

[1] Microarchitecture refers to the layout, density, and logical design of a microprocessor.

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In 2010, 69% of Intel's revenue was attributable to the PC Client Group, 20% to the Data Center Group, 7% to the Other Intel Architecture Group, 1% to the Software and Services Group, and 4% to All Other.

Subsequent to year-end 2010, we divested our Digital Health Group by forming an equally owned joint venture that will focus on independent living and delivery of health-related services via telecommunications. The new company, Intel-GE Care Innovations, LLC, was formed by combining assets of the General Electric Company's GE Healthcare Home Health division and Intel's Digital Health Group.

Global Operations

As of the end of fiscal 2010, 61% of our wafer fabrication, including microprocessors and chipsets, was conducted within the U.S. at our facilities in Arizona, New Mexico, Oregon, and Massachusetts. The remaining 39% of our wafer fabrication was conducted outside the U.S. at our facilities in Israel, Ireland, and China. Our facility in Dalian, China began wafer manufacturing in the fourth quarter of 2010.

Following the manufacturing process, the majority of our components are assembled and tested at facilities in Malaysia, China, Costa Rica, and Vietnam. Our Vietnam facility began production in the first half of 2010. To augment capacity, we use subcontractors to perform assembly of certain products, primarily chipsets and networking and communications products. In addition, we have sales and marketing offices worldwide.

As of the end of fiscal 2010, the majority of our microprocessors were manufactured on 300mm wafers using our 32nm process technology. In the second half of 2011, we expect to begin manufacturing microprocessors using our 22nm process technology. The benefits of moving to each succeeding generation of process technology can include using less space per transistor, reducing heat output from each transistor, and/or increasing the number of integrated features on each chip. These advancements can result in microprocessors that are higher performing, consume less power, and/or cost less to manufacture. For more information about our products, customers, and operations, see the Intel 2010 Annual Report and Form 10-K.

Intel Operating Segments as of Year-end 2010

Operating Segment	Description
PC Client Group	Delivering microprocessors and related chipsets and motherboards designed for the notebook and desktop (including high-end enthusiast PCs) market segments; and wireless connectivity products.
Data Center Group	Delivering microprocessors and related chipsets and motherboards designed for the server, workstation, and storage computing market segments; and wired network connectivity products.
Other Intel Architecture Group	
Intel Mobile Communications	Delivering mobile phone components such as baseband processors, radio frequency transceivers, and power management chips.
Embedded and Communications Group	Delivering microprocessors and related chipsets for embedded applications.
Netbook and Tablet Group	Delivering microprocessors and related chipsets for the netbook and tablet market segments.
Digital Home Group	Delivering Intel architecture-based products for next-generation consumer electronics devices.
Ultra-Mobility Group	Delivering low-power Intel architecture-based products for the next-generation handheld market segment.
Software and Services Group	
McAfee	Wholly owned subsidiary delivering software products for endpoint, system, consumer, and network security; and risk and compliance.
Wind River Software Group	Wholly owned subsidiary delivering device software optimization products to the embedded and handheld market segments, serving a variety of hardware architectures.
Software and Services Group	Delivering software products and services that promote Intel architecture as the platform of choice for software development.
All Other	
Non-Volatile Memory Solutions Group	Delivering advanced NAND flash memory products for use in a variety of devices.
Corporate	Revenue, expenses, and charges such as: a portion of profit-dependent compensation and other expenses not allocated to the operating groups; divested businesses and the results of seed businesses that support our initiatives; and acquisition-related costs, including amortization and any impairment of acquisition-related intangibles and goodwill.

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

Countries with More Than 50 Employees[1]

Location	Activities	Employees	Location	Activities	Employees
Argentina	SD, SM	179	South Korea	SD, SM	123
Belgium	OS, SM	60	Malaysia	A, L, SM, SY	9,109
Brazil	OS, SM	147	Mexico	C, OS, R, SM	541
Canada	R, SD, SM	108	Netherlands	L	178
China	A, C, F[2], OS, R, SD, SM	7,302	Poland	OS, R, SM	527
Costa Rica	A, OS	2,701	Russia	OS, R, SD, SM	923
France	C, OS, SM	226	Singapore	OS, SM	150
Germany	C, R, SD, SM	422	Spain	R, SM	76
Hong Kong	OS, SM	175	Sweden	R, SM	58
India	OS, R, SD, SM	2,614	Taiwan	OS, R, SM	553
Ireland	F, L, OS, R, SD, SM	2,531	United Kingdom	C, OS, SM	738
Israel	C, F, OS, R, SD, SM	5,696	United States	A, C, F, L, OS, R, SD, SM	43,759
Japan	OS, R, SD, SM	525	Vietnam	A[2]	500

A Assembly and Test **C** Communications **F** Fabrication **L** Logistics **OS** Other Support **R** Research and Development **SD** Software Design **SM** Sales and Marketing **SY** Systems Manufacturing

[1] As of December 31, 2010. [2] Our wafer fabrication facility in Dalian, China and our assembly and test facility in Vietnam both began operations in 2010.

Intel is headquartered in Santa Clara, California and incorporated in the state of Delaware. We have over 300 facilities located in more than 50 countries.

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Strategy and Management Approach

At Intel, corporate responsibility is not separate from our business; it is a core part of our global strategy and helps us create long-term business value. Our approach to corporate responsibility is rooted in our unwavering commitment to ethics, transparency, collaboration, and innovation.

1 2 3

Mouse over numbers to see more images.

10

Number of corporate responsibility reports Intel has published

›80

Awards and recognitions received for our corporate responsibility performance in 2010

3

Number of years that we have linked a portion of every employee's compensation to environmental metrics

Key Corporate Responsibility Links

Corporate Responsibility at Intel

Intel Values

Awards and Recognitions

UN Global Compact Communication on Progress

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An Integrated, Strategic Approach

By incorporating corporate responsibility into our strategy and objectives, we manage our business more effectively and identify ways to apply our technology and expertise to benefit the environment and society and create shared value. Our focus on responsible business practices helps us mitigate risks, reduce costs, protect brand value, and identify new market opportunities.

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

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

Our Global Strategy

Our vision is to create and extend computing technology to connect and enrich the lives of every person on earth. The number and variety of devices connected to the Internet are growing, and computing is becoming an increasingly personal experience. End users value consistency across devices that connect seamlessly and effortlessly to the Internet and to each other. We will help to enable this experience by innovating around three pillars of computing: energy-efficient performance, connectivity, and security. To meet these objectives, we are using our core assets: our silicon and process technology, our architecture and platforms, our global presence, our strong relationships across the industry, and our brand recognition. We rolled out the 2010 update of our vision and strategy for our employees through a campaign that included videos from our senior leaders, training materials, and intranet communications.

Intel's Vision and Global Strategy

Our vision is to create and extend computing technology to connect and enrich the lives of every person on earth, by focusing on the following key strategic objectives:

- **Grow the PC and data center business with new users and uses.** Extend Intel's PC platform leadership and develop exciting innovations to deliver new user experiences; and lead the transformation to open data centers and cloud computing.
- **Extend Intel solutions into adjacent markets.** Transform the embedded industry with Intel® architecture (IA) in new market segments; and launch and ramp IA solutions in smartphones, tablets, smart TVs, and vehicles.
- **Create a continuum of personal computing.** Expand IA differentiation with new capabilities across devices; excite leading software developers to create the best user experiences and applications on IA; and deliver new usage models with multi-communications connectivity.
- **Care for our people and the planet, and inspire the next generation.** Cultivate a workplace where employees can thrive both on the job and in their communities; develop technology solutions to address major global problems while reducing our environmental impact; and accelerate education transformation worldwide through technology, program, and policy leadership.

Since 2008, to drive clarity and focus on our global strategy, Intel leaders created a one-page corporate strategy document. The strategy was updated in 2010, and corporate responsibility is again a key component of our approach.

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

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Management and Decision-Making

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

Intel's Board of Directors—specifically the Board's Corporate Governance and Nominating Committee—provides oversight for corporate responsibility and sustainability issues at Intel. Our global Corporate Responsibility Office acts as an internal business advisor to a number of groups and cross-functional Management Review Committees (MRCs), which manage corporate responsibility and sustainability activities across the organization.

Corporate Responsibility Management Structure

CEO and Board-Level Oversight	The Board of Directors' Corporate Governance and Nominating Committee receives briefings from our Corporate Responsibility Office twice a year, in addition to updates on specific corporate responsibility issues as needed. Our CEO receives regular corporate responsibility updates from executive management.
Management Review Committees (MRCs)	MRCs bring together senior executives from across the company to review performance and set strategy in specific areas. For example, our Corporate Responsibility MRC reviews emerging issues across a range of focus areas, and our Eco-MRC reviews Intel's approach to environmental management.
Business Group and Cross-Functional Teams	Multiple business groups have dedicated teams that address corporate responsibility issues within their organizations, helping to develop plans and set goals in support of Intel's overall strategy and objectives. Those groups include, but are not limited to, Environmental Health and Safety, Eco-Technology Program Office, Ethics and Compliance Program Office, Corporate Affairs, Global Public Policy, Human Resources, Corporate Diversity, Supply Chain, and Information Technology. In addition, cross-functional teams coordinate efforts that span business groups. For example, our Eco-Stakeholder Council brings together representatives from across Intel to develop clear and consistent strategies for improving our environmental performance and engaging employees.

We have long believed that a strategic and integrated approach to corporate responsibility and sustainability results in clear benefits for both our company and our stakeholders. In recent years, investors have been increasingly interested in the connection between corporate responsibility performance and the creation of business value.

We have engaged in a number of planning sessions and have also discussed this topic externally with investors and research organizations. Working with a team from our corporate finance organization, we developed a framework and supporting finance tools to better assess how corporate responsibility factors create business value and to further integrate these factors into our decision-making. Our focus on designing products with improved energy-efficient performance helps us meet new customer needs and indentify market expansion opportunities; our investments in energy efficiency in our operations help us reduce our emissions and energy costs; and our training, diversity, and benefits programs enable us to attract and retain a talented workforce.

Integrated Value Framework

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

Integrating corporate responsibility and sustainability into our business and decision-making creates value for Intel in four main ways, as 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. We will continue to refine this framework, which was based on a number of external frameworks, including one from McKinsey and Boston College Center for Corporate Citizenship.

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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 valuable, ongoing feedback on our performance and strategy. In addition to face-to-face meetings, we generate discussion through web tools and social media. We maintain an e-mail account on our Corporate Responsibility web site that enables stakeholders to share their issues, concerns, and comments directly with members of our corporate responsibility team. Through this account, we receive and respond to hundreds of messages each year on a wide variety of topics.

In addition, we have an external CSR@Intel blog, where members of our corporate responsibility team and leaders across Intel discuss their views and opinions, and receive and respond to comments made by other blog participants. In 2010, we continued to expand our use of other social media channels, such as Twitter, to reach new audiences with information on our corporate responsibility performance.

For more than 10 years, we have completed an annual "SRI road trip" to meet with leading environmental, social, and governance research firms and socially responsible investors (SRIs) to review our Corporate Responsibility Reports, gain a better understanding of emerging issues, help set priorities, and gather feedback on our performance. In 2010, we met with representatives of more than 20 firms in three cities. Key discussion topics included: water conservation, political accountability, conflict minerals and supply chain responsibility, and reporting best practices.

We also held a stakeholder panel to gain input for the development of our 2020 environmental goals. This session, convened by Business for Social Responsibility, included investors, peer companies, and representatives from non-governmental organizations. Priority issues identified in this session included: water, climate change and energy conservation, transparency and reporting, supply chain responsibility, and using Intel technology to address environmental challenges. Feedback from these meetings has informed improvements in our reporting and goal-planning processes.

We work with community stakeholders to consider the impact of our operations at all phases: entering, operating, and exiting. When entering a community, we work with third parties to conduct needs assessment studies to prioritize our community engagement activities. We also begin working with community organizations to develop programs and initiatives prior to commencing operations. When making the difficult decision to close a facility, we try to minimize the impacts on employees and the local community by collaborating with local officials and providing severance packages and job search support for employees.

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 (usually completed by third parties). CAP members provide constructive input on a broad range of issues, such as education, environmental impact, health and safety, and emergency response and management.

For example, the Intel New Mexico Community Environmental Working Group (CEWG) meets monthly to discuss concerns about Intel's environmental impact. The CEWG is chaired by John Bartlit, chairman of New Mexico Citizens for Clean Air and Water, and is facilitated by a third party. CEWG meeting minutes and agendas for the last six years are posted on the CEWG web site. In 2010, we also conducted third-party-administered community focus groups and surveys to understand the concerns and priorities of the local community. In early 2011, we launched a pilot in New Mexico for a new transparency web site, "Explore Intel," which provides real-time disclosure, monitoring, and videos for the local community. The web site also features a blog and e-mail account where community members can engage with our environmental managers.

Stakeholder Engagement Activities

Stakeholders	Tools and Processes	Benefits and Results
Employees		
	Open-door policy designed to give employees access to management at all levels.	Multiple processes support direct communication up and down the organization. OHS results allow us to track our performance in key areas and identify gaps on a regular cadence. For more detail, see the Workplace section of this report.
	Employee surveys, including our Organizational Health Survey (OHS).	
	Circuit News, our daily intranet "newspaper," which includes direct feedback tools.	
	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 Intel employees' annual variable compensation is tied to CEP results.	Objective customer feedback enables us to identify areas for improvement. In 2010, 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.	
Suppliers		
	Intel's Supplier Site.	Setting consistent expectations for our suppliers reduces risk and improves efficiency across our supply chain. In this year's report, based on stakeholder feedback and benchmarking research, we have provided additional detail in the Supply Chain section.
	Intel Supplier Day conference, which brings together hundreds of our top suppliers for training.	
	Participation in the Electronic Industry Citizenship Coalition (EICC).	
Communities		
	Community advisory panels and working groups, two-way forums where community members and Intel representatives collaborate to address community issues and concerns. Community perception surveys and needs assessments conducted as needed.	Maintaining an open dialogue with our communities has allowed us to build positive and constructive relationships at the local level. For more detail on our community engagement activities, see the Contributions to Society section of this report.
	Intel Community web site, which includes feedback mechanisms.	
	Placement of Intel employees on local nonprofit boards and commissions.	
	Extensive working relationships with educators and educational institutions worldwide, and third-party evaluations of our education programs.	

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Stakeholder Engagement Activities (continued)

Stakeholders	Tools and Processes	Benefits and Results
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 2010, we adopted a new Intel Water Policy. We amended the charter of the Board's Corporate Governance and Nominating Committee (which already included reference to corporate responsibility) to include language clarifying that the committee is responsible for reviewing sustainability issues.
	Timely interaction with investors and research firms through e-mail exchanges, conference calls, and detailed investor surveys.	
	Online stockholder forum, launched in 2009, 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 Policy Makers		
	Active engagement in policy and legislative efforts worldwide through individual discussions and exchanges with joint industry and government committees.	Our efforts in policy development foster credible, trustworthy relationships; strengthen regard for Intel as a valued corporate citizen; and create a supportive public policy environment. For more information, see "Public Policy and Advocacy" in this report.
	Intel Global Public Policy and Intel Corporate Affairs working with policy makers.	
	Policy@Intel web site and blog.	
Non-Governmental Organizations (NGOs)		
	Issues meetings, formal dialogues and projects, and multi-sector efforts.	Intel's interactions with NGOs promote mutual understanding on environmental issues, regional education priorities, technology options and solutions for developing countries, supply chain management issues, and other topics. Details on our collaborations with NGOs in our main corporate responsibility focus areas are covered in other sections of this report.

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Corporate Responsibility Materiality Analysis

Identify

Identify issues from a wide range of stakeholders and sources.

Primary Sources

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

Issues

- Climate change
- Water conservation
- Air emissions/quality
- Education
- Fair compensation
- Stock price performance
- HIV/AIDS
- Antitrust
- Health concerns related to wireless technology
- Energy
- Nanomaterials
- Labor unions
- Materials restrictions
- Employee health
- Privacy
- Political contributions
- Taxes/incentives
- Diversity
- E-waste
- EHS/human rights in the supply chain
- Extractives sourcing concerns
- Human right to water

Prioritize

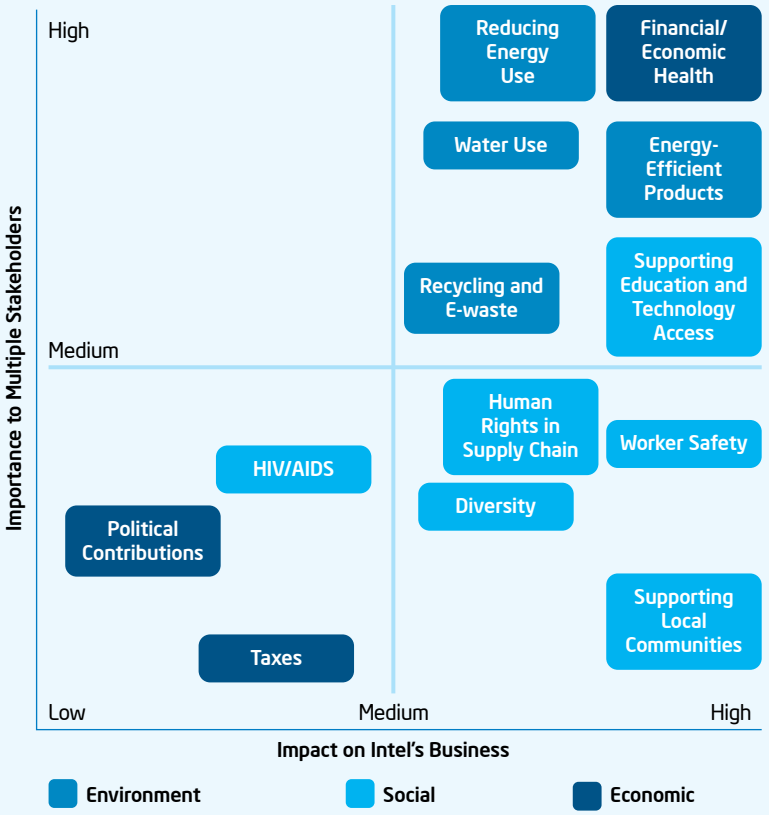
Use a consistent set of filters to determine the significance of each issue and develop a list of the most material issues.

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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Sustainability Trends: Key Challenges and Opportunities

Climate change, water, education, labor standards, and supply chain responsibility are among the major sustainability areas that present challenges and opportunities for Intel.

Climate Change and Energy Efficiency

As impact 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, with the goal of a 20% reduction in absolute emissions by 2012 from 2007 levels, 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 smart grids and home energy management systems.

Water Use

Sustainable water management is a key focus at Intel and is increasingly important to our external stakeholders. Intel has developed innovative water conservation solutions that we share with local governments and other companies. Still, we continue to face challenges in reducing our water use as our manufacturing processes become more complex. We have expanded our disclosure on our water use and conservation efforts, and continue to engage with external organizations to understand emerging best practices. In addition, in early 2010 we adopted a new water policy that reinforces our commitment to conservation and to the respect for the human right to water.

Education Transformation and the Digital Divide

Global economic health and Intel's success depend on young people having access to a 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.

Recycling and Electronic Waste

In 2010, we continued to recycle a significant percentage (over 75%) of the solid and chemical waste generated in our operations. However, in the past three years, our chemical waste on a per chip basis has increased, despite our reduction and recycling efforts. In recent years, companies have also been increasing their efforts to manage electronic waste (e-waste). Intel's products are sold primarily to original equipment manufacturers (OEMs) and other companies that produce finished products. While our components are not typically subject to recycling or e-waste laws, we work with OEMs, retailers, and others to identify shared solutions for end-of-life product management and address this challenge.

Labor Standards and Supply Chain Responsibility

In our industry and others, companies are taking a more active role in pushing for improvements in the labor and safety practices of their suppliers. We have engaged with other companies to promote collaboration and shared processes for accountability in the electronics supply chain. We have also taken steps in the past year to promote transparency and accountability in our supply chain, such as disclosing our top suppliers, increasing the number of completed assessments and audits, and proactively working with our gold, tantalum, tin, and tungsten suppliers to address significant challenges related to the traceability of conflict metals in the Democratic Republic of the Congo.

Workforce Diversity

In recent years, we have significantly improved the diversity of our workforce in a number of key categories, including increasing the number of women at the vice president level by 24% since 2004. The overall percentage of women in our global workforce, however, has remained relatively flat over the past five years. 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 initiatives such as global education and scholarship programs aimed at building the talent pipeline in engineering and technical disciplines.

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Performance Summary

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

Key Indicators						
Economic		**2010**	**2009**	**2008**	**2007**	**2006**
Net revenue (dollars in billions)		$43.6	$35.1	$37.6	$38.3	$35.4
Net income (dollars in billions)		$11.5	$4.4	$5.3	$7.0	$5.0
Provision for taxes (dollars in billions)		$4.6	$1.3	$2.4	$2.2	$2.0
Research and development spending (dollars in billions)		$6.6	$5.7	$5.7	$5.8	$5.9
Capital investments (dollars in billions)		$5.2	$4.5	$5.2	$5.0	$5.9
Environment						
Greenhouse gas emissions (million metric tons of CO_2 equivalent)[1]		2.12	2.05	2.75	3.85	4.02
Energy use (million kWh—includes electricity, gas, and diesel)		5,192	5,113	5,649	5,757	5,793
Total water withdrawn (millions of gallons)		8,152	7,923	7,713	7,517	7,651
Chemical waste generated (tons)		31,265	24,665	28,486	23,260	29,951
Chemical waste recycled/reused		75%	71%	84%	87%	64%
Solid waste generated (tons)		51,345	44,484	83,822	58,746	60,917
Solid waste recycled/reused		83%	80%	88%	80%	74%
Social						
Workplace	Employees at year end	82,500	79,800	83,900	86,300	94,100
	Women in global workforce	28%	28%	29%	29%	30%
	Investments in training (dollars in millions)	$254	$267	$314	$249	$380
	Safety—recordable rate[2]	0.56	0.48	0.46	0.48	0.43
	Safety—days away case rate[2]	0.11	0.11	0.12	0.13	0.11
	Organizational Health Survey scores—"proud to work for Intel"	85%	82%	83%	75%	—[3]
Supply Chain	Supplier self-assessments and audits completed	756	574	358	—[3]	—[3]
Society	Employee volunteerism rate	48%	38%	54%	38%	38%
	Worldwide charitable giving (dollars in millions)[4]	$126	$100	$102	$109	$96
	Charitable giving as percentage of pre-tax net income	0.8%	1.8%	1.3%	1.2%	1.4%
	Teachers trained through Intel® Teach Program (millions, cumulative)	9	7	6	5	3.9

[1] Including renewable energy credit purchases. [2] Rate based on 100 employees working full time for one year. [3] Information not available for this year.
[4] Includes total giving (cash and in-kind) from Intel Corporation and the Intel Foundation.

Corporate Responsibility Goal Summary

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

Goals		
Report Section	**2010 Performance to Goals**	**Goals for 2011 and Beyond**
Environment	At the beginning of 2008, we set new five-year goals related to global-warming emissions, energy, water use, waste reduction, recycling, and product energy efficiency. While we have achieved significant reductions in emissions and energy, we have faced challenges in areas such as water conservation and chemical waste. We are at risk for not meeting our chemical waste generation goal.	In 2011, we will continue to work toward achieving our 2012 environmental goals, with a targeted focus on energy and water conservation, and identifying new ways to reduce the generation of chemical waste.
Workplace	We continued to improve our performance in organizational health, as measured by our employee Organizational Health Survey. We partially achieved our 2010 diversity goal. Although the overall percentage of women in our global workforce remained flat, we saw gains in the number of women in senior leadership roles. Our safety performance continued to be world-class compared to industry benchmarks. However, we did not meet our aggressive goal for our recordable rate.	We will continue to drive key improvements in diversity and hire at full availability for technical under-represented minorities and women. We will also focus on improving our organizational health as measured by our employee Organizational Health Survey. In the area of workplace safety, we will continue to work toward improving early reporting of injuries and drive further reductions in our recordable rate.
Supply Chain	We made significant progress in integrating corporate responsibility factors into our supplier management systems. We met our supplier diversity goal and increased the number of risk assessments and third-party supplier audits completed. We made significant progress on our efforts to address the issue of conflict minerals in the supply chain.	In 2011, we will continue to work to improve assessment and audit processes and have committed to complete a minimum of 50 audits in 2011. We will also continue to focus on supplier diversity and further integrating corporate responsibility factors into our processes and systems.
Society	Our global volunteer rate exceeded our 40% goal, at 48%. The total number of volunteer hours remained strong, at over 1 million hours, and we saw an increase in our skills-based volunteer hours. We met our impact targets for the Intel® Teach Program and Intel® Learn Program, and expanded Intel's reach and impact with the addition of the new Intel® Teach Elements curriculum. We also met our goal of completing 100,000 PC donations to jump-start education programs in developing markets.	We will deepen the impact of our Intel Involved program through a new engagement campaign called "I'm In." For 2011, we will continue our work to advance education transformation through strategic collaborations and development of technology solutions. We will also continue to expand our entrepreneurship programs and initiatives to improve education opportunities for girls and women, and promote social innovation by empowering people to use technology to solve social programs.

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Awards and Recognitions

Third-party recognition gives us valuable feedback on our programs and practices, and helps us drive continuous improvement over time. Below is a selection from more than 80 corporate responsibility awards and recognitions that Intel received in 2010. For more information, visit our Awards and Recognitions web site.

2010 Selected Awards and Recognitions

Overall Corporate Responsibility	▪ **Dow Jones Sustainability Indexes.** Listed on North America and World indexes (12th year) ▪ **Corporate Knights.** Global 100 Most Sustainable Corporations in the World (6th year) ▪ **Fortune magazine.** World's Most Admired Companies (1st in CSR in our industry) and Blue Ribbon Companies lists ▪ **CRD Analytics and Justmeans.** Global 1000 Sustainable Performance Leaders (8th overall) ▪ **FTSE Group.** Listed on the FTSE4Good Index (10th year) ▪ **Covalence.** Ethical Ranking 2010 (2nd overall) ▪ **Corporate Responsibility magazine.** 100 Best Corporate Citizens 2010 (2nd overall) (U.S.) ▪ **Corporate Citizenship Committee.** Five-Star Best Corporate Citizenship Award (China) ▪ **MAALA Corporate Responsibility Index.** Platinum rating (7th year) (Israel) ▪ **Boston College and Reputation Institute.** 2010 Corporate Social Responsibility Index (12th overall) (U.S.)
Environment	▪ **Newsweek.** 2010 Top 500 Green Companies in America (5th overall) ▪ **U.S. EPA.** A Green Power Partner of the Year (3rd consecutive year) (U.S.) ▪ **Computerworld.** Top IT Green Vendors 2010 (global) ▪ **Korea Ministry of the Environment.** Environmental Excellence Award ▪ **International Charter.** Committed to the Environment Award (global)
Business/Workplace	▪ **Bloomberg Businessweek magazine.** World's Most Innovative Companies (12th overall) ▪ **Fortune magazine.** Best Companies to Work For 2010 (U.S.) ▪ **Great Place to Work (GPTW) Institute.** Top Ten Employers in Argentina ▪ **Hewitt Associates.** Best Employers in Poland ▪ **Epoca Magazine.** Most Admired Companies in Brazil ▪ **The Marker magazine.** 50 Best Companies to Work For in Israel ▪ **GPTW Institute and The Economic Times.** India's Best Companies to Work For 2010 ▪ **Working Mother magazine.** 100 Best Companies for Working Mothers (U.S.) ▪ **Human Rights Campaign.** Corporate Equality Index (8th year with perfect score) (U.S.) ▪ **National Business Group on Health.** Best Employers for Healthy Lifestyles–Platinum level (U.S.) ▪ **National Insurance Institute.** Preventico Award for Workplace Safety (Costa Rica) ▪ **NISO/NISG Organizational Health and Safety Awards.** Distinction Award (Ireland) ▪ **AMR Research.** Top 25 Supply Chains (global)
Society	▪ **Points of Light Institute.** 2010 Engagement Award of Excellence (U.S.) ▪ **Committee Encouraging Corporate Philanthropy.** Chairman's Award (U.S.) ▪ **China Ministry of Education.** Outstanding Contribution to China Education Award (7th year) ▪ **National Governors Association.** Public-Private Partnership Award (U.S.) ▪ **Colombia Ministry of Education.** Simon Bolivar Medal ▪ **Mexican Institute of Philanthropy (CEMEFI).** Best Practices Award for CSR in Education ▪ **National Council for Youth.** Recognition for Intel® Learn Program (Egypt) ▪ **Vietnam Ministry of Education.** Recognition Award for Intel® Teach Program ▪ **Global View magazine.** CSR Role Model Award in Education (Taiwan) ▪ **Korea Economic Daily.** Grand CSR Award (for Intel's education programs)

Financial Performance and Economic Impact

Intel reported its best financial results ever in 2010. Strong growth in the business and consumer PC market segments, the continued build-out of the data center, the leadership of our product portfolio, and improvements to our cost structure all contributed to making 2010 the most profitable year in our history.

Mouse over numbers to see more images.

1 2 3

$43.6 Billion

Intel revenue in 2010

80%

Percentage of revenue from outside the Americas

>80 Million

Number of Intel® Atom™ processors shipped into netbook market segment as of year-end 2010

Key Financial Performance and Economic Impact Links

Intel 2010 Annual Report and Form 10-K

Intel Investor Relations

Intel® Products

Technology Leadership

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2010 Financial Performance

2010 was a record year for Intel. Broad-based demand for our products across all regions and market segments continued, contributing to revenue of $43.6 billion, up 24% compared to 2009.

Operating income for 2010 rose to $15.6 billion, net income to $11.5 billion, and earnings per share to $2.01. Our continued focus on factory reuse and efficiency drove costs down again in 2010, helping to increase our gross margin to a record 65%. The cash-generating power of our business was evident in 2010, with $16.7 billion of cash from operations. Our total dividend payout for the year was $3.5 billion.

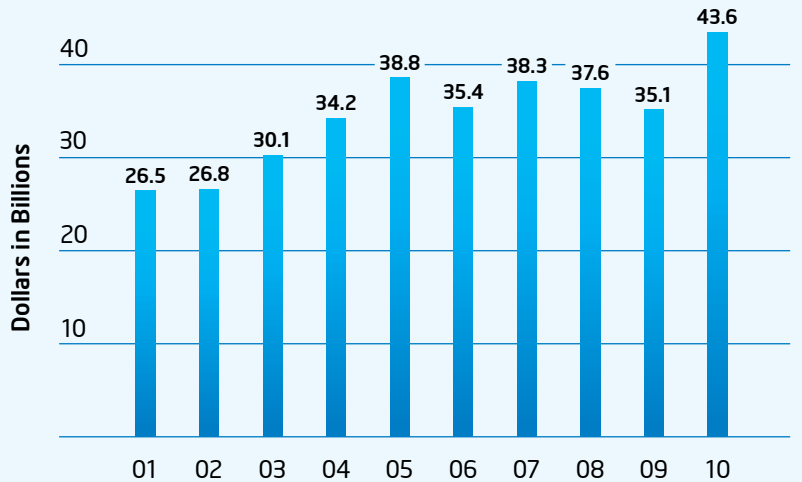
2010 marked the first year in which more than 1 million PCs were sold per day, and for the year the PC segment grew approximately 17% worldwide. Part of that growth is driven by the increasingly "personal" nature of PCs, which is causing a shift from one PC per household to one or more PCs per person in many mature markets. PC growth also continues at a strong pace in most emerging markets. As millions more people join the global online community, demand for high-performance servers continues to increase. In 2010, we delivered Intel® Xeon® processors and Intel® Itanium® processors that give servers significantly higher performance as well as new reliability and security features, helping to boost our Data Center Group revenue 35% over 2009.

The computing landscape is changing. New categories of compute devices such as smartphones, smart TVs, tablets, in-vehicle systems, and more are connecting to the Internet and becoming more intelligent. Intel is aggressively pursuing opportunities to expand our business in new device categories with the Intel® Atom™ processor family. We closed 2010 with 1,700 design wins for embedded Intel Atom processors and over 4,900 total design engagements in the embedded market segment. Our products are also being designed into more than 35 tablets, many of which are expected to launch in 2011. In 2010, we also introduced nine products for the smart TV market segment, for televisions, Blu-ray* players, and set-top boxes.

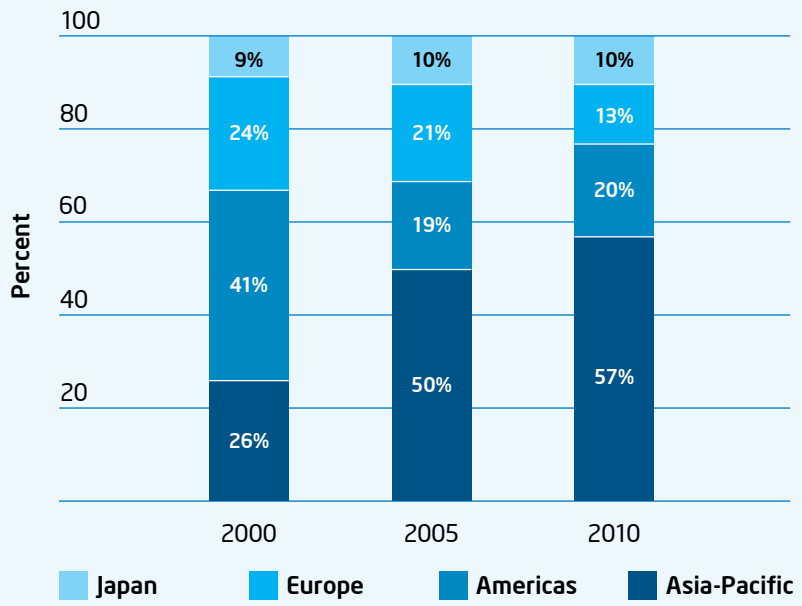
Past performance does not guarantee future results.

We are committed to investing in world-class technology development, particularly in the design and manufacture of integrated circuits. Our research and development (R&D) expenditures in 2010 were $6.6 billion, and our capital expenditures were $5.2 billion. Investments such as these help Intel maintain its position as the most advanced semiconductor manufacturer in the world.

Net Revenue



Geographic Breakdown of Revenue



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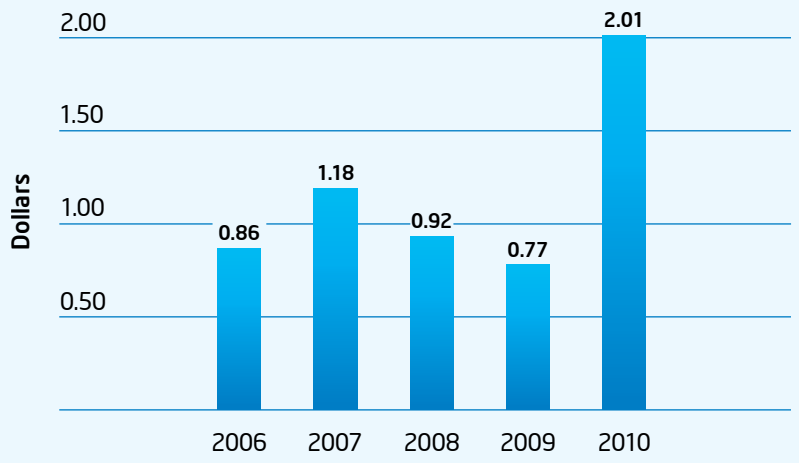
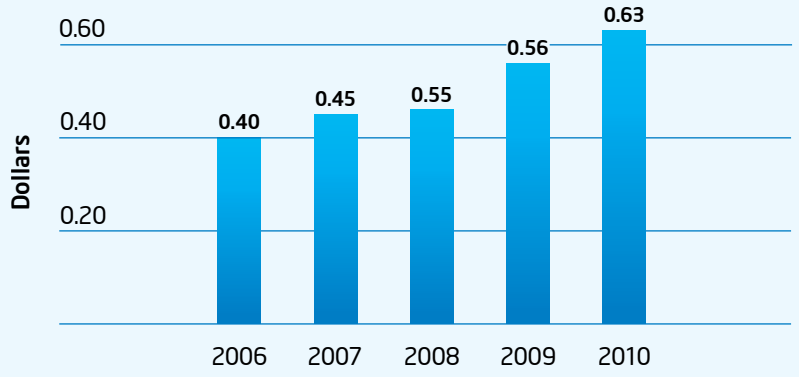
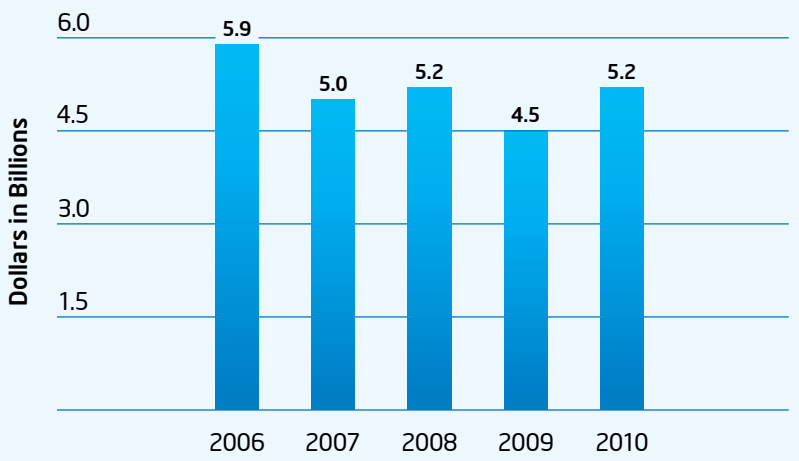
Diluted Earnings Per Share



Dividends Per Share Paid



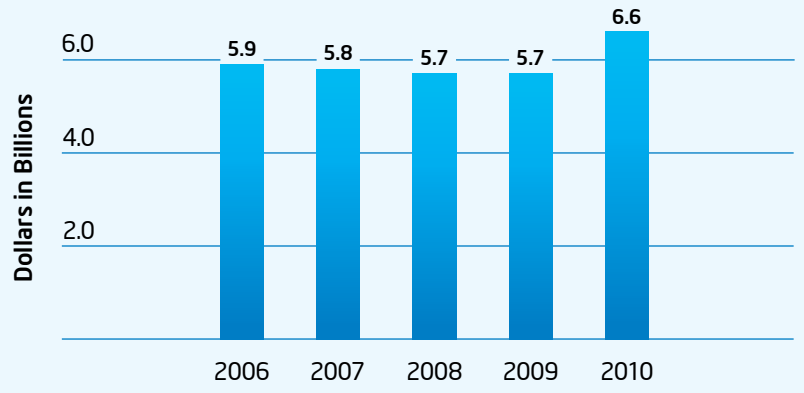
Capital Additions to Property, Plant and Equipment



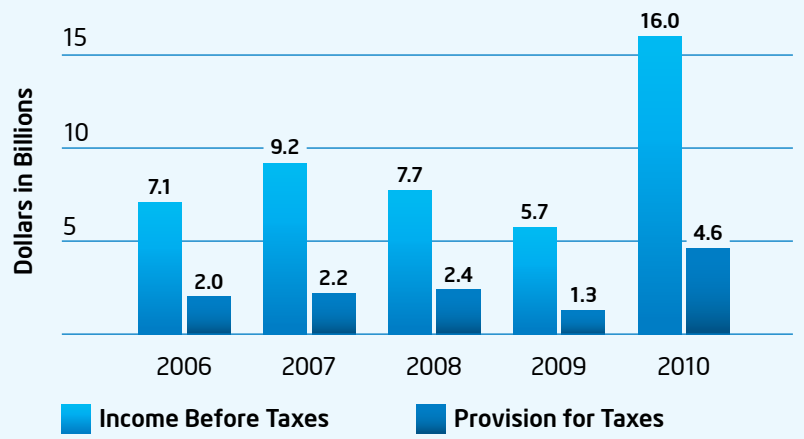
"2010 was a year for the record books. Our revenue, operating profit, net income, and gross margin were all the highest in Intel's history. Growth opportunities, our strong product lineup, and our industry lead in manufacturing process technology give me confidence that 2011 will be even better."

Paul S. Otellini, President and Chief Executive Officer

Research and Development



Income Before Taxes and Provision for Taxes



For more information on our financial performance, products, customers, technologies, opportunities, and key challenges, see the Intel 2010 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.

Investing in the Innovation Economy

Even during the strained economic climate of the last few years, Intel has continued to invest, stimulating economic and job growth. In February 2009, we announced a $7 billion upgrade to our manufacturing facilities in Oregon, Arizona, and New Mexico—projects that are helping to maintain approximately 7,000 high-wage, high-skilled U.S. jobs while providing 4,000 contract jobs for technicians and construction workers. In 2010, we announced that we would spend an additional $6 billion to $8 billion over the next several years to bring next-generation manufacturing technology to several existing factories across the U.S. and to build a new development factory in Oregon. This investment will support approximately 6,000 to 8,000 additional U.S. construction jobs during the building phase, and will eventually add up to 1,000 Intel jobs.

In February 2011, in conjunction with U.S. President Barack Obama's visit to our Oregon site, Intel President and CEO Paul Otellini announced additional Intel investments in the U.S., including plans to hire 4,000 U.S. employees during 2011 and to build a new $5 billion high-volume manufacturing facility in Arizona. The Arizona project, scheduled for completion in 2013, will result in thousands of construction and full-time manufacturing jobs. In conjunction with the announcement, President Obama named Otellini to serve on the President's Council on Jobs and Competitiveness.

Intel's global investment organization, Intel Capital—one of the largest venture capital organizations in the world—seeks out and invests in promising technology companies. Since 1991, Intel Capital has invested over $9.8 billion in more than 1,100 companies. In 2010, Intel Capital made 119 investments, for a total of about $327 million, with approximately 56% going to companies in the U.S. and Canada.

With support from other corporations and venture capital firms, Intel is leading the Invest in America Alliance, an initiative to support investment in U.S.-based, growth-oriented industries. As part of the alliance, launched in 2010, Intel and 17 other technology and corporate leaders have committed to increase their hiring of college graduates, a group whose unemployment rate has been significantly higher than the national average. The Invest in America Alliance also includes a commitment from Intel Capital and 24 venture capital firms to invest $3.5 billion in U.S.-based technology companies over a two-year period. These investments include a $200 million Intel Capital Invest in America Technology Fund, which targets key innovation and growth segments, such as clean technology, information technology, and biotechnology. Intel Capital has already invested the original $200 million commitment, and in early 2011 pledged to invest an additional $200 million in U.S. technology companies in support of a new White House initiative, Startup America. Intel Capital has also joined the Startup America Board of Advisors.

Intel provides resources and hosts events for small and medium-sized businesses to help them scale their operations using technology. For example, in 2010, Intel Israel hosted the Local Small Business Conference for some 150 businesses from southern Israel. In China, our local teams worked with others to host sessions on intellectual property training for small and medium-sized Chinese companies to help support innovation. We also announced the expansion of our Digital Transformation Initiative in the Middle East, which focuses on improving education, supporting start-up companies in the high-tech sector, and building opportunities for R&D in the region.

Evaluating Our Impact

We periodically conduct local assessments to better understand Intel's direct and indirect economic impact on the communities where we operate. These assessments have been important resources in discussions with local stakeholders and governments about long-term community viability, including but not limited to our two largest operating sites, Intel Oregon and Intel Arizona.

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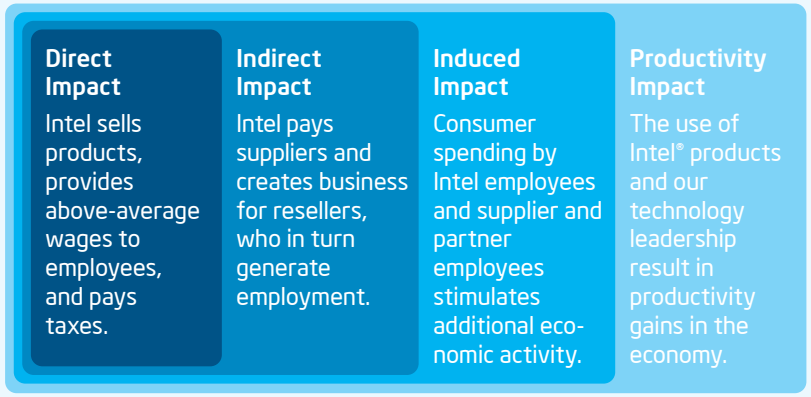
- **Intel Oregon.** With over 15,000 employees, Intel Oregon is our largest site. It had a payroll of $1.8 billion in 2010, making it the state's largest private employer. Intel Oregon is also the largest property tax payer in Washington County, with payments of approximately $28 million a year. Since first acquiring property in Oregon in 1974, Intel's capital investments in the state have exceeded $20 billion, and additional investments are planned. Intel, Intel Foundation, and Intel employee investments in local education and community giving exceeded $2 million in 2010.
- **Intel Arizona.** In 2010, Intel employed approximately 9,700 employees at our sites in Chandler, Arizona. Since 1996, Intel has invested more than $12 billion in high-tech manufacturing capability in the state and spends over $450 million each year on R&D. Intel contributes more than $2.6 billion in economic impact to Arizona, including over 20,000 non-Intel jobs that result from our operations in the state. In 2010, more than 4,000 Intel Arizona employees volunteered in the local community, resulting in over $1 million in matching grants from the Intel Foundation to area schools and nonprofit organizations. In addition, through our annual Intel Community Giving campaign, Intel Arizona employees donated $4.2 million in 2010, resulting in a total contribution of $7.2 million for qualified schools and nonprofit organizations, including $3 million in matching funds from the Intel Foundation.

Intel's non-U.S. sites also significantly impact the economies of countries around the world. For example, our operations in Costa Rica have provided more than 2,800 jobs and support for local industries such as electronics and construction. Our economic impact on Costa Rica has also been a catalyst for direct investments from other countries.

In 2008, we commissioned IHS Global Insight to conduct an independent study of Intel's 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.

Four Layers of Economic Impact



This illustration was adapted from an IHS Global Insight report graphic. To create the assessment, IHS Global Insight used the IMPLAN methodology, an industry-standard approach for determining the economic ripple effect caused by the production of a product or service.

The study found that between 2001 and 2007, Intel contributed $758 billion to the U.S. gross domestic product (GDP). Of this total, $458 billion was stimulated by Intel's operations, and $300 billion was attributable to our productivity-based impact. The study also revealed that Intel contributed $247 billion (€177 billion) to the European Union GDP over the 2001–2007 period. Of this total, $28 billion (€20 billion) came from the operations of Intel and its extended ecosystem, and $219 billion (€157 billion) from productivity-based gains.

We also recognize the impact that Intel's investments in education have in helping countries advance economic development and improve competitiveness. In addition, we have published white papers examining the economic impact of broadband Internet connectivity in developing nations, strategic ICT spending, and e-Learning environments. For more information, see the Contributions to Society section of this report.

Governance, Ethics, and Public Policy

"Conduct business with uncompromising integrity and professionalism." This statement, part of the formal Intel Values, expresses our commitment to upholding the highest standards of corporate governance and business ethics in our day-to-day activities at Intel and in our engagement with external stakeholders. We work continuously to develop a strong culture of trust through open and direct communication, and we are committed to accountability and transparency in our work on public policy issues.

1 2 3

Mouse over numbers to see more images.

90%

Percentage of independent directors on Intel's Board

30%

Percentage of women on our Board at the end of 2010

13

Number of languages in which the Intel Code of Conduct is available

Key Governance Links

Intel Governance and Ethics

Intel Code of Conduct

Human Rights Principles

Intel Public Policy

Competition in the Innovation Economy

Political Accountability Guidelines

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Governance and Ethics

Our corporate governance structure, formal Code of Conduct, and Ethics and Compliance Program help to ensure that we maintain the highest standards of integrity in everything we do.

Our Code of Conduct, Corporate Governance Guidelines, Board of Directors membership, Board committee charters, and Human Rights Principles are available on our Corporate Governance and Ethics web site. Detailed executive compensation information is included in our most recent Proxy Statement.

Corporate Governance

As of the end of 2010, Intel's Board included President and CEO Paul Otellini and nine independent directors. Jane Shaw, a non-executive independent director, assumed the role of Chairman in May 2009. The Chairman presides over all meetings of the Board, independent directors, and stockholders; prepares Board meeting agendas; and manages the Board's process for annual director self-assessment and evaluation of the Board.

Directors are not paid for any service to the company other than their director compensation. We rely on them for their diverse knowledge, personal perspectives, and solid business judgment. They meet individually with senior management, attend and participate in employee forums, and—unaccompanied by senior management—visit Intel sites around the world to assess local issues. A number of directors have expertise and backgrounds in key corporate responsibility areas, including corporate governance, education, and energy efficiency. Director biographies are available on our Biographies web site.

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

Intel received Corporate Secretary magazine's 2010 Corporate Governance Award for most effective shareholder communications, in recognition of our innovative use of technology and social media to promote engagement and transparency. For many years, stockholders who could not attend the Intel annual stockholders' meeting in person have had the opportunity to attend via the Internet. Over the past two years, we have expanded this functionality to allow stockholders to submit questions online prior to the meeting, and to cast votes online during the meeting. View the most recent Intel annual stockholders' meeting.

Intel Corporate Governance at a Glance

- Independent non-executive Chairman of the Board
- Nine of our 10 Board members are independent directors
- All of our Board committees (other than the Executive Committee) are made up of independent directors
- Corporate Governance Guidelines and committee charters are publicly disclosed
- Majority vote practices have been voluntarily adopted
- Board-approved CEO succession plan 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
- 30% of Board directors are female
- Charter dictates Board committee responsibility for corporate responsibility and sustainability issues
- Corporate responsibility and climate change information has been integrated into our annual report
- Employee and executive compensation are linked to corporate responsibility factors

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Intel Code of Conduct

The Intel Code of Conduct guides the behavior of our employees, officers, non-employee directors, and suppliers, and serves as a cornerstone of Intel culture. The Code's business principles and guidelines 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.

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 13 languages, and training sessions incorporate real case scenarios. Employees are encouraged to raise ethical questions and issues, 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.

In 2010, we added a series of questions to our Organizational Health Survey to assess our employees' knowledge of ethics and compliance. Our employees 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.

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. Approximately 16,000 employees were trained on our anti-corruption policies and procedures in 2010. 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 these principles.

Ethics and Compliance Program

Our Ethics and Compliance Program advances a culture of the highest levels of business ethics and legal compliance. The Board reviews implementation of ethics and compliance programs and continuously assesses the integrity of senior management. Intel's CEO sets the tone for our ethical culture and holds the senior management team accountable for addressing ethics and compliance risk; role-modeling ethical behavior and holding their managers accountable; communicating policy and conduct expectations; and overseeing business group ethics and compliance systems.

At the beginning of each year, our CEO communicates with employees and senior managers the importance of ethics and legal compliance. This "tone from the top"—combined with our annual ethics training, regular communications throughout the year, and educational resources on our employee intranet site—help to create an ethical and legally compliant culture.

We maintain distributed responsibility for managing ethics and compliance, with a number of cross-functional teams and leaders in place to drive awareness and accountability throughout the company. Intel's Legal Compliance organization ensures world-class compliance programs for government laws, regulations, and decrees relevant to our global business activities. Our Ethics and Compliance Oversight Committee (ECOC) includes senior representatives from across the company and is chartered by and reports to the Audit Committee of the Board. The ECOC is co-chaired by the Director of Internal Audit and the Vice President, Director of Corporate Legal. Each quarter, the ECOC invites various organizations within Intel to assess and report on ethics and compliance in their respective businesses, and reviews risk topics that span business groups.

Our Ethics and Compliance Program Office is responsible for the day-to-day administration of Intel's Ethics and Compliance Program. Integral to the success of the program are the many Ethics and Compliance Business Champions across the company, who are responsible for advocating and monitoring ethics and compliance within their groups. We also have regional leadership forums that bring managers together to review issues and program effectiveness. Support organizations such as Finance, Audit, Human Resources, and Legal provide expertise to help management and employees execute to the company's ethics and compliance expectations.

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Our 2010 focus areas included: reinforcing a culture in which issues are raised and addressed effectively; promoting ethics and compliance leadership; tracking emerging regulations; and updating our Code of Conduct, policies, and training accordingly. In 2010, our senior management team had in-depth conversations with their staff members on the importance of role-modeling ethical behavior related to the ethics and compliance risks of their business unit.

In 2010, six Intel business groups and one Intel site completed a comprehensive risk assessment review with the ECOC. Business groups monitor their performance (including training, management tone, risk assessment, and more) on a quarterly basis and send the results to the Ethics and Compliance Program Office. The business groups also conduct self-assessments and put in place action plans and training. In 2010, we also implemented an ethics and compliance model for standalone subsidiaries.

In 2010, we launched the Intel Ethics and Compliance Excellence Awards program, which is designed to recognize teams and individual employees for their contributions to Intel's ethical and compliant environment. Award recipients made significant contributions to the development and deployment of our tone and accountability programs, Code of Conduct training and surveys, and risk and controls systems. We also launched a successful internal Ethics and Legal Compliance speaker series and newsletter in 2010. Themes included export compliance, antitrust, anti-corruption, product security, and government contracting.

We maintain a robust process for reporting misconduct, including online reporting channels, and have a non-retaliation policy that we clearly communicate to employees. In 2010, we enhanced communications with employees on available channels for raising issues. From 2008 through the end of 2010, employee use of our "Ask Ethics" portal for answers to ethical dilemmas increased 100%.

Intel's processes for informing senior management and the Board about misconduct issues include periodic reports of overall misconduct statistics, as well as communication of details about key investigations while they are in progress and after they have been completed. A quarterly investigative package is provided to our Ethics and Compliance Business Champions for them to review with the leaders of their respective business groups. The largest categories of verified cases in 2010 included corporate travel card misuse, expense reporting misconduct, falsification of employment credentials, and misuse of assets. Given our commitment to maintaining the highest levels of ethics and compliance, we addressed these concerns at a systemic level through senior management discussions and our employee communications, and corrective action measures at an individual level.

In 2011, as we continue to expand into new markets and businesses, complete acquisitions, and ramp new factories, we will continue to assess risk and execute our training and ethics programs consistently for all current and new employees, to ensure that we demonstrate uncompromised integrity in our actions worldwide.

Antitrust Issues

In May 2009, Intel incurred a $1.45 billion fine as a result of the European Commission's conclusion that Intel had violated competition law in Europe. We believe that the decision was wrong and are appealing it. In 2009, the New York Attorney General filed an antitrust lawsuit against Intel. We disagree with the plaintiff's allegations and claims. We believe that Intel has competed fairly and lawfully, and we intend to conduct a vigorous defense of this lawsuit.

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

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In the spirit of transparency, we created the Competition in the Innovation Economy web site, which includes information and regular updates on these matters. Additional information is also available in the Intel 2010 Annual Report and Form 10-K.

Public Policy and Advocacy

Our goals in working on policy topics are to engage as a trusted advisor, to fully understand different perspectives, and to educate legislators on the effects that regulations have on our industry, customers, and employees.

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

Innovation and Competition

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

Import/Customs. We support customs and trade facilitation policies that foster administrative ease, cost-effectiveness, speedy and barrier-free entry, predictability, fair enforcement, and transparency with respect to exporting and importing products.

Intellectual Property and Patent Reform. Intel depends on sound patent systems worldwide to protect intellectual property (IP) and enable the development and deployment of new technologies. We work to improve the quality and reliability of patents, help new World Trade Organization (WTO) members conform their patent laws to WTO requirements, develop procedures to lower the costs of resolving patent disputes, and ensure that the interests of patent holders and good-faith manufacturers are properly balanced through fair litigation rules.

Tax. Intel supports measures that enhance the ability of innovative companies to compete in the global marketplace and, in turn, produce economic prosperity. Our business is highly cost-conscious and capital-intensive, and the location of our facilities can be substantially affected by the tax and economic development policies of host countries. An increasing share of Intel's revenue comes from outside the Americas (80% in 2010), requiring us to locate at least some facilities overseas near our customers. Creating competitive tax and other conditions in the U.S. will help Intel maintain its high number of well-paid employees in the U.S.

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

Workforce. To ensure that the U.S. has access to the highly skilled talent needed to remain competitive, we advocate for immigration reforms to enable businesses to recruit, hire, and retain highly skilled foreign nationals in job fields that have a shortage of qualified U.S. workers.

Environment and Energy. As an environmentally responsible manufacturer of energy-efficient products, Intel reaches out to governments worldwide to help identify policies that address government and stakeholder concerns while preserving our industry's ability to operate and market its products. Intel has led industry efforts to implement voluntary measures that can make regulation unnecessary, such as pulling together an industry commitment to reduce emissions of high global-warming gases. We have also led a project with governments to eliminate the vast majority of the industrial use of potentially harmful chemicals, known as PFOS. Intel is also helping to shape government policies that recognize the role that semiconductors and other high-tech devices can play in improving energy efficiency—and thus helping to address climate change issues throughout the world. For more information on our environmental policy initiatives, see the Environment section of this report.

Education. We collaborate with international 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 math, science, engineering, and technology. In 2010, we also commissioned a white paper on the role of information technology in transformative education policy. For more information, see the Contributions to Society section of this report.

Technical Policy and Standards

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

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

Personal Health and Health Information Technology. Through the recent global healthcare reform and economic stimulus programs, Intel partners with policy makers to drive public policies that increase the use of information technology (IT) in healthcare worldwide as a means to reduce costs, increase accuracy and effectiveness, and expand access to remote areas. This includes improvements in medication adherence monitoring, early detection and prevention of chronic diseases, and mobile monitoring. We support policies that provide incentives to increase alternatives to traditional hospitals and other institutional care facilities; establish standards that will enable the exchange of electronic medical records across international borders; and remove regulatory barriers that present challenges in the shift to home healthcare, such as practitioner licensure regulations restricting the use of telemedicine across state, national, and international borders.

Security and Privacy. Intel works to create user trust in information technology, and a policy environment that fosters innovation and empowers users to protect the integrity of their systems and data. Trust in the global digital economy is contingent upon providing robust security and a high level of privacy protection. Intel works to inform policy stakeholders in the legislative, regulatory, standards, and academic arenas about the future of technology, and then takes the results of these discussions back to our product developers, who design security and privacy into our products and services. Intel is a member of the International Association of Privacy Professionals, and with additional organizations celebrated annual Data Privacy Day, aimed at promoting privacy awareness and education, particularly among teenagers. We also host events and collaborate on other projects, including employee volunteer initiatives. In Argentina, for example, employee volunteers developed a privacy education program called Tu Privacidad Online, which had reached 5,000 students, parents, and teachers by the end of 2010; and in Israel, Intel hosted the International Conference of Data Protection and Privacy Commissioners at our site. To read Intel's privacy policy for our own business, visit the Intel Privacy Policy web site.

Standards. Intel advocates for information and communications technology standards that provide benefits to industry, consumers, and governments worldwide, including interoperability and consistency in quality.

Media and Content. We support media and content policies that expand markets for digital products while respecting IP rights and consumer interests. Such policies include support for design freedom and technical innovation, as well as content flexibility, portability, and choice for consumers.

Increased use of IT in healthcare worldwide has the power to help reduce costs, increase accuracy and effectiveness, and expand access to remote areas.

Political Accountability

In the past few years, stakeholders have requested greater disclosure regarding corporate political contributions.

Intel's Political Accountability Guidelines outline our approach to making political contributions, including details about accountability at the senior management and Board of Directors levels. In drafting the guidelines, we referred to the Center for Political Accountability's Model Code of Conduct for Corporate Political Spending. In early 2011, we updated our guidelines to provide additional transparency and clarification on certain practices regarding independent expenditures.

On an annual basis, we report Intel's corporate political contributions for the previous year. In 2010, our corporate contributions to state and local candidates, campaigns, and ballot propositions totaled $151,900. We also contributed $210,480 to local chambers of commerce. For a list of our contributions, visit Intel 2010 U.S. Corporate Contributions. On a quarterly basis, Intel files reports with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives detailing our lobbying activities. These reports can be found on the Senate's Lobbying Disclosure Act Database. In 2010, our reported lobbying expenditures totaled $3.7 million, compared to $3.9 million in 2009.

Trade Association and Business Coalition Memberships

Our memberships in industry and trade associations help us work collaboratively with other companies and groups to address key public policy issues. The five organizations that received the largest contributions from Intel in 2010 were the Semiconductor Industry Association, the Information Technology Industry Council, the National Association of Manufacturers, the Technology CEO Council, and the U.S. Chamber of Commerce. Information on trade association payments is included in the list of Intel 2010 U.S. Corporate Contributions. We also have increased transparency by providing a breakdown of dues payments to our top associations that are applied toward political activities in this list.

During 2010, significant controversy surrounded the U.S. Chamber of Commerce's public statements and actions on the topic of climate change, including opposition and lobbying against provisions in proposed climate legislation. Some stakeholders asked Intel and other companies to clarify their positions on climate change or to pull out of the organization altogether. After continued review of the issue, Intel decided to remain a member of the Chamber, because the organization provides a strong industry voice on a wide range of policies that affect our business, not only in the U.S., but around the globe through Chamber affiliates and other organizations.

The Chamber has a diverse membership, and we are not aligned 100% with the group on all policy matters. Likewise, our positions do not always align with those of other industry and trade organizations to which we belong. To ensure that stakeholders understand our policies on various matters, including climate change, we post our positions on our Corporate Governance and Ethics and Public Policy web sites.

Intel Political Action Committee

The Intel Political Action Committee (IPAC) was created in 1980 as a way to enable employees to support candidates whose legislative goals align with Intel's public policy priorities. Although Intel pays the administrative expenses of IPAC, corporate funds are not contributed to the IPAC fund, and all employee contributions to it are voluntary. An IPAC Executive Committee made up of Intel employees reviews and evaluates candidate requests. U.S. congressional and some state legislative candidates are eligible to receive IPAC contributions and are evaluated on many factors, most importantly their support for Intel Values. Whenever possible, IPAC donations are made directly to candidates rather than through leadership PACs and 527 organizations. For the 2010 election cycle, the sum of political contributions from IPAC to federal candidates was $434,560. For a list of contributions, see Intel PAC Contributions—2010 Cycle.

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Environment

We incorporate environmental performance goals throughout our operations, seeking continuous improvement in energy efficiency, emissions reductions, resource conservation, and other areas. Recognizing that consumer use of our products accounts for the largest portion of our overall carbon footprint, we focus on improving the energy-efficient performance of our products and collaborating with others to develop innovative ways that technology can help address long-term sustainability challenges across other industries.

Mouse over numbers to see more images.

1 2 3

1

Intel is the largest voluntary purchaser of "green" power in the U.S., according to the U.S. EPA

40 Billion

Gallons of water saved as a result of our conservation efforts since 1998

$136 Million

Cost savings from 11 employee projects that received Intel Environmental Excellence Awards in 2010

Key Environment Links

Intel Environment Site

Product Energy Efficiency

Technology for Environment

Intel's Environmental, Health, and Safety Policy

Intel's Climate Change Policy

Intel's Water Policy

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Our Approach to Environmental Sustainability

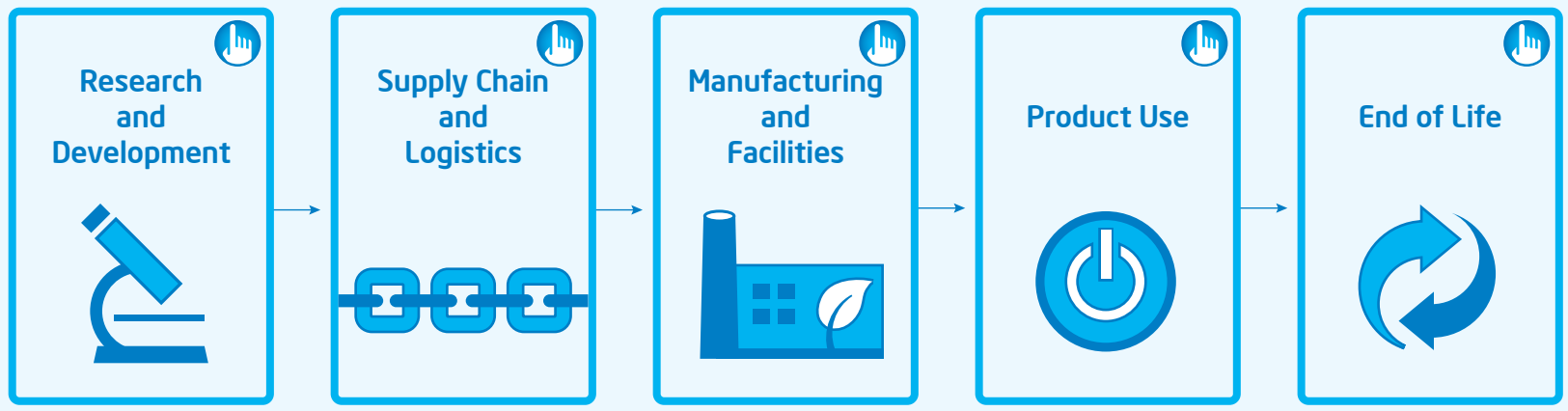
Building and designing the world's most sophisticated products in a sustainable manner requires careful management of energy consumption, air emissions, and resource conservation. We incorporate Design for the Environment principles throughout all phases of our product development process.

We address the environmental challenges of each new generation of technology long before manufacturing begins. Our teams consider environmental impact when we perform site selections, design Intel buildings, set performance levels for manufacturing tools, and establish goals for new production processes. Intel supports a cautionary approach to the materials that we use in our products. We seek alternatives for hazardous materials, and when we must use them, we take rigorous steps to ensure that they are handled safely from the time they enter our operations until they are properly disposed of or recycled.

Product energy efficiency has become increasingly important in our industry, given the growing demand for more powerful electronics, the increasing cost of energy, and the corresponding impact on the environment. We are focused on reducing the environmental impact of our products, including efforts to drive new levels of energy-efficient performance. Although our components generally make up only a small portion of an electronic device sold to a consumer, we believe that we can play a significant role in helping to minimize the environmental impact of electronic products by designing our products with higher energy efficiency, removing environmentally sensitive materials, and collaborating on industry initiatives.

Intel® Product Life Cycle and Value Chain

Mouse over diagram elements for additional information.



We consider environmental impact throughout the different stages of our product life cycle, from investing in research and development to energy-efficient performance and materials selection to end-of-life management.

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

We have joined forces with businesses and governments worldwide to find and promote additional ways that technology can be used to address environmental challenges across all sectors of the economy. We recognize that this represents a market opportunity for Intel and are helping to drive initiatives aimed at using technology for data collection, analysis, and modeling, to enable better energy management and actions to reduce environmental impact.

Managing Environmental Performance

Our commitment to environmental sustainability is embodied in the Intel Code of Conduct and Intel's Environmental, Health, and Safety Policy. For more detailed information about our commitments in the areas of climate change and water conservation, see Intel's Climate Change Policy and Intel's Water Policy. In 2010, we continued to work to make progress against the 2012 goals that we set at the beginning of 2008. We also establish clear environmental expectations for our suppliers and have initiated a number of sustainable purchasing and supplier footprinting initiatives. For more information, see the Supply Chain section of this report.

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

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

For a decade, Intel has maintained a multi-site, third-party-verified ISO 14001 registration. The registration evaluates the effectiveness of our environmental management system (EMS). A major achievement in 2010 was Intel's company-wide certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems. As a result, in 2010 we successfully completed fully integrated ISO 14001 and OHSAS 18001 audits at several of our manufacturing sites, in addition to an annual audit of our Corporate EHS Group, which oversees key elements of our EHS management systems. All audits were conducted by the National Standards Authority of Ireland (NSAI), an independent third-party registrar. Intel's fully integrated multi-site registration (MSR) to both ISO 14001 and OHSAS 18001 extends through December 31, 2013. As new sites are added, we will continue to complete the necessary certification audits to add them to our integrated ISO 14001 and OHSAS 18001 multi-site registration. Going forward, Intel will complete initial certification audits for our new manufacturing operations in Vietnam and China.

Green Building Design

Our engineers have incorporated green design standards and building concepts into the construction of our facilities for many years. Intel now has a policy of designing all new buildings to a minimum Leadership in Energy and Environmental Design (LEED) Silver level. A design center in Haifa, Israel—completed in 2010—is our first LEED-certified building and was the first building in Israel to receive LEED Gold certification. We also achieved basic LEED certification in 2010 for an Intel factory and office building in Kulim, Malaysia, as a result of improvements made to our 14-year-old facility at that location. In 2010, we submitted an application to the U.S. Green Building Council to get our first wafer fabrication facility (fab) LEED certified. In March 2011, we achieved LEED for Existing Buildings Silver certification for our entire Ocotillo manufacturing campus in Chandler, Arizona.

We continue to invest in facility improvements in support of our great place to work objectives. In 2010, we renovated 1 million square feet of office space, cafes, and fitness centers. The renovations included LEED criteria such as use of low-VOC paints, low-flow faucets and toilets, no-adhesive carpets, and furniture that contains recyclable content and is recyclable at end-of-life.

Engaging Employees

In 2010, we further encouraged our employees to help reduce Intel's environmental footprint through a number of programs.

Linking Compensation to Environmental Performance. Since 2008, we have linked a portion of every employee's variable compensation—from front-line employees to our CEO—to the achievement of environmental sustainability metrics. The 2010 metrics focused on carbon emission reductions in our operations and energy-efficiency goals for new products. While the environmental component represents a relatively small portion of the overall Employee Bonus (EB) calculation, we believe that it helps focus employees on the importance of achieving our environmental objectives. Benchmarking and discussions with external stakeholders reveal that it is rare for companies to link compensation to sustainability goals for all employees. Environmental metrics for our 2011 EB calculation will focus on energy efficiency in our operations and our products.

Employee Sustainability Groups. Intel supports employee-initiated grassroots efforts, including the Intel Employee Sustainability Network (IESN), a chartered employee group. IESN, in place at Intel since 2004, provides employee networking, volunteering, and educational opportunities that align with our corporate environmental focus areas. The group's activities have included Northwest Earth Institute discussion group courses delivered at several Intel sites around the world.

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 often focus their efforts on addressing environmental issues in their local communities. In 2010, Intel provided $100,000 in funding for 13 employee projects—including the creation of a proof-of-concept model to demonstrate how boiler emissions (from boilers that serve the fab) could be captured and used to grow algae, which could then be converted into biofuel. The results of the project, which is being completed in collaboration with globally renowned algae researchers and analysts at Arizona State University and Science Foundation Arizona, are detailed in our "Zero Emission Fabs" video. Other projects included a water-conservation demonstration garden in California, solar PC labs in Costa Rica and Bangladesh, a composting project in Malaysia, a streetlight monitoring system in Ireland, and a coral reef documentation project that uses Intel technology.

Intel Environmental Excellence Awards. Since 2000, Intel has presented these awards to employees who have helped reduce Intel's environmental impact. In 2010, 62 individuals and 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 11 winning projects from seven countries received monetary awards and/or trophies. Their projects included achieving LEED certification for a 14-year-old building in Malaysia, using rain water in cooling towers in India, improving Intel's internal data center efficiency, conducting research to enable consumer electronic devices to operate in a low-power state, and eliminating sulfuric acid from a fluoride treatment process.

In addition to yielding environmental benefits, these employee projects frequently save money for Intel. Estimated cost savings from all of the winning projects totaled $136 million. For example, employees in Ireland were able to reduce the number of filter changes needed on scanner tools used in our factories, saving some 350,000 gallons of water per year, along with over $500,000 related to waste reduction and improved productivity. To learn more about another winning project, see the Supply Chain section of this report.

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Online Communities. To increase awareness and engage employees in discussions about sustainability initiatives, in 2009 Intel launched an environmental employee portal and an interactive online employee community, "Green Intel." Today, more than 1,600 employees are members of the community, where they can connect with local green teams and projects at their sites.

Community and Biodiversity Impacts

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 on our web site. In early 2011, we launched Explore Intel, a pilot interactive web site with real-time environmental reporting for our New Mexico operations.

Our employees participate in environmentally focused volunteer projects in communities around the world, and a number of our education programs and competitions, such as the Intel International Science and Engineering Fair and the Intel + UC Berkeley Technology Entrepreneurship Challenge, encourage study and innovation on environmental sustainability topics. For more information, see the Contributions to Society and Stakeholder Engagement sections of this report.

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 protected areas on the United Nations List of Protected Areas. Some of our operations are located in areas considered by some to be rich in biodiversity, but we know of no major negative impacts from our operations on threatened species or protected areas. In recent years, we have undertaken voluntary biodiversity efforts at our sites. For example, since 1994 Intel has been a sponsor of conservation measures to protect the River Rye, a tributary to the River Liffey in Ireland and an important salmon spawning ground. During the last decade, studies have indicated improvements in water quality and in salmon and brown trout density as a result of the restoration activities. The conservation area is also home to the whorl snail species, which appears on the Irish Red List published by the National Biodiversity Data Centre.

Climate Change and Energy Efficiency

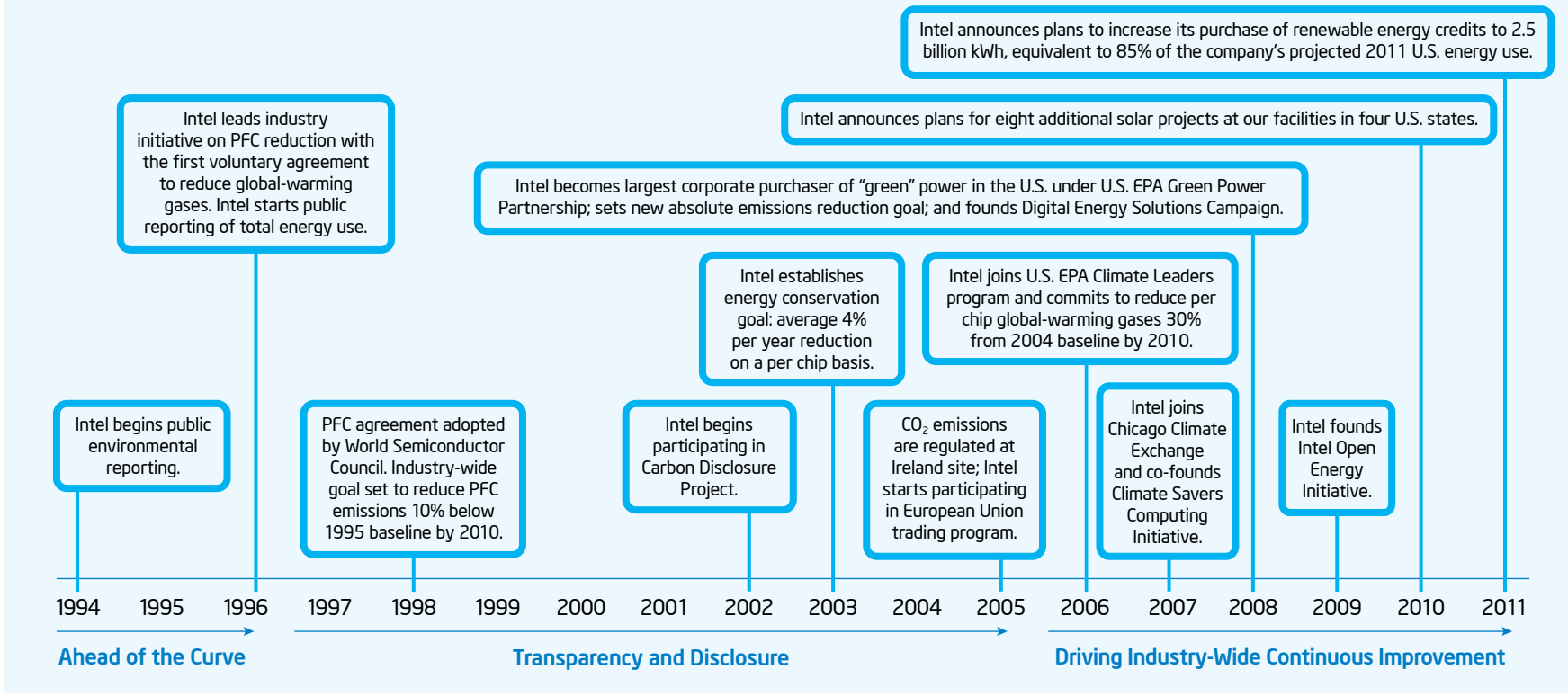
We consider climate change an important environmental issue, and many years ago began taking steps to mitigate our impact and publicly report on our carbon footprint.

Intel believes in a portfolio approach to emissions reduction and energy management. Through a wide variety of efforts—including but not limited to conservation, energy efficiency, solar installations, green power purchases, and efficient building designs—Intel has built a strong and sustainable approach to buying and using energy in an economical and environmentally conscious manner. As part of our commitment to transparency, since 2003 we have disclosed our greenhouse gas emissions and climate change risk through the Carbon Disclosure Project (CDP). To view our public submissions, visit the CDP web site. In addition, the Intel Annual Report and Form 10-K includes a discussion of climate risk, and our Climate Change Policy outlines our formal position on global climate change.

Reducing Greenhouse Gas Emissions

In 1996, Intel and other U.S. semiconductor manufacturers entered into a voluntary agreement with the U.S. Environmental Protection Agency (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 over 80% on a per chip basis from the 1995 baseline.

In 2006, Intel joined the EPA's Climate Leaders program, an industry-government partnership working to develop strategies to reduce overall climate change. In conjunction with the program, we set a goal to reduce Intel's greenhouse gas emissions by 30% per unit of production from 2004 through 2010. As of the end of 2010, we had met our goal, having reduced emissions by approximately 45% below 2004 levels on a per chip basis. In 2007, Intel joined the Chicago Climate Exchange, North America's only cap



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

and trade system for six greenhouse gases. Members made a voluntary but legally binding commitment to reduce their aggregate emissions by 6% by 2010, compared to a baseline of average annual emissions from 1998 to 2001. After achieving these goals in 2010, both the Climate Leaders and Chicago Climate Exchange disbanded. We also continued our participation in the European Union Emissions Trading Scheme during 2010.

In 2008, we set a goal to reduce the absolute global-warming gas footprint from Intel operations 20% below 2007 levels by 2012. As of the end of 2010, we had reduced our absolute emissions more than 40% below 2007 levels. As greenhouse gas regulations emerge in the U.S. and elsewhere, we continue to evaluate ways to reduce emissions and work with regulators to ensure that new rules can achieve environmental goals while allowing semiconductor manufacturers the flexibility they need to operate.

We continue to engage in research to better understand our carbon footprint, so that we can best prioritize our reduction efforts. In 2009, we completed a research paper, "Developing an Overall CO_2 Footprint for Semiconductor Products,"[1] published by the IEEE, which analyzed the Scope 3 impacts from our industry, including embedded CO_2 in the supply chain. In this research, we primarily focused on activities that directly support manufacturing operations, and did not include potential impacts from other support operations or assess the embedded CO_2 impact from capital goods such as buildings or manufacturing equipment.

While the calculation of an overall CO_2 footprint still contains many uncertainties, our research confirmed previous findings that the largest CO_2 impact from semiconductors comes from consumer use. Excluding product consumer use, semiconductor manufacturing has the greatest impact, accounting for approximately 60% of the CO_2 impact, with the balance attributable to logistics, supply chain, and commute and business travel. For additional information about our supply chain footprint, see the Supply Chain section of this report.

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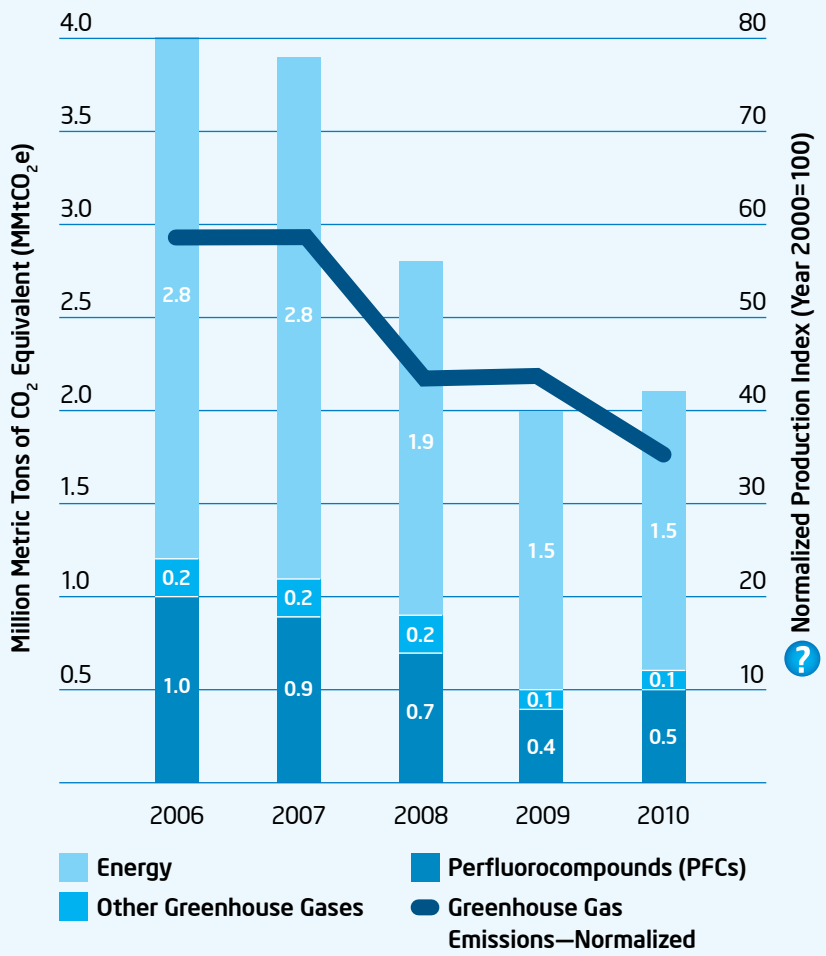
Greenhouse Gas Emissions



Intel's absolute Scope 1 and Scope 2 emissions were up 3% in 2010 compared to 2009, while emissions on a per chip basis were down 17%. Our purchase of renewable energy credits (RECs) contributed to the significant decrease in absolute emissions from 2007 to 2008. The RECs resulted in a reduction of approximately 1 million $MMtCO_2e$ in Scope 2 emissions from 2008 through 2010. The table on this page shows our emissions data with and without taking into account our REC purchases. In 2010, our REC purchases represented approximately 51% of our U.S. energy use.

2010 Greenhouse Gas Emissions Reported by Type

Scope	Emissions[1]	Notes
Scope 1 Emissions	930,000	
Scope 2 Emissions[2]	1,190,000	
Total Scope 1 and 2 Emissions (excluding RECs)	3,120,000	
Total Scope 1 and 2 Emissions (including RECs)	2,120,000	
Scope 3 Emissions (estimated)		
▪ Direct materials supplier emissions	1,000,000	
▪ Transportation and distribution of inputs and waste generated in operations	500,000	
▪ Use of goods and services sold	42,000,000	
▪ Business travel	95,000	

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

Related Links:
World Resources Institute (WRI) Global Greenhouse Gas Protocol (GHG Protocol) Mobile Combustion CO_2 Emissions Calculation Tool

GHG Protocol CO_2 Emissions from Business Travel Tool

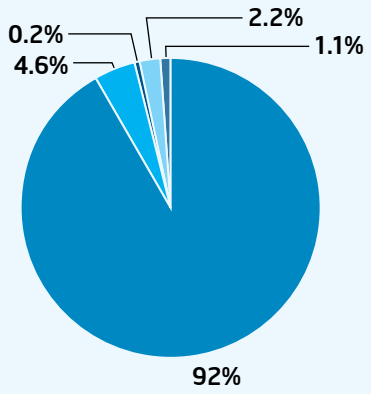
Inventory of Greenhouse Gas Emissions and Sinks: 1990–2004

In addition to the summary data provided above, a more detailed breakdown and discussion of our emissions by country and by type is available in our publicly available CDP response. Note that slight variations between data in this report and our final CDP filing may exist, due to additional data received following publication of this report and based on differences in the treatment of RECs under the CDP methodology and the timing of certain changes in the GHG Protocol.

Intel's Carbon Footprint

Breakdown of Intel Scope 1, 2, 3 Emissions:

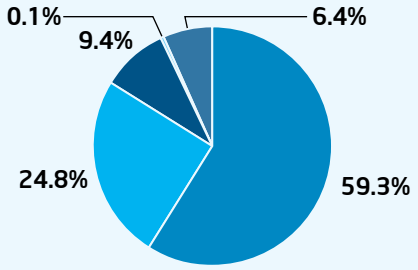
46 Million Metric Tons of CO_2 Equivalent ($MMtCO_2e$)



Products
Operations
Business Air Travel
Supply Chain
Transportation and Logistics

Breakdown of Intel Operations:

2.1 $MMtCO_2e$



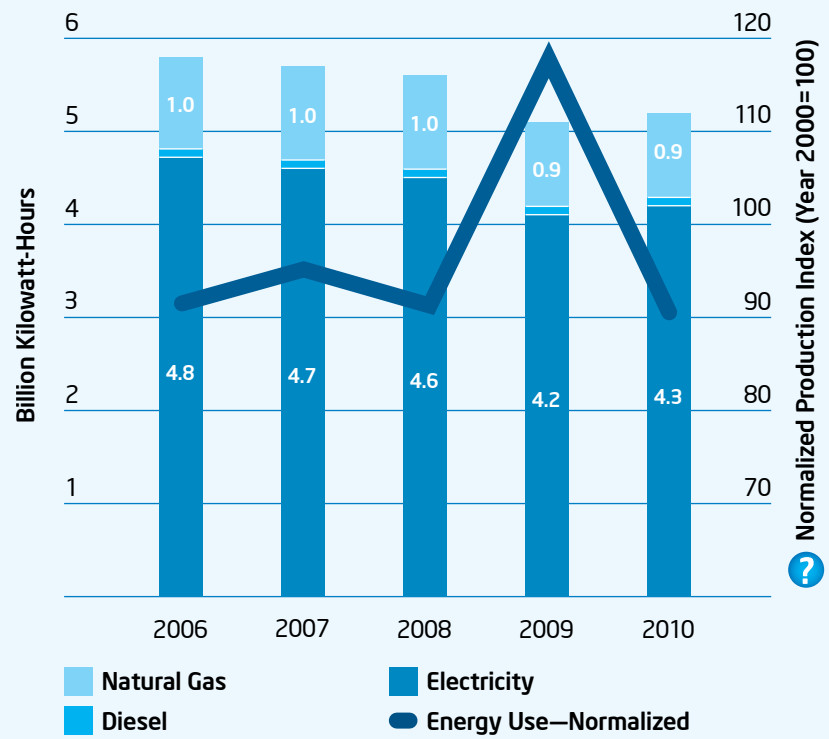
Electricity
PFCs
Natural Gas
Diesel
Other Chemicals

Energy-Efficient Operations

Many of the major trends in semiconductor manufacturing inherently improve energy efficiency. For example, the industry's move from 200mm 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.

Energy conservation projects. In 2010, we continued to allocate funds for resource conservation and efficiency projects aimed at reducing energy use in our operations. Projects included installation of more efficient lighting and smart system controls; boiler and chilled water system improvements; and cleanroom heating, ventilation, air conditioning, and heat recovery improvements. Since 2001, Intel has invested more than $45 million and completed over 1,500 projects, saving more than 790 million kilowatt-hours (kWh) of energy, or the approximate CO_2 emissions from the electricity use of more than 69,000 average U.S. homes for one year[1]. These investments have enabled Intel to reduce energy costs by an average of approximately $23 million per year. In the first half of 2011, we approved an additional $13 million for energy-efficiency and resource conservation projects. We will also run two smart-building pilots: one at our assembly and test facility in Costa Rica, and one at our design center in Guadalajara, Mexico, to identify new opportunities to reduce energy use.

Energy Use



In 2010, energy use in our operations increased 2% from 2009 on an absolute basis and decreased 24% on a per chip basis. The significant increase in the 2009 per chip figure was due primarily to lower manufacturing levels.

[1] Source: U.S. EPA Green Power Equivalency Calculator.

Role-modeling Information Technology (IT) Sustainability. Intel IT's Sustainability Framework uses data center, compute, and office infrastructure, as well as our client compute offerings, to collectively contribute to Intel's emissions reduction goal. Our IT organization has met growing computing demands while reducing Intel's consumption of IT-related and office energy—resulting in energy cost savings of $5.8 million in 2010 (up from $4 million in 2009) and the avoidance of more than 60,000 metric tons of CO_2 emissions.[1] In recognition of Intel IT's sustainability achievements, Intel was named to Computerworld's 2010 list of "Top Green-IT Organizations."

Intel IT recently developed an innovative application that analyzes server utilization, enabling us to substantially reduce the number of servers used in our design operations. The reduction in servers reduced energy consumption by more than 8 million kWh, saving $645,000 in energy costs, avoiding 4,200 metric tons of CO_2 emissions, and earning Intel an InfoWorld 2010 Green 15 Award for the second year in a row.

Our data center engineering team also worked with 80 Intel data center managers and facilities engineers to implement Intel IT's energy-efficiency methodology across Intel data centers in 20 locations. The team's work on more than 75 sustainability-focused projects saved 9 million kWh of energy, reduced energy costs by approximately $700,000, and enabled us to avoid the release of 4,800 metric tons of CO_2 emissions.

We also significantly reduced our server footprint in 2010 by 28,000 metric tons of CO_2 emissions, by executing to our four-year server refresh policy and implementing virtualization technologies. Over the past two years, Intel IT has been able to balance reduction with incremental demand and reduce our IT-related CO_2 footprint by 10%.

> "Intel's REC purchases, support for solar installations, and other clean energy investments will continue to be priorities for us as we search for effective sustainability opportunities around the globe."
>
> Brian Krzanich, Senior Vice President and General Manager, Manufacturing and Supply Chain

In 2010, we more than tripled the number of Intel meeting rooms with videoconferencing capabilities, including the addition of videoconferencing rooms in 11 new countries. We estimate that videoconferencing saved employees 57,000 hours of travel time in 2010—a 27% increase over 2009—and saved Intel more than $26 million in travel expenses. In addition, the reduction in travel helped prevent the release of 22,500 metric tons of CO_2 emissions.

To read more about our IT group's efforts to reduce Intel's energy use, read the Intel IT Performance Report 2010–2011 and access videos and case studies.

Investing in Renewable Power

Since 2008, Intel has been the largest voluntary purchaser of green power in the U.S., under the U.S. EPA's Green Power Partnership program. We initially committed to purchase renewable energy credits (RECs) to support the generation of more than 1.3 billion kWh per year as part of a multi-year contract. That purchase placed Intel at the top of the Green Power Partnership's "National Top 25" and "Fortune 500 Challenge" lists. In January 2010, we increased our purchase commitment by 10%, to over 1.43 billion kWh of RECs per year—equivalent to 51% of our projected annual U.S. electricity use. For our actions, and leadership, Intel received an EPA Green Power Partner of the Year Award in 2010, the third year in a row.

In February 2011, we announced that Intel would increase its REC purchase for 2011 to 2.5 billion kWh—equivalent to approximately 85% of our projected 2011 U.S. energy use—a 75% increase over our 2010 purchase. According to the EPA, our purchase commitment—which includes a portfolio of wind, solar, small hydroelectric, geothermal, and biomass sources—has the equivalent environmental impact of eliminating the carbon dioxide emissions from the annual electricity use of nearly 218,000 average American homes or nearly 202 million gallons of gasoline consumed[1]. Intel's renewable energy efforts are intended to provide leadership and help spur

[1] Includes savings from direct IT hardware energy-saving projects (i.e., server refresh, video conferencing, and other projects).
[2] Source: U.S. EPA Green Power Equivalency Calculator and World Resources Institute (WRI) commercial travel assumptions.

Access the Report Builder

the market and make renewables cheaper and more accessible over the long-term to reduce the overall carbon emissions from electricity generation. Intel's 2011 REC purchase will be handled by Sterling Planet, a supplier of renewable energy, energy-efficient, and low-carbon solutions in the U.S. All purchases will be certified by the nonprofit Center for Resource Solutions' Green-e* program, which certifies and verifies green power products in order to meet the requirements of the EPA's Green Power Purchasing Program.

Solar Installations. In 2010, we partnered with third parties to complete nine solar electric installations at Intel locations in Arizona, California, New Mexico, Oregon, and Israel—collectively generating more than 3.8 million kWh per year of clean solar energy. The projects include a 1-megawatt solar field that spans nearly six acres of land on Intel's Folsom, California campus; four rooftop installations; and four solar support structures in Intel parking lots. Each of the U.S. installations, which were completed and are operated by SolarCity, currently ranks among the 10 largest solar installations in its respective utility territory. The RECs generated by these installations are typically transferred to the local utility to support their regulatory obligations and programs.

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

Cleantech Investments. Intel Capital, Intel's global investment organization, has invested more than $150 million in the solar energy sector since 2008 to accelerate innovation in 20 start-up companies that are developing alternative power sources. In September 2010, Intel Capital announced new investments in intelligent grid software and services to support IT and data center efficiency.

Improving Product Energy Efficiency

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

Climate Leadership Activities and Public Policy

According to Gartner Research, about 2% of the world's emissions come from the information and communications technology (ICT) industry. In addition to the need to drive greater computing-related energy efficiency, the ICT industry has an important role to play in reducing "the other 98%" of global emissions. The "Smart 2020: Enabling the Low Carbon Economy in the Information Age" report, published in 2008 by The Climate Group and the Global e-Sustainability Initiative, estimated that the ICT sector could reduce up to 15% of business-as-usual emissions globally by 2020. A follow-up report put the potential reduction in the U.S. even higher—to as much as 22% by 2020. Intel collaborates on initiatives with multiple stakeholders to reduce ICT-related emissions, and to identify ways that the ICT industry can help reduce energy consumption and carbon emissions across other sectors of the global economy.

Energy Star. In the 1990s, Intel worked with the U.S. EPA to develop energy-efficiency standards. Since 2005, that work with the Energy Star* program and the EPA has included helping to establish product, data center (buildings), and alternative energy specifications. In 2009, Intel extended collaboration on product energy efficiency by helping to establish the Energy Star Program Requirements for Computers Version 5.0 specification, which defines a transition to monitoring energy consumption instead of power levels, and the Energy Star Program Requirements for Computer Servers specification, which establishes energy standards for servers in addition to promoting power management techniques. We also helped author industry implementation guidelines.

Intel works with worldwide agencies to establish methodologies common to Energy Star for energy-efficiency policies in different regions. For example, we provide technical insight on Energy Star test methods for energy-efficiency programs in Australia, China, Europe, India, and Japan. Harmonization on product energy metrics allows the industry to focus on technology advancement instead of chasing divergent evaluation methods. Intel is currently working with industry stakeholders and the Standard Performance Evaluation Corporation (SPEC) to develop energy-efficient performance tools for servers that could be used in Energy Star and other programs.

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

At the end of 2010, CSCI had more than 650 members in 53 countries. Members take a leadership role in deploying smarter computing practices and improving the energy efficiency of their computing fleets, and thereby eliminating significant energy waste and carbon emissions. In July 2010, CSCI announced that through collective industry efforts, the IT sector has reduced annual CO_2 emissions by 32 million metric tons since 2007. To help drive further reductions, CSCI has expanded its charter to improve network device and infrastructure efficiency. Intel also helped launch CSCI in India, with a goal of cutting computer power consumption in half and avoiding 4 million metric tons of greenhouse gas emissions by 2012.

Through the Digital Energy Solutions Campaign, Intel collaborates with other ICT companies, NGOs, and trade associations to promote the adoption of public policies that enable ICT to realize its full potential to drive improvements in energy efficiency and reduce emissions.

Digital Energy Solutions Campaign (DESC). Intel founded and co-chairs DESC, a coalition of ICT companies, non-governmental organizations (NGOs), and trade associations dedicated to promoting adoption of public policies that will enable ICT to realize its full potential to improve societal energy efficiency and reduce carbon emissions. DESC advocates directly with government leaders and through public education, workshops, and targeted research. In 2009, Intel also helped launch DESC in India, and in 2010, the group released a white paper outlining ICT-related opportunities to help India achieve its climate goals. A chapter of DESC also was founded in 2010 in China and includes more than a dozen members. DESC China and DESC India engage with their respective governments to identify ways that ICT can help address climate change via improved energy efficiency.

Intel Open Energy Initiative. Founded in 2009, the Intel Open Energy Initiative aligns and mobilizes Intel and its partners around the application of technology and open standards to accelerate the global transition to smart energy. Specifically, Intel is working to accelerate the integration of and synergy between intelligent renewable energy sources, smart grids, smart buildings, and empowered energy consumers. Intel's actions include: policy influence; collaboration in relevant government programs, standards bodies, consortia, and coalitions; partnerships with utilities on energy efficiency and smart grid programs; and strategic investments via Intel Capital.

The Green Grid. Intel serves on the board of the Green Grid, a global consortium founded in 2007 made up of companies dedicated to energy efficiency in business computing ecosystems. The Green Grid provides industry-wide recommendations on best practices, metrics, and technologies to improve overall data center energy efficiency. Recent Green Grid activities include creating sustainability metrics for data centers around carbon and water usage effectiveness, with Intel representatives serving as key contributors and editors.

Water Conservation

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

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

Investing in Responsible Water Management

Since 1998, we have invested more than $100 million in water conservation programs at our global facilities. To date, our comprehensive and aggressive efforts have saved nearly 40 billion gallons of water—enough for roughly 370,000 U.S. homes for an entire year[1]. We estimate that it takes 16 gallons of water to produce a single chip[2]; by comparison, producing one pair of jeans takes 2,900 gallons, one hamburger takes 634 gallons, and one cup of tea takes 9 gallons[3].

Over time, we have improved the efficiency of the process used to create the ultra-pure water (UPW) required to clean silicon wafers during fabrication. In the past, we needed almost 2 gallons of water to make 1 gallon of UPW, but today we can make 1 gallon of UPW from between 1.25 and 1.5 gallons of water. After we use UPW to clean wafers, the water is suitable for industrial purposes, irrigation, and many other needs. Our factories are equipped with complex rinse-water collection systems, with separate drains for collecting lightly contaminated wastewater for reuse. With this reuse strategy, we harvest as much water from our manufacturing processes as possible and direct it to equipment such as cooling towers and scrubbers. In addition, at some of our locations, we have arrangements to take back gray water from local municipal water treatment operations for use at our campuses. In 2010, we internally recycled approximately 2 billion gallons of water, equivalent to 25% of our total water withdrawals for the year.

While our ultimate vision is to achieve the continuous reuse of water in semiconductor manufacturing, we currently discharge water from our operations in compliance with local permits. In 2010, we sent an estimated 80% of the water used at our sites back to municipal water treatment operations, where it could be treated for reuse for irrigation or other purposes in the community or returned to the water source. The balance was lost to evaporation (roughly 20% of incoming supply, or 1.4 billion gallons).

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

To set our goals, we complete a comprehensive review for each element based on a number of aspects, including but not limited to permit limits for our sites and municipal treatment plants, activated sludge inhibition criteria, receiving stream water quality, and sludge protection. We use a number of key tenets derived from the U.S. Clean Water Act to guide our actions globally, including never causing pass-through or interference at local municipal treatment plants or impacting their ability to reuse their wastewater or sludge.

In recognition of our proactive approach to goal setting, wastewater discharge, and related policies, we presented at a March 2011 regional training conference of the Pacific Northwest Clean Water Association in the U.S. for municipal wastewater operators and regulators.

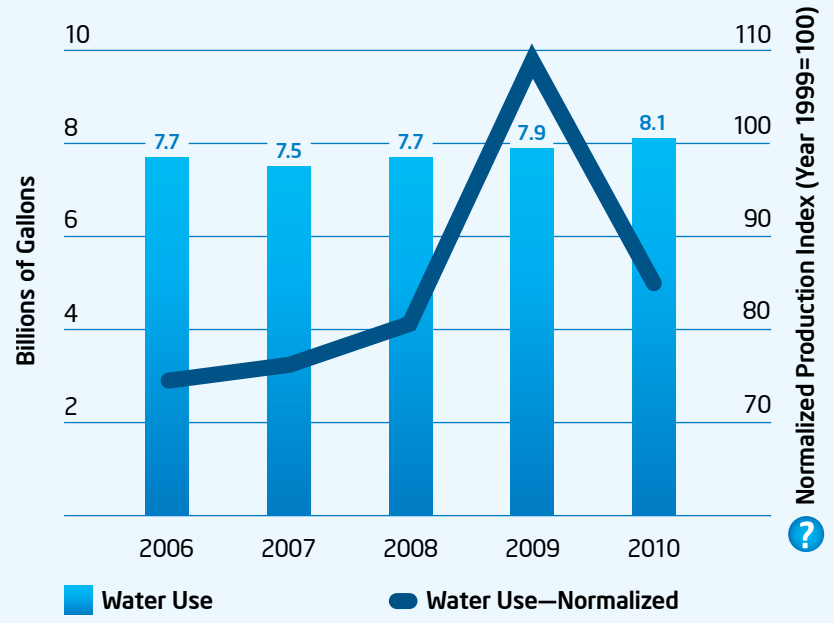
[1] Equivalency estimate based on information from the U.S. Environmental Protection Agency Office of Water.
[2] Based on our estimated Scope 1, 2, and 3 water use. References to "per chip" assume a typical chip size of 1 cm^2, but actual chips vary in size depending on the specific product. Note that in our 2009 report, we reported an estimated 12 gallons per chip. For this year's report, we recalculated our per chip water use to exclude the impact from renewable energy credit purchases in order to be more conservative in our estimate.
[3] Source: Water Footprint Network.

Water Footprint Analysis

Universally accepted step-by-step instructions on how to calculate a water footprint are not yet available, but in 2009 we drew on a number of emerging frameworks and research to complete a detailed water footprint assessment[1]. Our findings suggested that the largest impact on water use (66%) was from our direct operations, 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 2009 water footprint assessment, we found that water associated with our energy use and generation represented our second largest use of water. We also completed an initial estimate of water use related to direct materials suppliers that provide the raw materials (such as chemicals, wafers, and gases) used in our manufacturing process. This supplier consumption represented the smallest portion of our total water use.

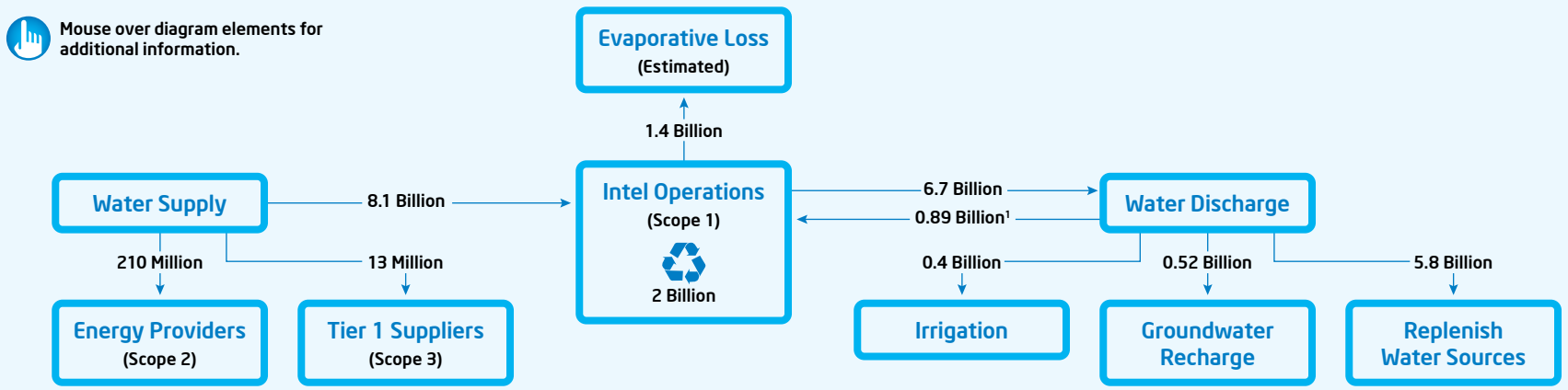
[1] © 2010 IEEE. Reprinted with permission from "Performing a Water Footprint Assessment for a Semiconductor Industry."

Water Withdrawals for Operations Use



We have set a goal to reduce water use per chip below 2007 levels by 2012. In 2010, water use increased 3% from 2009 levels on an absolute basis, and decreased 23% on a per chip basis. The spike in the 2009 per chip use figure was due in part to low manufacturing levels related to economic conditions.

Intel's Operational Water Footprint



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

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

In early 2011, we began work on a follow-up study, partnering with Quantis on a new IEEE paper[1] to further analyze and test assumptions related to our Scope 2 and Scope 3[2] water use. Since a number of our operations are located in arid regions—including China, Israel, Arizona, and New Mexico—one of the areas we focused on was completing a "water equivalency" analysis, which adjusts total water use by site based on the location's water stress level and incorporates more qualitative impacts related to human health. In addition, water impact associated with the product use phase was added to the assessment.

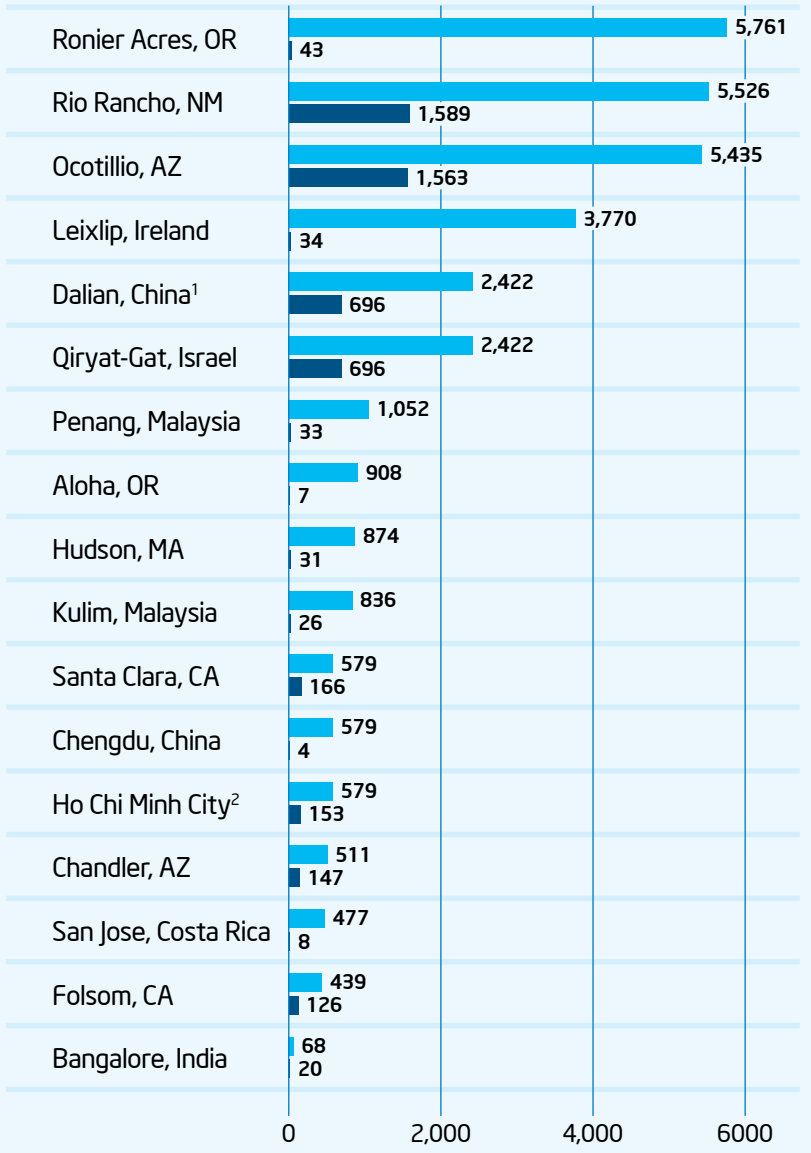
In this new study, we found that water use associated with manufacturing energy use and our direct suppliers was lower than in the first analysis. Water related to manufacturing energy use accounted for 2.58%, and our direct supplier footprint accounted for less than 1% of our operational water footprint. In addition, the study found that our sites with the greatest absolute water use were not necessarily the sites with the highest potential impact. Finally, water use associated with electricity used in the consumer-use phase of our products was significant, representing close to 100% of Intel's overall water footprint (with the balance in operations, electricity use, and supply chain). This finding indicated that Intel's continued focus on driving energy-efficient performance in our products has a critical role to play in helping to reduce our overall water footprint. Future research on water-related impacts from the product-use phase could help to identify new opportunities to reduce impact and improve the quality of water footprinting in the semiconductor industry and beyond.

In light of the findings on the energy and water connection in the product-use phase, Intel's continued focus on driving energy-efficient performance in our products has a critical role to play in helping to reduce our overall water footprint.

[1] © 2011 IEEE. Reprinted with permission from "A Semiconductor Company's Examination of Its Water Footprint Approach."

[2] Scope 2 relates to water use associated with our energy use. Scope 3 relates to water use associated with our direct suppliers and also the consumer product-use phase.

Comparison of Water Inventory and Water Stress Assessment by Location



[1] Water usage for the Dalian site is taken to equal that of Qiryat-Gat.

[2] Water usage for the Ho Chi Minh City site is taken to equal that of Chengdu.

The top bar shows total cubic meters of water used at each site in 2010. The bottom bar shows an "equivalent of water" figure adjusted for the water stress of the location using qualitative factors. This analysis confirms that we should prioritize our efforts and investments at our top four arid locations: New Mexico, Arizona, Israel, and China.

Local Water Use and Impact

In addition to taking internal actions, we partner with others to address sustainable water issues at the local level. For example, in Arizona we partnered with the City of Chandler to implement a progressive water management system that has reduced Intel Arizona's daily water demand by up to 75%. In Israel, we partnered with Numonyx B.V. to install a $20 million advanced membrane bioreactor (MBR) to treat wastewater from our factory. MBR effluent is extremely clean and suitable for reuse, including in agricultural irrigation.

At our new wafer fabrication facility in Dalian, China, which opened in late 2010, we have incorporated processes and systems that we estimate will save 68 million gallons of city water per year. At our sites in India, through our water treatment and reuse plan, we currently recapture and reuse 100% of the water that we would otherwise discharge as wastewater; we further capture stormwater for use in our cooling towers.

In 2003, our Hudson, Massachusetts site established a $1.5 million Intel Assabet Groundwater Recharge Fund to support projects that help replenish the nearby river and its tributaries. Grants are awarded each year to municipalities and nonprofit organizations up to a project maximum of $500,000. By the end of 2010, more than $773,000 in grants had been established for projects that collectively redirect water and recharge aquifers—instead of losing it to runoff or stormwater systems. In 2011, an additional $300,000 grant will be used to fund a groundwater recharge project at a local school.

At our sites in India, through our water treatment and reuse plan, we currently capture and reuse 100% of the water that we would otherwise discharge as wastewater.

In 2010, Intel funded a pilot with the Bonneville Environmental Foundation to purchase water restoration certificates (WRCs) in Oregon, and to explore opportunities related to WRCs in the southwestern U.S. WRCs are voluntary, market-based mechanisms that provide economic incentives for water rights holders to leave water (that they would otherwise use) in critically dewatered ecosystems.

Collaboration and Opportunity

We regularly benchmark our performance on water use and reuse with other semiconductor companies to identify and share best practices. We actively participate 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 enable us to better understand how Intel compares to others in the semiconductor industry on total normalized water and UPW use. In 2010, Intel was included in a benchmark report on water reporting and risk disclosure published by CERES, receiving the second highest score in our sector.

Intel is a founding member of the Washington, D.C.-based Water Innovations Alliance, an industry association that focuses on developing funding, reducing regulatory barriers, increasing collaboration, and raising awareness of cutting-edge water technologies and the problems they address. As water resources become more constrained, the need for technologies that promote water conservation is likely to grow and may present a business opportunity for Intel. For more information, see "Applying Technology to Environmental Challenges."

In 2011, Intel will also participate in the development of the Global Environmental Management Initiative (GEMI) Local Water Tool, which when completed will be a free, publically available tool to help companies understand their local water challenges.

Local Water Use Data

The following table details the fresh-water sources for our larger sites around the world. However, most of the water that we use in our operations is returned to the local water system. As mentioned above, approximately 80% of the water used at our sites is sent back to municipal water treatment operations, where it is treated so that it can be reused for other purposes. See our water footprint diagram for additional details.

2010 Water[1] Use by Manufacturing Location

Location	Water Withdrawn	Water Discharged	Internal Water Recycled	Estimated Water Lost to Evaporation	Primary Water Source[2]
China					
Chengdu	153	109	29	44	Surface: Fuhe River
Dalian[3]	293	192	8	101	Surface: Biliu and Yingna Rivers
Costa Rica					
San Jose	126	66	0	60	Ground: Colima Superior Aquifer
India					
Bangalore	18	7	7	11	Surface: Kabini River
Ireland					
Leixlip	996	975	171	21	Surface: River Liffey
Israel					
Qiryat-Gat	640	414	244	224	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
Jerusalem	21	20	4	2	Surface and ground: Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tininim), and local desalinization plant
Malaysia					
Kulim	221	151	19	70	Surface: Muda River
Penang	278	181	5	97	Surface: Muda River
United States					
Chandler, Arizona	135	104	10	31	Surface and ground: Salt and Verde Rivers, local aquifer
Ocotillo, Arizona[4]	1436	1234	361	203	Surface and ground: Salt and Verde Rivers, local aquifer
Folsom, California	103	26	0	77	Surface: American River
Santa Clara, California	153	147	9	7	Surface: Tuolumne River
Hudson, Massachusetts	231	169	156	62	Ground: Assabet River Basin Aquifer
Rio Rancho, New Mexico	1460	1280	820	180	Ground: Santa Fe Aquifer
Aloha, Oregon	240	221	0	19	Surface: Tualatin River
Ronler Acres, Oregon	1522	1,327	303	195	Surface: Tualatin River
Vietnam					
Ho Chi Minh City[3]	113	68	10	45	Surface: Dong Nai River

[1] In millions of gallons. Figures represent water use/withdrawals by site. [2] For each water source, our 2010 water use did not exceed 5% of that source. [3] Opened in 2010. [4] In addition to 1,436 million gallons of fresh water used at the site, we used 890 million gallons of gray water from the local municipal water treatment facility for use on our campus, further reducing our use of fresh water.

Waste: Reduce, Reuse, Recycle

Each year, we recycle a high percentage of the waste from our operations. In 2010, our employees continued to identify new opportunities to minimize waste and recycle or reuse materials, from large-scale process improvements to everyday actions.

Solid Waste

Since 2007, we have recycled at least 80% of the solid waste generated in our operations each year. Waste generated during construction makes up a significant portion of our solid waste. We have implemented several programs to reduce, reuse, and recycle the solid waste resulting from construction activities and other Intel operations. In 2010, for example, we recycled or donated 2,225 tons (equivalent to the weight of 1,511 cars[1]) of materials, including 250 tons of recycled or reclaimed carpeting and 1,977 tons of recycled or reused office furniture, as part of our renovation of 1 million square feet of office space.

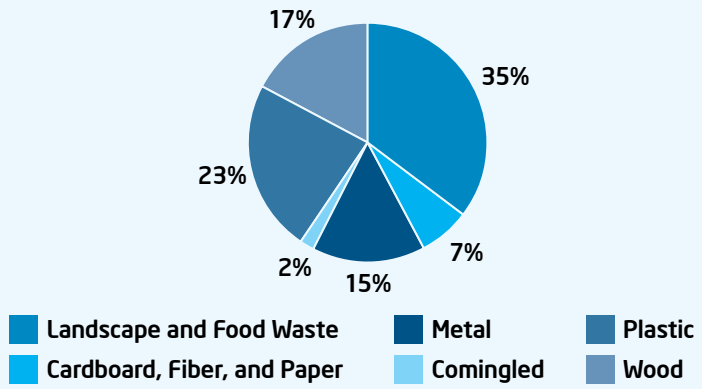
In 2010, our waste reduction programs enabled Intel to save more than $5 million. To reinforce the value of recycling for our employees, during the past five years, we have applied funds saved through our recycling activities to provide rebates in our cafeterias, purchase employee fitness center equipment, and make other site improvements.

We have instituted composting programs for our cafeteria waste at a number of our sites. At Intel Malaysia, for example, food scraps are fed to worms and transformed into nutrient-rich compost that is used to fertilize the site's garden and landscapes, and is made available to employees for home use.

In 2010, we sold about 25 tons of silicon wafers that could not be used for production. The wafers provided raw material for the solar industry—enough to manufacture solar cells that could potentially add more than 2.5 megawatts of clean energy to the power grid every year. Since 2008, we have donated a total of 115 tons of silicon wafers for reuse.

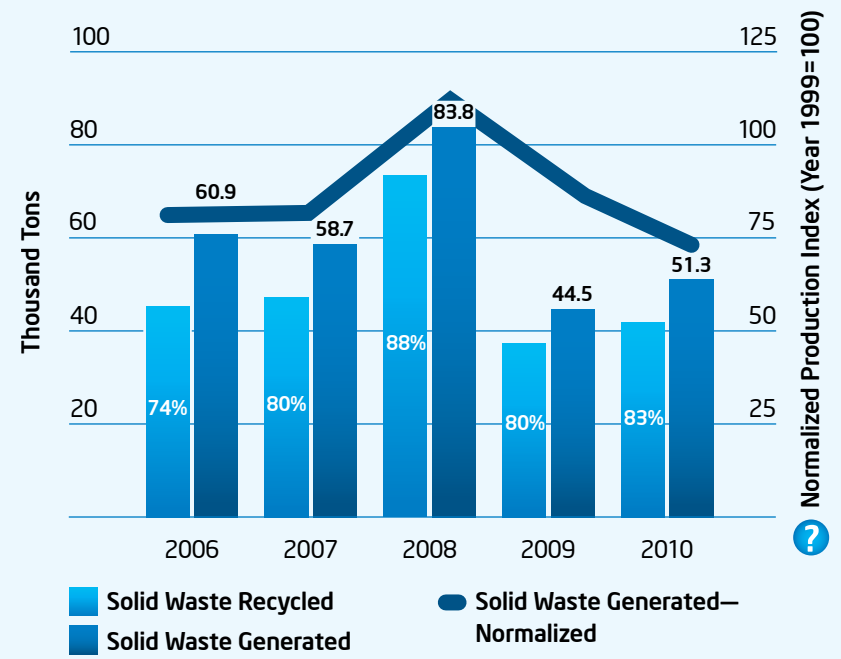
[1] An average car weighs 2,945 pounds.

Solid Waste Recycled



We recycled 83% of our solid waste in 2010 (with the balance disposed of in landfills), exceeding our corporate-wide goal of 80%. Landscape and food waste are turned into mulch and compost, respectively. Food waste may also be donated to pig farms. Chart does not include donations (i.e., office supplies and surplus equipment) or electronic waste. They are tracked separately.

Solid Waste Generated/Recycled



Solid waste generated was up 15% on an absolute basis and down 13% on a per chip basis in 2010 compared to 2009.

Chemical Waste

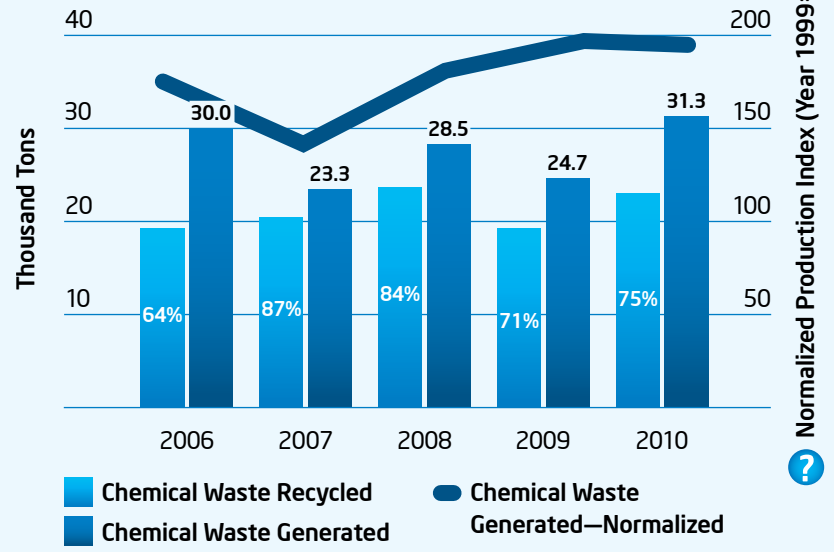
In 2008, we announced a goal to reduce our generation of chemical waste per chip by 10% by 2012 compared to 2007 levels. To date, our chemical waste has actually increased since 2007, due to increasing complexity in our manufacturing processes.

In 2010, we took steps to reduce two of our largest chemical waste streams: dissolved metallic copper and corrosive solvent. We installed a new system that will enable us to recover dissolved metallic copper on-site, and plan to install a second one in 2011. The new systems will eliminate off-site shipment of this chemical waste stream and associated transportation emissions. In addition, by optimizing feed control systems to reduce excess lime and sulfuric acid in the calcium fluoride, we reduced the amount of calcium fluoride waste generated in our treatment system.

We have also reduced chemical waste associated with indium, a thermal interface material used to absorb heat generated by our products. Since 2006, we have worked with our supplier to reclaim and recycle over 6,500 kilograms of indium, generating cost savings of more than $2 million from 2006 through the end of 2010.

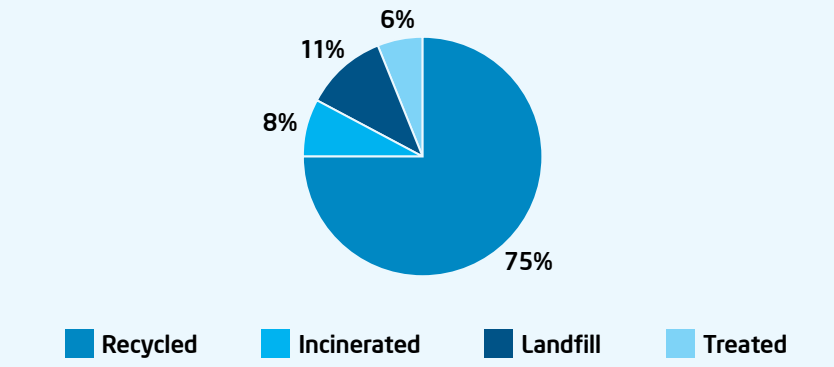
Despite these achievements, we expect to face continuing challenges in reducing chemical waste in our operations, and therefore will continue to focus on recycling as much of this waste as possible. Multiple groups across Intel are committed to addressing these challenges in 2011 and beyond.

Chemical Waste Generated/Recycled



Chemical waste generated was up 27% on an absolute basis and down 4% on a per chip basis in 2010 compared to 2009. In 2009, the per chip basis was higher than in other years, in part because of lower manufacturing volumes. Our 2010 chemical waste recycling rate was 75%, below our goal of 80%. The closure of a U.S. recycling facility and reduced recycling opportunities in Israel contributed to our difficulty in achieving this goal.

Chemical Waste Management Methods



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

Reducing Air Emissions

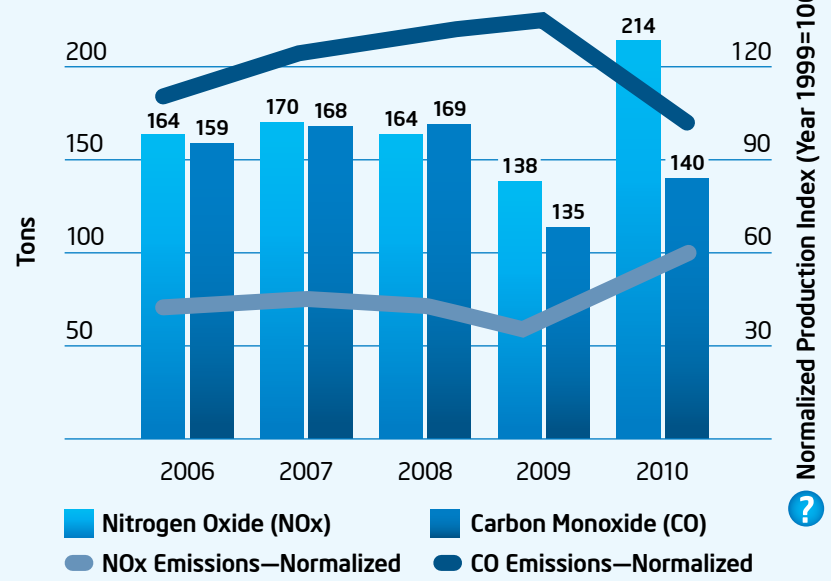
Through careful design of our production processes, we have reduced our absolute air emissions since 2000, while expanding our operations more than two-fold.

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 first concentrate VOCs and then oxidize them into carbon dioxide and water vapor. The heat used in this process is passed through a heat exchanger to preheat the incoming air and make the unit more efficient and use less fuel. Wet scrubbers re-circulate water that contains a neutralizing agent to remove acidic gases and other contaminants.

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

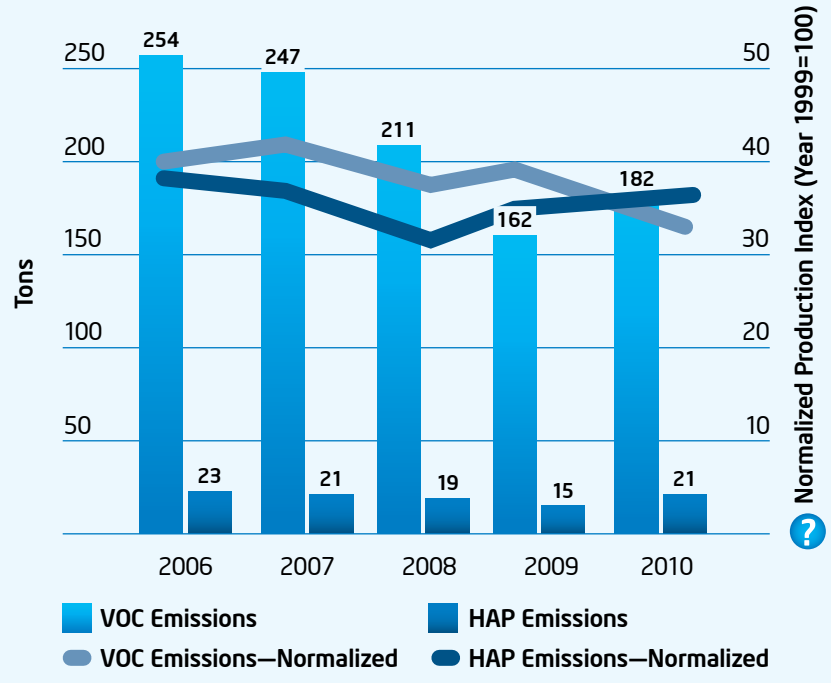
In 2010, we saw sizable increases in both our NOx and HAP emissions from 2009 levels. NOx emissions were up 40% due to bringing on new facilities. HAP emissions were up 38% as a result of new process changes. Our long-term trend is positive, however; as we have achieved absolute reductions in HAP emissions compared to 2000 levels.

NOx and CO Emissions



Absolute CO emissions were up 4% and per chip CO emissions were down 21% in 2010 compared to 2009. Absolute NOx emissions were up 40% compared to 2009 and per chip NOx emissions were up 5%.

VOC and HAP Emissions



In 2010, absolute VOC emissions were up 13% and HAP emissions were up 41% compared to 2009. VOC emissions were down 15% and HAP emissions were up 4% on a per chip basis.

Energy-Efficient Performance and Product Ecology

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

Improving Product Energy Efficiency

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

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

Each new generation of processors brings important benefits for consumers and the environment. We estimate that the conversion to the energy-efficient Intel® Core™ microarchitecture saved up to 26 terawatt-hours of electricity between 2006 and 2009, compared to the technology it replaced. That is equivalent to eliminating the CO_2 emissions associated with the annual electricity use of more than 2 million U.S. homes.

Intel's 32nm silicon technology with second-generation Hi-k metal gate transistors delivers greater energy efficiency than previous generations, because Hi-k metal gates reduce transistor power and increase transistor density. Higher transistor densities drive system-level integration, higher productivity, and lower energy consumption. For example, the Intel® Xeon® processor L5640 (released in early 2010) provides the same performance as the previous generation Intel® Xeon® processor X5570, with up to 30% lower system power usage[1]. We project that replacing 15 five-year-old servers with a single Intel® Xeon® processor-based server would cut annual energy costs by 95%. To learn more, access the Intel® Xeon® Processor-based Server Refresh Savings Estimator tool.

In December 2010, we introduced the 2nd generation Intel® Core™ processor family, a new microarchitecture based on our 32nm process technology. For personal computers, this advancement eliminated the need for discrete graphics components in volume computer systems, saving nearly 25% of the platform power budget. The new family of processors also brings significant energy-efficient performance improvements for servers. For example, with the Intel® Xeon® processor E3 platforms, Intel projects a 20%–30% performance increase within the same power envelope. The new processor's energy-efficiency improvements for laptops include:

- 25% lower average power consumption with 20%–70% more performance than the 2010 processor.
- A 30% reduction in thermal design power (TDP) compared to previous-generation processors with discrete graphics cards.
- A 10-fold reduction in energy use when Intel® vPro™ technology is applied, compared to the energy consumption of unmanaged PCs purchased in 2006.

In early 2011, we introduced the Intel® Centrino® Advanced-N 6230 wireless card for laptops, which combines WiFi and Bluetooth* capabilities on a single card. A laptop equipped with the new card requires less material for manufacturing and can use less energy compared to a laptop equipped with two separate wireless cards.

[1] Source: www.intel.com/performance/server/xeon/summary.htm

Intel has pioneered a diverse set of hardware and software technologies that help measure and optimize energy use in computers and data centers. The Intel® Intelligent Power Node Manager and Intel® Data Center Manager (Intel® DCM) allow IT managers to monitor the energy consumption of their servers, potentially resulting in increased rack density and lower power consumption. A proof of concept completed with the BMW Group showed that use of the Intel Intelligent Power Node Manager and Intel DCM can lower server power consumption by 18% and increase server efficiency by approximately 19%. Power management technologies are also helping our public sector customers. Also read the case study on how Intel technology helped the Swedish Public Employment Service reduce its costs and environmental impact.

In 2010, Intel developed a prototype of a personal office energy manager (POEM) in collaboration with the Positive Energy Building Consortium (GIE Enjeu Energie Positive). POEM reads sensors in a modern office PC network and displays the energy "footprint" of an individual, as well as the aggregate energy of the office floor and entire building. It uses the visual metaphor of a garden of flowers to convey a sense of 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. To learn more about this project and other initiatives to improve the efficiency of computing, read the white paper.

Product Ecology

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

Over the last decade, Intel has worked with suppliers and customers, and participated in several industry consortia, in an effort to eliminate lead and halogenated flame retardants from our products. We have now shipped over 500 million lead-free components worldwide. The European Union (EU) Restriction of Hazardous Substances (RoHS) Directive sets limitations on the use of six materials, including lead. We have taken a leadership role with industry, governments, and NGOs to balance environmental protection with workable technical solutions for the pending revision of the RoHS Directive. Intel has also worked to help China develop a regulation restricting the use of the same materials as the EU's RoHS regulation of 2006. For details, visit our RoHS/Lead (Pb) Free Solutions web site.

While legislation does not require the elimination of halogenated flame retardants, Intel has taken steps to reduce our use of these materials. We have played a role in facilitating industry consensus around low-halogen practices and chairing industry standards committees on materials selection and eco-design. Most of our 45-nanometer (nm) processors and all of our 65nm chipsets and 32nm processors use low-halogen packaging technology.

Registration, Evaluation, and Authorization of Chemicals (REACH) is an EU regulation that went into effect in 2007, affecting the use of approximately 30,000 chemical substances. As part of REACH, registration is required for all existing chemical substances manufactured or imported into the EU in quantities greater than 1 ton per year. The process requires a "re-registration" by the manufacturer or importer for many substances that we use. To prevent supply chain interruption, we are collaborating with suppliers to ensure that they meet REACH requirements. Under certain conditions, REACH regulates chemical substances of very high concern (SVHC) within products. We have reviewed our products against the initial SVHC list, have met current obligations, and will continue to monitor the list as other substances are added.

Electronic Waste

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

be within the scope of the directive and provides ways to recycle them. In some countries, our distributors provide recycling options for products covered by the directive. Intel has also facilitated recycling of our digital health products in the EU. Information is available on the Intel WEEE Directive Recycling Program web site.

While our components are not typically subject to recycling or e-waste laws, we work with OEMs, retailers, customers, and others to identify shared solutions for used electronics. As a components manufacturer, we believe that the biggest impacts on a product's environmental footprint occur at the design phase. Intel recently participated in an initiative to develop an international Design for the Environment standard for IT products–IEC 62075 Environmentally Conscious Design (IEC-62075). We are working to integrate the elements of IEC-62075 into our own design practices, and are completing internal studies of design-related opportunities to improve recyclability. More information on the standard is available at the International Electrotechnical Commission web site.

Information on recycling options for Intel products is available through the Intel Product Recycling Program web site. We continue to support the U.S. EPA's Plug-In To eCycling campaign, which is designed to build public and private support for proper recycling of used electronics. Over the past six years, Intel has collected more than 7.7 million pounds of e-waste at community collection events, helping communities recycle their used electronics responsibly. Collected materials—computers, printers, monitors, TVs, and more—are sent to qualified recycling facilities for materials recovery. In 2010, we hosted or sponsored community electronics recycling events in Costa Rica and in three U.S. states, collecting over 90,000 pounds of used electronics. Since many U.S. states now provide opportunities for e-waste recycling, we are shifting our focus and reducing the number of collection events held each year.

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

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

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 in order to achieve new levels of energy and environmental efficiency.

Intel continues to explore opportunities to design, develop, and deliver new technologies to address sustainability challenges. Our focus areas include: transforming to a low-carbon economy (energy, transportation); coping with climate change (water, air, modeling, extreme event preparation and response); and promoting transparency (providing data on embedded carbon, materials, toxics, etc.). In each of these areas, systems are becoming infused with IT that measures (senses), models (analyzes), and manages (controls) these man-made and natural systems.

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

The following are a few of the ways that Intel is involved in using technology to solve environmental challenges:

- In 2010, we released the Intel® Intelligent Home Energy Management System proof of concept based on the Intel® Atom™ processor. The system's central dashboard helps family members stay connected and make informed decisions about energy use, home maintenance, and home security. Capgemini, a global technology and consulting leader, has announced that it will offer a home energy dashboard for its utility customers using the Intel proof of concept. To learn more, access the demo on our web site.
- The Intel Labs research group completed a reference design for a wireless energy sensing technology (WEST) to help consumers better understand their electricity bills, identify devices that consume high amounts of energy, and better manage and reduce energy costs. The WEST reference design was demonstrated in multiple research forums in 2010, and 100 beta test units have been produced for pilots in 2011.
- Intel Labs Europe drives collaborative sustainability research projects across a number of domains, including smart grids, electric vehicles, smart buildings, smart cities, smart manufacturing, data center energy efficiency, and marine ecosystems. One of the group's projects, the SmartBay project, in partnership with the Marine Institute, focuses on understanding and managing oceans in a sustainable manner through technologies that can detect pollution or naturally occurring toxins and monitor long-term shifts in ocean conditions that may be caused by global climate change.
- Intel Labs, together with researchers at Sandia National Laboratories, used gaming technology to help teach people about water consumption and encourage their participation in public policy discussions on sustainability. The "Water Wars" game enables players to assume the roles of water systems managers and users, farmers, gardeners, retailers, and consumers, and take actions when faced with water scarcity. The gaming simulation can help policymakers understand how decisions affect diverse stakeholders.

- The Eco-Technology Program Office conducted research in 2010 into assessing technology opportunities related to water. The group will complete pilot studies in 2011 in partnership with water utilities and agricultural users in India and other locations to explore opportunities to apply Intel technology to the global water challenge.
- In West Oakland, California, Intel Labs teamed up with a local environmental group, West Oakland Environmental Indicators Project (EIP), to test new platforms for environmental monitoring. West Oakland residents are exposed to poor air quality and particulate matter, yet the area has only one air-quality monitoring system. The Common Sense project aimed to add multiple mobile phone sensors to act as air-quality monitoring devices throughout the area. EIP volunteers and local students helped test device prototypes and collected data that was uploaded to Intel servers for analysis.
- In New Mexico, Intel Labs has established a collaborative energy systems research center with participants in the New Mexico Green Grid Initiative. One of the center's first projects involves installation of a high-efficiency direct current (DC) lighting proof of concept, which is 200%–400% more efficient than current practices. Project findings will be published in a white paper comparing DC lighting to AC lighting in commercial spaces, and will be shared with Intel facilities managers for potential use in our office redesigns.

For more information and examples of how Intel technology is being used to address environmental challenges, visit our Technology for Environment web site.

Performance Summary and Goals

In 2010, we continued to take steps to reduce our carbon footprint. We remained the largest purchaser of green power in the U.S., according to the U.S. EPA, made new investments in energy-saving projects in our operations, and linked variable compensation to energy reduction goals to further encourage our employees to take action. We continued to face challenges in achieving reductions in both water use and chemical waste generated, and continued to take steps reverse these trends. We achieved our product-related environmental goals, including energy-efficiency targets, and collaborated with others in our industry to develop a new energy-efficiency performance metric.

Environment Goals and Performance

2012 Goals	2010 Progress Against Goals	
Reduce water use per chip[1] below 2007 levels by 2012.	Tracking against our 2007 baseline, our water use was up 14% on a per chip basis. We took steps in 2010, and will continue to work in 2011, to reverse this trend, and still expect to meet our 2012 goal.	◒
Reduce absolute global-warming gas footprint by 20% by 2012 from 2007 levels.	Total emissions were down 44% on an absolute basis compared to our 2007 baseline.	●
Reduce energy consumption per chip 5% per year from 2007 through 2012.	Per chip energy use was down 6% compared to our 2007 baseline average of 2% per year. We will continue to work to achieve an average annual reduction of 5% by 2012.	●
Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.	Chemical waste generation on a per chip basis was up 41% over our 2007 baseline due to increased complexity in our manufacturing processes. We are putting measures in place to change this trend but are at risk of not meeting our 2012 goal.	◒
Recycle 80% of chemical and solid waste generated per year.	We recycled 83% of our solid waste, but our chemical waste recycling rate was 75%. We will work in 2011 to improve our chemical waste recycling rate.	◒
Achieve engineering and design milestones to ensure that Intel® products maintain the energy-efficiency lead in the market for our next two product generations.	We met our energy-efficiency and product ecology targets in 2010.	●

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

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

Subsequent to setting new 2012 environmental goals at the beginning of 2008, we completed the divestiture of our NOR flash memory business in exchange for an ownership interest in Numonyx B.V. To avoid the possibility of overstating reductions by including amounts that would be attributed to the sale of these operations, we created a revised 2007 baseline for the goals, with the Numonyx data removed. We believe that using this revised baseline allows us to better track results arising from the direct actions that we are taking in our operations to reduce our environmental footprint. Percentages in the table show our progress as of the end of 2010 against the revised 2007 baseline; tables, graphs, and data in the rest of the report use historical 2007 figures.

Compliance Information and Reporting

In 2010, we continued to maximize our EHS performance through our comprehensive compliance assurance program. In addition to the third-party audits for our ISO 14001 and OHSAS 18001 certification, our site operations conduct program self-assessments that are the backbone of effective compliance assurance. The self-assessments cover environment, safety, industrial hygiene, ergonomics, and health and wellness programs, and are periodic, planned, in-depth reviews of programs or targeted risk areas. The assessments are designed to validate all aspects of compliance and effective implementation.

Another key aspect of our assurance program are internal compliance audits completed by senior EHS professionals independent of site operations and under the direction of EHS Legal counsel. These formal audits include evaluation of areas related to EHS business risk and management systems, and include in-depth interviews, documentation reviews, and physical inspections related to applicable EHS compliance programs.

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

Environmental, health, and safety officials from various regulatory agencies made approximately 75 visits (including audits and inspections) to Intel site operations in 2010. Intel received two Notices of Violation (NOVs) in 2010, totaling $27,400 in financial penalties. Intel self-identified and proactively reported one of the items to the local regulatory agency to ensure effective resolution and to role model corporate responsibility. In addition to the NOVs listed, in 2010 the EPA identified one area of non-compliance related to emissions calculations, and several areas of concern following completion of an inspection of our Rio Rancho, New Mexico facility. The results of the inspection and findings are not yet final and are subject to change; the final outcome will be included in our next Corporate Responsibility Report.

Inspections and Compliance

Location	Type	Violation	Fine	Intel's Corrective Action
Rio Rancho, New Mexico	Environmental	The New Mexico Environmental Department (NMED) issued a notice of violation for a chemical constituent not listed on quarterly air emissions reports. Intel self-identified the missing chemical constituent and notified NMED to ensure resolution.	$25,200	The affected emissions reports were updated to include the correct chemical information and submitted to NMED. Intel updated chemical management applications and systems to ensure the effective tracking of regulated materials.
Parsippany, New Jersey	Environmental	The New Jersey Department of Environmental Protection issued a notice of violation related to procurement of operational permits for boiler and emergency generator installations at a leased Intel office building.	$2,200	Intel improved the environmental permit review processes for the due diligence phase of mergers and acquisitions.

Five-Year Compliance Summary (EHS-Related Notices of Violation)					
	2006	2007	2008	2009	2010
Number of NOVs	6	6	4	5	2
Fines	$300	$800	$1,794	$1,620	$27,400

Many of the Notices of Violation (NOVs) 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.

In 2011, we will continue to work toward achieving the five-year goals that we set at the beginning of 2008, placing a strong emphasis on energy conservation and reducing our water use and chemical waste. We will also focus on identifying opportunities to increase our chemical waste recycling rate. 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. We will also finalize our 2020 environmental goals and publish them in the second half of 2011.

2012 Environmental Goals
Reduce water use per chip[1] below 2007 levels by 2012.
Reduce absolute global-warming gas footprint by 20% by 2012 from 2007 levels.
Reduce energy consumption per chip 5% per year from 2007 through 2012.
Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.
Recycle 80% of chemical and solid waste generated per year.
Achieve engineering and design milestones to ensure that Intel® products maintain the energy-efficiency lead in the market for our next two product generations.

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

Access the Report Builder

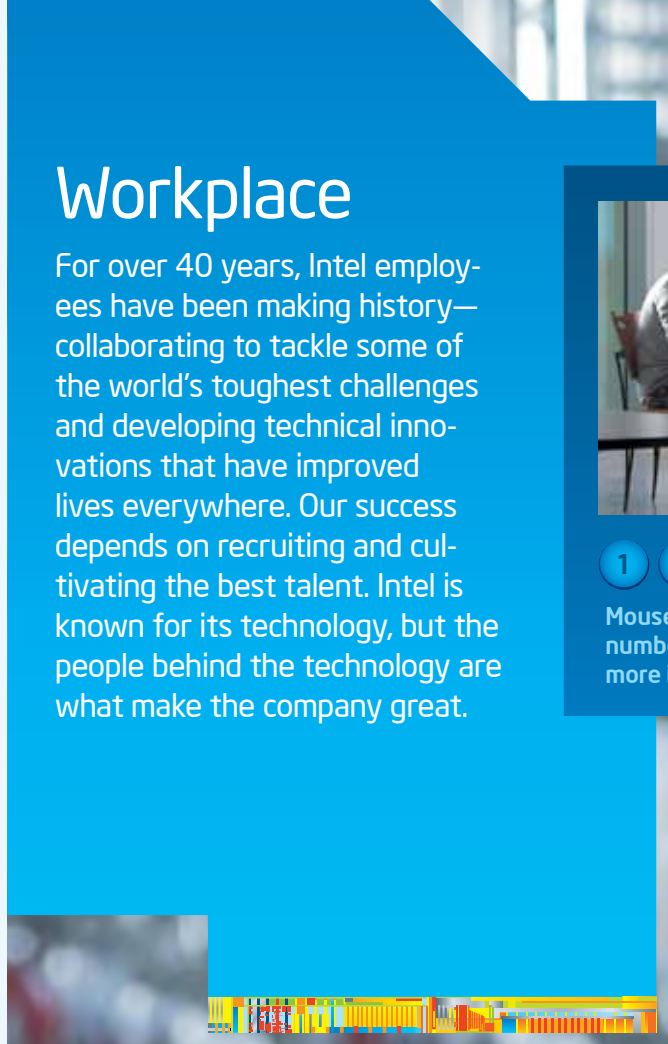
2010 Corporate Responsibility Report
www.intel.com/go/responsibility

Workplace

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

1 2 3

Mouse over numbers to see more images.



$254 Million

Amount invested in Intel employee training in 2010

4,267

Number of Intel employees who took paid sabbaticals in 2010

24%

Increase in number of women in technical mid- to senior-level Intel jobs since 2004

Key Workplace Links

Intel Values

Innovation at Intel

Life at Intel

Diversity at Intel

Chartered Employee Groups

Compensation and Benefits

Access the Report Builder

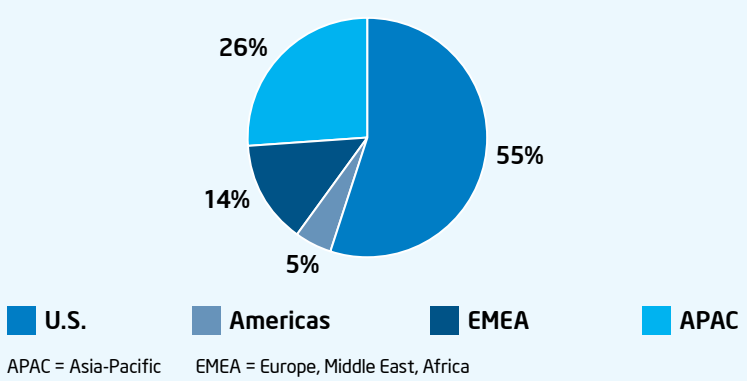
Our Approach to Empowering Employees

Our goal is to cultivate a safe and respectful work environment where employees can thrive, create, and innovate. We offer competitive compensation packages, a broad range of benefits, and career and leadership development programs.

Our Global Workforce

As of December 25, 2010, Intel had approximately 82,500 employees worldwide, approximately 55% of whom were located in the U.S. Our workforce is highly educated, with employees holding an estimated 42,000 technical degrees, as well as 12,000 master of science, 4,000 PhD or equivalent, and 3,800 master of business administration degrees.

Global Workforce as of Year-End 2010



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

Our Philosophy and Management Practices

One of the six Intel Values is "Great Place to Work," which reinforces the importance of positive employee relations as a key component of our success. We support this value by cultivating open and direct communications, rewarding and recognizing our people, and investing in career development and leadership. In 2010, our workplace practices earned Intel a spot on Fortune magazine's annual "100 Best Companies to Work for" list.

Our "open door" policy enables employees to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with managers to address workplace issues. Quarterly Business Update Meetings provide two-way communication venues where employees can ask questions and share their views about our business directly with senior leaders. Feedback from regular employee surveys provides real-time information and data to drive continuous improvement over time.

People at Intel grow by continuously learning—on the job, in the classroom, and by connecting with others. Regular conversations between employees and their managers help identify new opportunities and development objectives. Through our Intel University program, employees connect with one another, acquire new skills, and share their knowledge as volunteer instructors. Celebrating the accomplishments of our employees is a top priority, from everyday thank-yous to formal reward programs. We have made significant investments in the development of strong leaders, recognizing that having skilled managers throughout the organization is critical to our success. We conduct succession planning, provide development opportunities, and set clear management and leadership expectations.

Promoting Innovation

As a prolific inventor of technologies that solve real-world challenges, Intel was granted 1,657 patents in 2010. 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.

In 2010, BusinessWeek and Fast Company magazines both named Intel on their lists of the 50 most innovative companies. 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.

Access the Report Builder

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. Our IdeaZone employee intranet portal describes concrete methods to use at each stage of the innovation process, and our online Innovation Engine tool serves as a repository of employee ideas for product design enhancements, business process improvements, and more. To meet some of our innovators, visit the Our Innovators web site.

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 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 (company-wide and business-unit level) are openly shared with employees, and our CEO uses OHS data to help determine variable compensation for his direct staff. Results are presented in nine broad categories: business process, teamwork, performance, climate, development, organizational direction, commitment, engagement, and environment.

> "We want to make Intel the place to be. We have worked hard over the last several years to improve our organizational health."
>
> Richard Taylor, Vice President and Director, Human Resources

In 2010, some 58,000 people—about 73% of our employees—responded to the 42-question OHS during late November and early December. OHS scores for 90% of the questions improved in 2010 compared to 2009. For the 2010 survey, we had dropped a number of questions for which we had consistently scored very high, so we could focus on areas where we had greater opportunity for improvement. As a result of the survey, we are focusing on the following key areas in 2011: reducing bureaucracy, increasing employee development opportunities, and finding new ways to recognize people and reward great performance.

Selected Organizational Health Survey Results

	2010	2009	2008	2007
I am proud to work for Intel	**85%**	82%	83%	75%
I would recommend Intel as a great place to work	**80%**	74%	73%	61%
My job makes good use of my skills/strengths	**76%**	74%	74%	70%
I have the flexibility to balance the needs of my work and personal life	**79%**	77%	77%	72%
I hope to continue working at Intel for another five years or more	**75%**	77%	76%	67%
Open and direct communication is practiced effectively in my work group	**78%**	77%	78%	74%
In my business group, innovation and creative thinking are actively encouraged	**76%**	73%	73%	70%
At Intel, I am treated with dignity and respect[1]	**83%**	85%	85%	83%

[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.

Percentages shown are for "favorable" responses to these statements. Through benchmarking, we have found that 80% represents world-class performance levels.

Workforce Data

Intel has a history of transparency in workforce data, having published comprehensive statistics in our Corporate Responsibility Report since 2002.

2010 Employee Data

Type of Employee	Employee Category	Americas	APAC	EMEA	U.S.	Total
Regular[1]						
	Exempt Full Time	2,375	13,823	8,892	33,017	58,107
	Exempt Part Time	4	8	107	106	225
	Total	**2,379**	**13,831**	**8,999**	**33,123**	**58,332**
	Non-Exempt Full Time	1,333	7,344	2,689	10,630	21,996
	Non-Exempt Part Time	–	–	32	6	38
	Total	**1,333**	**7,344**	**2,721**	**10,636**	**22,034**
	Regular Total	**3,712**	**21,175**	**11,720**	**43,759**	**80,366**
Intel Contract Employees and Interns						
	Exempt Full Time	180	1,139	97	626	2,042
	Exempt Part Time	72	32	1,501	66	1,671
	Total	**252**	**1,171**	**1,598**	**692**	**3,713**
	Non-Exempt Full Time	50	1,062	358	686	2,156
	Non-Exempt Part Time	1	–	139	73	213
	Total	**51**	**1,062**	**497**	**759**	**2,369**
	Contract/Intern Total	**303**	**2,233**	**2,095**	**1,451**	**6,082**
	Grand Total	**4,015**	**23,408**	**13,815**	**45,210**	**86,448**

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

[1] Regular employees only. Regular employee definition does not include Intel contract employees and interns.

At the end of 2010, the breakdown of total employees (including Intel contract employees and interns) was: 55% in the U.S., 26% in APAC, 14% in EMEA, and 5% in the Americas, which is consistent with the regional breakdown in 2009.

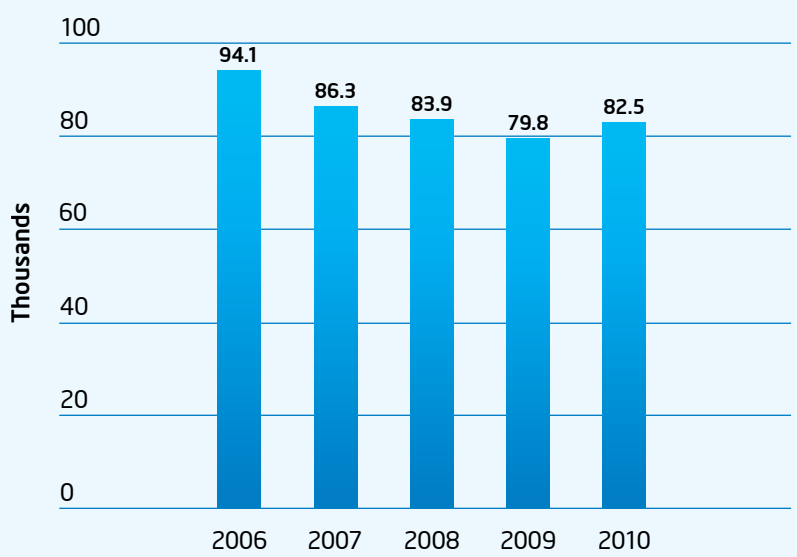
Turnover by Region[1]

Region	Year-End Headcount 2010	Turnover 2010	Turnover (%) 2010	Turnover (%) 2009	Turnover (%) 2008	Turnover (%) 2007
Greater Americas	3,680	222	5.7%	6.9%	9.8%	11.1%
Greater Asia	21,175	1,305	5.9%	4.8%	6.6%	10.5%
Greater Europe	11,720	411	3.3%	2.7%	4.7%	8.2%
United States	43,791	1,073	2.4%	2.1%	4.3%	6.8%
Total	**80,366**	**3,011**	**3.6%**	**3.1%**	**5.3%**	**8.2%**

[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 1,301 employees in 2010.

In 2010, our turnover rates remained low across all regions, with slight increases due in part to improving economic conditions. Regular monitoring of turnover by performance rating (top, middle, and low) helps us spot and address issues and trends swiftly.

Total Number of Employees[1]



[1] Employee figures in this graph are from our 2010 Annual Report and Form 10-K, and are slightly different from the totals in other tables in this section, as the totals include interns and students, in addition to Intel regular employees.

We began restructuring efforts in 2006 aimed at creating a more efficient organization and reducing operating costs. Our efforts included a significant reduction in the size of our global workforce.

Our workforce is highly educated, with employees holding an estimated 42,000 technical degrees, as well as 12,000 master of science, 4,000 PhD or equivalent, and 3,800 master of business administration degrees.

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Career Growth and Development

Our employees grow by continuously learning—on the job, in the classroom, and by connecting with others. We encourage employees to work with their managers to align their job assignments with their strengths and interests, as well as with the needs of the organization.

Recognizing that a strong development culture requires a mix of resources and learning methods, our development model is a holistic approach with three main focus areas:

- **Learn.** Provide employees with a robust range of resources and tools, including Intel University courses focused on skills and role-based requirements, such as manager development, external professional certification resources, 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 relationships, employee groups, and online and social media channels.
- **Experience.** Give employees opportunities to expand their skills through rotational, temporary, or sabbatical coverage assignments. Our sabbatical program creates regular opportunities for 90-day rotations and has contributed to a corporate culture that views rotations as a positive and standard practice in which employees are able to apply for corporate-wide opportunities.

Although every employee goes through an annual review process, performance management and career development at Intel is a continuing conversation between employees and their managers. Managers meet with each employee at least quarterly to review the prior quarter's goals, the employee's development and performance against expectations, and the upcoming quarter's priorities and goals. These meetings provide opportunities for recognition and discussion of performance issues, and contribute to 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. They can also use our internal global job-posting system to learn about and apply for new positions at Intel. Many employees pursue career growth by taking assignments in other countries, where they are exposed to unique cultural experiences while acquiring new business skills; approximately 900 employees were on global assignment in 2010. We also tailor development programs to promote career growth in particular markets.

Our career development workshop is designed to help employees at all levels think strategically about their career development plans, and to facilitate discussions with their managers. Some 40,000 employees have participated in the workshop since its launch in 2008, and they have provided positive and helpful feedback.

Management/Leadership Development

We set clear, consistent expectations for our managers and leaders, and give them opportunities to gain critical skills and knowledge by attending internal and external courses, connecting with other managers, and taking on new challenges. In 2010, Intel was recognized by the Hay Group for our development of current and future managers and leaders, placing third on the firm's "20 Best Companies for Leadership" list. Many of our management and leadership development programs focus on supporting employees during transition periods, such as when they assume leadership roles for the first time or advance to more senior positions. We have seen continuous improvement in our manager and leader performance to expectations since we began implementing these programs:

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

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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. An online Manager Dashboard tool includes resources to help managers run the "people" side of their business.

Senior Leaders. Leading for Extraordinary Results (LER) is an intensive five-day residential program that helps leaders develop clarity of vision and personal leadership, so they can create new possibilities for their people and Intel. In addition to LER, our senior leadership curriculum includes several key courses that cover personal leadership, execution, strategy, and organizational leadership. The courses are offered globally, and Intel executives teach many of them. 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.

Manager and Leader Feedback Survey. Through this 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 2010, more than 85% of managers and leaders received constructive feedback through this process.

Training programs cover a broad range of topics, such as project management, problem-solving, effective decision-making, cross-cultural training, and technical subjects.

Intel University

In 2010, Intel invested approximately $254 million in employee training and development, including instructor-led and e-learning courses. That amount translates to an investment of approximately $3,200 and an average of 34.6 hours of training per employee.

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

2010 Intel University Statistics	
Total learning hours delivered[1]	2,626,687
Total number of training attendees	1,053,954
Number of employee volunteer instructors	4,742

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

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

Tuition Assistance

Our Tuition Assistance Program provides financial assistance to eligible U.S. employees who are completing job-related degree programs or coursework. In 2010, we invested $8.1 million in the program, helping more than 1,266 employees—2.8% of those eligible—pursue educational opportunities.

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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 two-way communication, contributes to organizational health, improves productivity, and decreases turnover.

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

Circuit, our employee intranet portal, provides corporate and local Intel news, and information about workplace services and benefits. Approximately 90% of our employees use Circuit as their web browser's home page. We also reach employees through an expanded 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. According to industry benchmarks, few other major companies embrace employee use of social media and welcome employee commentary as openly as we do.

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

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

Corporate-wide Recognition Programs

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 Achievement Award (IAA)	The IAA is the company's highest honor for personal and small-team accomplishments. Less than one-half of 1% of all employees receive an IAA each year. Winners are rewarded with company stock and an invitation to a banquet hosted by Intel President and CEO Paul Otellini.
Division Recognition Award (DRA)	DRAs recognize employees for reaching critical milestones or completing projects that demonstrate a strong commitment to Intel Values. DRAs are presented to employees in front of their peers at quarterly Business Update Meetings.
Spontaneous Recognition Award (SRA)	Spontaneous recognition can be given at any time to show appreciation to a peer, subordinate, or manager, and may include cash, a gift card, or other reward.

We celebrate the accomplishments of business organizations, teams, and individuals through company-wide recognition programs.

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Workforce Diversity and Inclusion

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

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

Intel respects, values, and welcomes diversity in its workforce, as well as in its customers, its suppliers, and the global marketplace. Intel will comply with applicable laws and provide equal employment opportunity for all applicants and employees without regard to race, color, religion, sex, national origin, ancestry, age, disability, veteran status, marital status, sexual orientation, gender identity, or genetic information. Intel also makes reasonable accommodations for disabled employees. Intel prohibits harassment of any individual on any of the bases listed above.

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

Increasing Leadership Diversity. We have improved the diversity of Intel's workforce in several key categories in recent years. Since the creation of Intel's Women's Initiative in 2004, for example, the number of women in technical mid- to senior-level Intel jobs has grown by 24%. In addition, 30% of the members of the Intel Board of Directors are women. Still, we continue to work on increasing the number of under-represented minorities and technical females in managerial and senior leadership positions. As such, we have key initiatives designed to improve recruitment, retention, and development of African Americans, Hispanics, Native Americans, and technical women in leadership positions.

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

Managers regularly hold in-depth career discussions with employees, challenging them to take on assignments that increase their capabilities and opportunities for growth. In addition to customized internal career development and training, we offer employees external leadership training opportunities at places such as the African American Leadership Institute and the Latino Leadership Institute, which are both located at the University of California at Los Angeles.

"We seek to attract the best talent, and once they are at Intel, we work hard to ensure that every employee has opportunities to thrive and make it to the top without cultural, gender, or racial barriers to impede their progress."

Rosalind Hudnell, Director, Global Diversity and Inclusion

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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 Intel veterans—to join one of 20 chartered Intel employee affinity groups. These groups are organized around racial groupings, national origin, religious beliefs, gender, sexual orientation, or gender identity, as well as other affinities such as parenthood and disability. They provide a powerful means of support and integration for employees, and opportunities to participate in a variety of programs, such as cultural awareness events, mentoring, and community involvement activities. 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. In order to build stronger pipelines for employees who are pursuing technical and leadership careers, Intel provides a variety of development experiences, including site-based leadership training and a networking series targeted for African American, Hispanic, and female employees. Internal and external research has validated the importance of providing experiences for various populations who might be isolated in the environment. These programs deliver specific leadership tools; career-enhancing strategies; and access to peers, coaches, and some of Intel's most senior leaders and technologists.

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

Building External Alliances. Intel is active on the boards and industry committees of national diversity organizations, such as the Anita Borg Institute, Society of Hispanic Professional Engineers, Society of Women Engineers, 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.

We are continuing to evolve our diversity practices to ensure a genuine focus on global diversity and inclusion, and will continue to implement new programs based on a global assessment—not one developed primarily from a U.S.-centric point of view. For regular updates and newsletters from our Diversity leadership team, visit our Diversity web site.

Intel 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.** 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.
- **Women's Leadership Exchange.** Site-based luncheon forums presented by the Women's Leadership Council provide opportunities for female employees to connect and receive high-level coaching and mentoring. Over the past three years, the council has held numerous events at Intel sites, reaching more than 800 of our senior female leaders.
- **Women at Intel Network.** This employee group has 16 chapters worldwide and hosts six development conferences a year.
- **Intel Global Women's Initiative Portal.** In 2010, we launched an interactive portal for all employees where they can connect with women around the world and interact with female leaders at Intel through blogs and discussion forums.

Diversity Data

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

2010 Worldwide Workforce by Gender

	Female	Male	Total
U.S. Workforce	10,580	33,202	43,782
	24.2%	75.8%	
Non-U.S. Workforce	11,526	24,983	36,509
	31.6%	68.4%	
Worldwide Total	**22,106**	**58,185**	**80,291[1]**
Average % Worldwide	**28%**	**72%**	

[1] Regular employees only. Total differs slightly from other regular employee totals in this section due to some individuals not reporting gender.

This table shows our worldwide workforce by gender. Despite our continued investments and improvements in recruiting and retention programs, the overall percentage of women has remained relatively flat since 2006. The worldwide percentage of women was 28% in 2009, 29% in 2008, 29% in 2007, and 30% in 2006.

2010 U.S. Workforce by Reporting Category

	African American	Asian/Pacific Islander	Caucasian	Hispanic	Native American	Other[1]	Total
Workforce							
Female	390	3,448	5,664	917	80	82	10,581
	3.7%	32.6%	53.5%	8.7%	0.8%	0.8%	100.0%
Male	1,148	8,889	19,890	2,581	209	484	33,201
	3.5%	26.8%	59.9%	7.8%	0.6%	1.5%	100.0%
Total	**1,538**	**12,337**	**25,554**	**3,498**	**289**	**566**	**43,782**
Officials and Managers							
Female	18	263	761	42	6	15	1,105
	1.6%	23.8%	68.9%	3.8%	0.5%	1.4%	100.0%
Male	80	1,730	4,463	195	18	55	6,541
	1.2%	26.4%	68.2%	3.0%	0.3%	0.8%	100.0%
Total	**98**	**1,993**	**5,224**	**237**	**24**	**70**	**7,646**

[1] "Other" includes employees who reported as multi-racial and those who did not report race.

This table provides a high-level summary of our U.S. workforce by reporting category. To access detailed U.S. demographic statistics, use the interactive U.S. Employment Demographics (EEO -1) tool on our Diversity web site, where you can sort data by position type.

2010 U.S. Hiring Data

Year	Total Number of Employees Hired	Minorities as Percentage of U.S. Hires	Females as Percentage of U.S. Hires
2010	2,354	57% (1,336 of 2,354 hires)	24% (576 of 2,354 hires)
2009	1,676	42% (701 of 1,676 hires)	24% (396 of 1,676 hires)
2008	4,060	56% (2,275 of 4,060 hires)	31% (1,246 of 4,060 hires)
2007	3,045	52% (1,587 of 3,045 hires)	26% (787 of 3,045 hires)
2006	3,056	50% (1,530 of 3,056 hires)	29% (882 of 3,056 hires)

In 2010, we made progress toward our goal of hiring more minorities as a percentage of total hires. The percentage of females as a percentage of total hires remained flat from 2009.

2010 Worldwide Senior Management and Governance Bodies

		Board of Directors		Corporate Officers		Top 50 in Total Compensation	
Male							
	African American	–	–	–	–	–	–
	Asian/Pacific Islander	–	–	5	19%	7	14%
	Caucasian	7	70%	16	59%	30	60%
	Hispanic	–	–	–	–	–	–
	Native American	–	–	–	–	–	–
	Unidentified	–	–	–	–	4	8%
Female							
	African American	–	–	–	–	–	–
	Asian/Pacific Islander	–	–	1	4%	–	–
	Caucasian	3	30%	5	19%	8	16%
	Hispanic	–	–	–	–	–	–
	Native American	–	–	–	–	–	–
	Unidentified	–	–	–	–	1	2%
Total		**10**	**100%**	**27**	**100%**	**50**	**100%**

This table provides 2010 year-end diversity information for Intel's Board of Directors, corporate officers, and top 50 executives in terms of compensation worldwide. The position of Chairman has been held by a woman since May 2009. At our Annual Stockholders' Meeting in May 2011, if all of the director nominees are elected, the percentage of women on the Board will remain at 30%.

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Compensation, Benefits, and Work/Life Effectiveness

Intel's comprehensive compensation and benefits program is designed to attract, retain, and reward the people responsible for the company's long-term growth and continuing record of innovation. We strive to provide tools and benefits that support the work/life needs of different employees—from working parents and those with elder-care responsibilities to those in the military reserves.

Compensation

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

Intel targets employee cash compensation (base pay plus bonuses) at above-market averages, as long as the company's performance is comparable to or better than the performance of our peer companies. In 2010, we also invested in communications and education efforts to increase transparency of our pay competitiveness and design principles, resulting in improved perceived value of pay and benefits for existing and prospective employees. For more information on compensation and benefits at Intel locations worldwide, visit our Compensation and Benefits web site or read our most recent annual report and proxy statement.

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

The Employee Cash Bonus Program (ECBP) pays cash incentives to employees twice a year, allowing them to share in Intel's success. On top of their ECBP payouts, employees may 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 2010, employees received the additional two days of pay under the program as a result of the company receiving a record 91% "Delighted" score from customers. Intel has exceeded the 75% "Delighted" score goal since 2006, enabling employees to receive two extra days of pay for five years in a row.

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

	Employee Cash Bonus Program (ECBP)		Employee Bonus (EB) Plan
Year	Annual Payout in Days of Pay	% of Pay	EB Multiplier
2006	15.1	5.8%	2.33
2007	17.3	6.7%	3.49
2008	15.2	5.9%	2.66
2009	16.7	6.4%	3.92
2010	26.4	10.2%	4.24

This table illustrates our historical ECBP payout and EB multipliers. The EB multiplier is applied to each eligible individual employee's target amount. If an employee's target in 2010 was $1,000, the employee's payout would have been 4.24 x $1,000, or $4,240.

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Equity Programs

To enable employees to share in Intel's success and align employee interests with those of our stockholders, we grant equity to more than 90% of our employees annually, including restricted stock units (RSUs) and stock options. Share-based compensation totaled $917 million in 2010.

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

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

Health Benefits

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

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

We also extend medical and dental benefits coverage to same-sex domestic partners. In addition, we provide autism, infertility, transgender, and adoption benefits to our employees.

Our total spending on healthcare benefits in 2010 was $404.8 million, including medical coverage for active employees, prescription drug coverage, and dental insurance. Intel's health premium spending averages approximately $796 per month per employee, boosting each employee's compensation package by approximately $9,554 annually (individual amounts vary depending on the plan and usage). We also offer an Employee Assistance Program that provides free short-term professional counseling services to help employees and their dependents through difficult times. See "Wellness Programs" for information on our award-winning Health for Life wellness program.

Retirement Benefits

Planning for retirement is a shared responsibility between Intel and each employee. We encourage our employees to leverage all possible resources to create a savings and investment strategy that will provide a secure and comfortable retirement. Our benefits vary by country but can include post-retirement medical benefits as well as: 401(k) savings, Intel contributions to employee retirement plans, and defined benefit plans. Eligibility for these plans varies by country, legal requirements, and employee tenure. Intel considers market practice, retirement readiness, regulatory requirements, and company affordability when funding employee retirement plans. In the U.S., in 2010 we contributed 6% of eligible earnings to an employee's retirement accounts 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.

Special Leave Programs

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

Sabbatical Program. Full-time employees in the U.S. and Canada receive an 8-week paid sabbatical upon completion of each seven years of service. Annual vacation time can be added to sabbaticals, resulting in up to 12 weeks of paid time off. Employees can apply to extend their sabbatical up to six months to teach, volunteer, or complete educational opportunities that significantly enhance our business or benefit the community. In 2010, 4,627 employees took sabbaticals, returning refreshed and revitalized.

Pregnancy Leave. Through a combination of legal requirements and Intel's own leave guidelines, female employees can take advantage of Intel's Pregnancy Leave benefit. Although unpaid, it allows employees to take time off when their doctors say they are unable to work. Employees often supplement their income during Pregnancy Leave with short-term disability benefits. In 2010, 603 female employees used our Pregnancy Leave benefit. Additionally, either parent may take leave to bond or care for a newborn or adopted child, or a child placed with them through foster care.

Personal Leave. U.S. employees who are experiencing compelling personal situations may be eligible for unpaid Personal Leave. Employees can apply for Personal Leave to handle family crises or emergencies, provide care for an ill family member (i.e., when such leave is not otherwise covered by the Family Medical Leave Act), or address certain situations not covered under Intel's other leave programs. In 2010, 148 employees used our Personal Leave program.

Military Leave of Absence and Adjustment Pay. Intel supports employees who serve in the U.S. uniformed services or National Guard. Military Adjustment Pay compensates for the difference between an employee's base pay and military pay. Intel has expanded Military Adjustment Pay for service in Iraq and Afghanistan and other emergencies, including extending the duration of this benefit to up to two years per deployment. The U.S. government has publicly recognized Intel for its commitment and continuing efforts in this area. In 2010, 111 employees used this benefit.

Intel Benefits and Work/Life Programs at a Glance

- Paid sabbatical benefit for U.S. and Canadian employees
- Multiple leave programs, including personal, pregnancy, bonding, and military
- Near-site childcare centers and back-up childcare programs
- Elder-care and adoption assistance programs
- Voluntary benefits, including long-term care insurance, critical illness insurance, and group legal insurance
- Comprehensive health benefits, including medical, dental, vision, and employee assistance programs
- Multiple retirement plan options, including 401(k), retirement contribution, defined benefit, and post-retirement medical benefits
- Employee discount programs for online and local shopping, as well as Intel products
- On-site fitness and recreation facilities and programs
- Free fruit and beverages at multiple locations
- Commute reduction options
- Employee use of Intel facilities for book clubs, music events, birthday parties, baby showers, etc.
- Scholarships for dependents of Intel employees (nearly $2.4 million in scholarships were awarded to over 600 recipients in 14 countries in 2010)
- "Live Homework Help" for employees' families, which included 25,000 tutoring sessions in 2010
- Family fun events, which reached over 85% of our employees and their families in 2010
- Employee Marketplace: An online forum for Intel employees where they can exchange items with their colleagues (about 400 items are sold or traded every month)

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Work/Life Effectiveness

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

Flexibility. To help employees manage their work and personal responsibilities, we support a wide range of flexible work options, including alternative start/stop times, compressed work weeks, part-time schedules, job sharing, flex time, compensatory time off, and telecommuting. Corporate guidelines govern each of these options, and managers and employees have discretion in developing solutions that meet both business and employee needs. Because most of these arrangements are negotiated directly between employees and their managers, Intel does not track usage centrally. However, surveys indicate that about 20% of our employees work a compressed work-week schedule, and more than 80% telecommute on a regular or temporary basis using company-provided laptops and remote access to the corporate network.

Child and Elder Care. Our childcare programs are customized to meet the specific needs and market conditions at each site. Intel sponsors 15 near-site childcare centers in the U.S. that offer priority enrollment, back-up childcare, and holiday care. We also provide up to $50 a day (five days a year) for back-up childcare reimbursement to all U.S. employees. In addition, we sponsor family childcare networks at our Arizona, New Mexico, and Oregon sites. To meet the scheduling needs of our manufacturing workforce, many family childcare network providers offer extended-hours care.

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

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

Services and Conveniences. Several discount programs offer employees reduced pricing on products and services, such as computers, cars, cell phones, home mortgages, banking, and home solar energy systems. We also have on-site cafeterias, fitness centers, ATMs, dry-cleaning services, and private rooms for nursing mothers. More than 90% of our employees in the U.S. have access to commute reduction options, such as vanpool and transit subsidies and carpool matching services, as well as air shuttles between major sites.

We strive to provide comfortable, attractive work spaces that promote collaboration among employees. To that end, over the past two years, we have redesigned more than 1 million square feet of office space, replacing tall gray cubicle walls with brightly colored, lower walls. We have added glass-walled conference rooms, and open lounges with flat-screen TVs, armchairs, and kitchens, where free fruit and beverages are available throughout the day. The redesigned areas promote innovation, with plenty of space for people to work in groups. We also have incorporated "green" design principles into the plans. For more information, see the Environment section of this report.

For firsthand accounts of the Intel workplace, visit the Life at Intel web site, where employees share their experiences of working at Intel, including our work/life programs.

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Health and Safety, and Employee Wellness

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

2010 Safety Update

Our days away case rate remained flat compared to 2009, but we recorded reductions in the severity and the impact of employee injuries, with a 27% reduction in the total number of lost days and a 31% reduction in the number of restricted days. Our recordable rate increased by 17% in 2010, the result of increases in both cumulative trauma disorders (CTDs) and acute injuries within our manufacturing and platform organizations. Intel ended the year with an Occupational Safety and Health Administration (OSHA) recordable rate of 0.56, which is three times better than the U.S. semiconductor industry average.

Although we work proactively to prevent the onset of CTD symptoms through employee training and awareness campaigns, CTDs continue to be the most frequent recordable type of injury at Intel. We recently introduced software that reminds employees to take rest breaks, and describes specific steps to take to reduce risks associated with computer use. In addition to proactive initiatives to prevent CTD injuries, we advocate that our employees report CTD symptoms as early as possible, so they can minimize injury severity by obtaining early care and addressing the root cause. With this focus on early reporting, Intel's overall cumulative trauma injury report rate increased 15% worldwide in 2010, but we recorded a 48% reduction in CTD cases that involved lost or restricted time—an indication that early reporting is helping to minimize injury severity for our employees.

While our 2010 safety performance compared to our peer companies is still exceptional, we are committed to improvement, guided by the Intel Environmental Health and Safety (EHS) policy to "provide a safe and injury-free workplace." We want more colleagues to go home injury-free during 2011, and we will continue to focus on core safety programs, injury reduction initiatives, and the next steps on our safety culture journey.

Employees and contractors receive a wide range of safety training, starting with orientation sessions and continuing on the job. Instructor-led and web-based training classes are available to help employees understand their safety responsibilities, and to cover materials needed for specific jobs (such as electrical safety, ergonomics, control of hazardous energies, and chemical safety). Courses are available in multiple languages, and are designed to be tailored for different Intel locations as needed. In 2010, there were 147,713 attendees at our EHS training courses, which included 60 web-based and 91 instructor-led classes.

We continued to build on our Everybody, Everywhere, Everyday! (E3!) safety culture strategy in 2010 to reinforce our expectations about maintaining a strong safety culture. Through the 2010 E3! Safety Culture Survey, almost 25% of Intel's employees were invited to provide feedback on their organization's safety culture. The survey tool is based on our eight core expectations of a positive safety culture. Surveyed organizations used the feedback to identify their two or three priority safety culture focus areas and supporting tactics for the next two years. The majority of the organizations prioritized opportunities for continuous improvement in the areas of management safety leadership and actions, supportive communications, and employee engagement.

Safety Focus Areas for 2011

- Grow Intel's safety culture: Everyone, Everywhere, Everyday! (E3!)
- Deliver effective, efficient global programs and standards to enable environmental, health, and safety success and compliance
- Deliver quality customer service by building valued partnerships, supporting site needs, and tackling emerging issues

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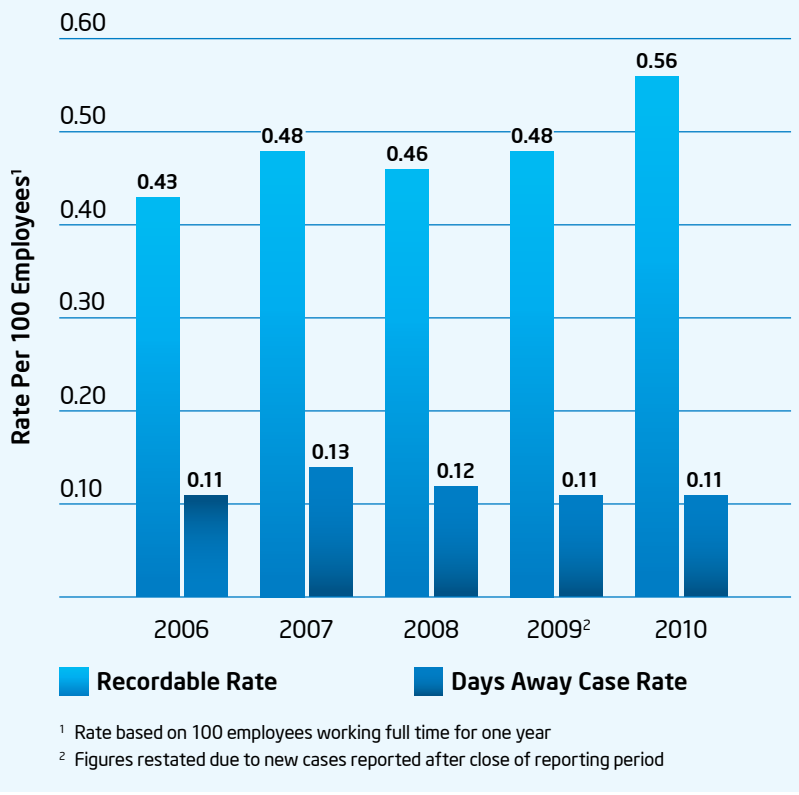
Recordable and Days Away Case Rates



[1] Rate based on 100 employees working full time for one year
[2] Figures restated due to new cases reported after close of reporting period

Intel's recordable rate for injury and illness increased by 17% in 2010, while our days away case rate remained flat. We believe that all workplace injuries are preventable, and we will continue to focus our efforts in 2011 on reinforcing a strong safety culture.

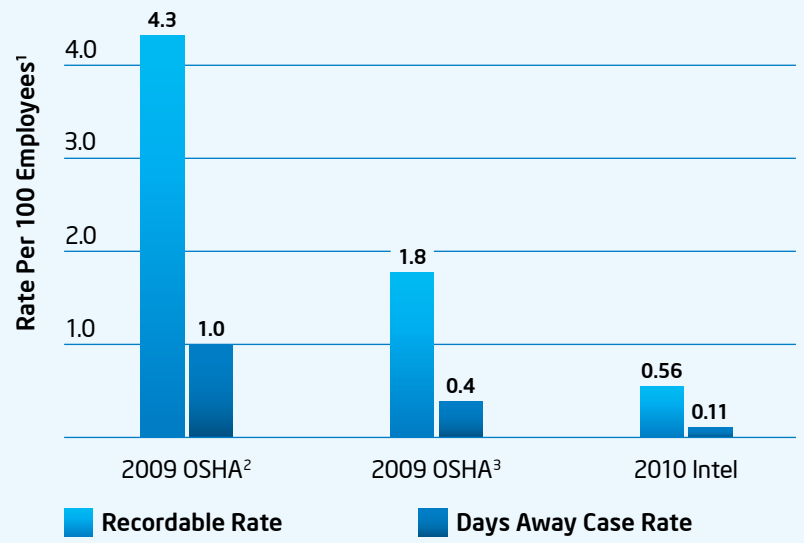
In 2010, Intel achieved certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems.

Health and Safety Management Systems

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

As new sites are added, we will continue to complete the necessary certification audits to add them to our integrated ISO 14001 and OHSAS 18001 multi-site registration. Going forward, we will complete initial certification audits for our new manufacturing operations in Vietnam and China. For more information about our EHS management systems and compliance and self-assessment activities, see "Managing Environmental Performance" and "Compliance Information and Reporting," respectively, in the Environment section of this report.

Health and Safety Benchmarks



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

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Wellness Programs

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

Intel's Health for Life program is designed to inspire and motivate employees to take action toward achieving their best possible health and quality of life. The 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 program's 3-Step Wellness Check is now available in nine 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 2010, 56% of Intel employees participated in the Wellness Check, receiving critical knowledge about their health status. Intervention programs, such as weight management, fitness, and stress management, are available for lifestyle behavior modification.

Expanding our focus on employee well-being and preventive healthcare, we opened a new on-site digital fitness center at our Chandler, Arizona campus in 2010. The center offers state-of-the-art, Intel® embedded technology-based and Internet-connected machines that communicate fitness information to users and provide an engaging, customized workout experience. The center enables employees to proactively manage their health and fitness, and serves as a pilot for future corporate wellness centers.

Intel was among 66 employers that received a 2010 Best Employers for Healthy Lifestyles award at the Leadership Summit, sponsored by the National Business Group on Health's Institute on Innovation in Workforce Well-being. We earned a platinum award—the highest level given—in recognition of our wellness programs.

We were also honored to receive recognition for the Intel Health for Life program from URAC and the Global Knowledge Exchange Network (GKEN) on Healthcare. URAC is a well-known, independent nonprofit organization and a leader in promoting healthcare quality through its accreditation, education, and measurement programs. Intel's Health for Life program was one of only six workplace award entries selected by a prestigious panel of judges in the inaugural URAC and GKEN International Health Promotion Awards competition.

"The [Health for Life] Centers are here to help employees take care of themselves and manage their health. We want to provide our employees with access to convenient and high-quality care."

Brian Krzanich, Senior Vice President and General Manager, Manufacturing and Supply Chain

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Other Health Initiatives

We collaborate regularly on research and leadership initiatives as well as other health-related issues that may impact our industry or our workforce.

SIA Health Study. Starting in 2005, we participated with the Semiconductor Industry Association (SIA), other member companies of the SIA, and a research team from Vanderbilt University on a multi-company study evaluating causes of death in employees who had worked in wafer fabrication facilities. The study, including over 100,000 semiconductor industry workers who were followed for up to nearly 30 years, was a retrospective epidemiological study designed to determine if wafer fabrication workers had an increased cancer risk compared to other semiconductor industry workers and to the general population. In 2010, the study was completed, and the results were published in the November issue of the Journal of Occupational and Environmental Medicine. The researchers found no association between work in wafer fabrication cleanrooms and either overall cancer mortality or mortality from any specific form of cancer.

Nanoelectronics Safety. Intel is collaborating with multiple stakeholder groups to further define, characterize, and manage the EHS implications of nanoelectronics—the manufacture of extremely small transistor devices—in the semiconductor industry. Intel is also taking the lead in developing EHS standards on the use of nanomaterials in manufacturing, and is currently the convener of the International Standards Organization (ISO) Technical Committee charged with developing international EHS standards on the use of nanomaterials. We continue to support the International Council on Nanotechnology, a multi-stakeholder group of industry, academic, and government institutions dedicated to promoting the sound use of nanomaterials in future applications.

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

Crisis Management

Intel Crisis Management (ICM) is our end-to-end response to crises and major business disruption events. The ICM vision is to "save lives, property, revenue, and business opportunity by leading prudent preparedness, appropriate response, and rapid recovery from natural and man-made disasters and disruptions." ICM sets the standards and provides oversight for our Emergency Management (EM) program and our Business Continuity (BC) program across Intel, and requires every Intel organization to embed BC into their core business practices. This enables Intel to maintain and regularly test business continuity 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. The EM program is designed to quickly respond and ensure the safety of our personnel, safeguard our facilities, and begin the recovery of our business back to "normal operations." In the event of a business disruption, our BC 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. The strong partnership, leadership, and linkage of EM and BC have made Intel an industry leader in these areas, and have helped facilitate our corporate response capabilities to a range of crises in recent years, such as the earthquake in China (Chengdu), the H1N1 pandemic, volcanic ash, political protests in Egypt, loss of critical suppliers, flooding, fires, and other events.

Performance Summary and Goals

In 2010, our Organizational Health Survey results remained strong and provided valuable feedback in the areas where we have made significant improvements over the past few years, as well as the areas where we still can improve. We were recognized by a number of external groups for our leadership, training, and diversity programs. While we saw improvements as a result of our investments aimed at increasing the pipeline of women and minorities in the technology industry, we still faced challenges in increasing the overall percentage of women and under-represented minorities in our global workforce. In the area of health and safety, we made good progress on improving early reporting of injuries and continued to expand our Health for Life wellness program to reach more employees at our sites around the world. We also completed workplace redesigns at a number of our sites, based on successful pilots in 2008, to create more open and flexible workspaces that facilitate employee collaboration.

Workplace Goals and Performance

2010 Goals	2010 Performance	
Drive key improvements and hire at full availability for technical under-represented minorities and women.	While the overall percentage of females in our global workforce declined slightly, we saw an increase in the representation of women in senior leadership positions. We will continue to invest in both internal and external initiatives to strengthen the pipeline of talent and advance our diversity objectives.	◒
Improve the organizational health of the company, as measured by improvements in our company-wide Organizational Health Survey.	Scores for 90% of the survey questions improved from 2009 to 2010, with 73% of employees participating.	●
Maintain our world-class safety performance by achieving a target safety recordable rate of 0.36.	Intel's 2010 recordable rate was 0.56, which is a 17% increase over 2009. Increases were registered in cumulative trauma disorders (CTDs), where we were driving and advocating early reporting with our employees, and in acute injuries within our manufacturing and platform organizations.	○
Improve early reporting of ergonomic-related injuries, specifically CTDs, with a targeted First Aid to Recordable Ratio goal of 9:1.	We did not meet our goal in 2010. Intel's 2010 CTD First Aid to Recordable Ratio was 6.8:1, compared to 7.1:1 in 2009. During 2010, we saw a 15% worldwide increase in Intel's overall CTD injury report rate and an increase in CTD recordables. Early detection helped drive a 48% reduction in CTD cases that involved lost or restricted time from 2009 to 2010.	○

● Achieved ◒ Partially Achieved ○ Not Met

In 2011, we will focus on making improvements in key areas identified in our 2010 Organizational Health Survey, including career development, decision-making, and manager effectiveness; driving continuous improvement in workforce diversity; and building on the solid foundation that we have established in health and safety performance.

Workplace Goals for 2011

Drive key improvements and hire at full availability for technical under-represented minorities and women.
Improve the organizational health of the company, as measured by our company-wide Organizational Health Survey.
Maintain our world-class safety performance, achieving a target safety recordable rate of 0.40.
Improve early reporting of ergonomic-related injuries, specifically CTDs, with a targeted First Aid to Recordable Ratio goal of 9:1.

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Supply Chain

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

Mouse over numbers to see more images.

1 2 3

~10,000

Number of Intel suppliers, in over 100 countries

>500

Number of supplier facilities that we completed a risk assessment or audit for during 2010

217

Tons of paper and plastic that we saved through packaging and shipment redesigns in 2010

Key Supply Chain Links

Intel Supplier Site

Intel Code of Conduct

Intel Human Rights Principles

Electronic Industry Citizenship Coalition

Supplier Ethics Expectations

Supplier Environmental Health and Safety Requirements

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Our Approach to Supply Chain Responsibility

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

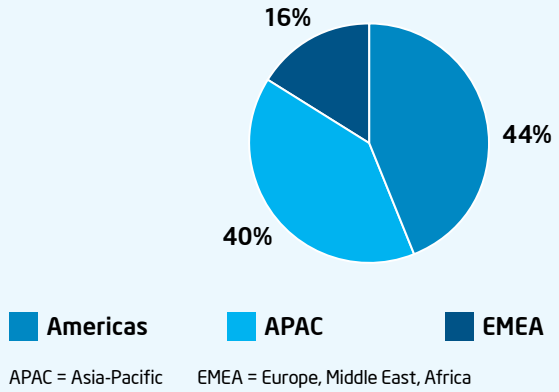
As a major supplier to other leading electronics companies, we know that Intel's actions and those of our suppliers can impact the performance and reputation of our customers and their products. We continuously seek to establish a leadership position by proliferating and promoting the experience we have gained in managing corporate responsibility issues in our own manufacturing operations throughout our supply chain. We proactively scan trends to understand where there are significant risks and opportunities for supply chain leadership. Where appropriate, we also enlist the help of others to effect broader change throughout the industry. Our approach includes:

- **Setting clear expectations** and providing infrastructure, direction, and tools to help suppliers improve their corporate responsibility performance. As part of this process, we incorporate requirements and training into our management systems, scorecards, assessments, and awards;
- **Collaborating with our suppliers on broad initiatives** where we believe we can have a lasting impact, such as working with the Electronic Industry Citizenship Coalition (EICC) and other industry associations, and helping to lead efforts to trace and eliminate conflict minerals in the electronics supply chain;
- **Engaging our employees** to further integrate corporate responsibility considerations into purchasing decisions and supplier management processes; and
- **Driving higher levels of transparency** in our reporting and supplier engagement activities.

Our Global Supply Chain

Intel depends on a complex, multi-tiered global supply chain that comprises more than 10,000 suppliers in over 100 countries. Our suppliers provide a myriad of parts, equipment, materials, and services for our factories and offices worldwide. We have suppliers that provide direct materials for our production processes, tools and machines for our factories, and logistics and packaging services; we also have suppliers that provide non-production materials and services, such as office supplies and travel services. In 2010, we were again recognized in Gartner's AMR Supply Chain Top 25 list for excellence in supply chain management, including our efforts to improve customer responsiveness and apply supply chain principles across the company to reduce costs and improve efficiency.

2010 Supplier Spends by Region



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

"Supply chain leadership requires setting high expectations for ourselves and our suppliers, and then holding ourselves accountable to the results. By working closely and transparently across the full supply chain, we can achieve lasting and higher levels of performance."

Jackie Sturm, Vice President,
Technology and Manufacturing Group, General Manager,
Worldwide Materials

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To continue to promote transparency, we have included a list of our top 75 suppliers in 2010.

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

Advanced Semiconductor Engineering Inc.
Advantest Corp.
AEM Holdings Ltd.
Air Products and Chemicals, Inc.
Applied Materials Inc.
ASM International N.V.
ASML Holding N.V.
Avantor Performance Materials, Inc. f/k/a Mallinckrodt Baker Inc.
Cymer, Inc.
Daifuku Co., Ltd.
Dainippon Screen Mfg Co. Ltd.
Delta Design Inc.
Delta Electronics, Inc.
DHL Global Forwarding
Dupont Air Products Nanomaterials LLC
Ebara Corp.
Edwards Ltd.
Essai Inc.
Federal Express
Flextronics
Fujifilm Electronic Materials USA, Inc.
Fujimi Corporation
Gemtek Technology Co., Ltd.
Grohmann Engineering GMBH
Harbor Electronics Inc.
Hitachi High Technologies America
Hitachi-Kokusai Electric Corp
Hon Hai Precision Industry Co., Ltd.
Honeywell Electronic Materials
Hoya Corp. USA
Ibiden Co. Ltd.
Inventec Corp.
JSR Micro, Inc.
JX Nippon Mining & Metals Corp.
Kintetsu World Express
KLA Tencor Corporation
KMG Chemicals, Inc.
Linde
LSI Corporation
Marvell Semiconductor, Inc.
MEMC, Inc.
Micron
Microprobe Inc.
Mitsubishi Gas Chemical Company, Inc.
Murata Manufacturing Co. Ltd.
Muratec Automation Co. LTD
Nan Ya PCB Corp.
Nanometrics Inc.
Nidec Corporation
Nikon Corp.
Nordson Asymtek
Novellus Systems, Inc.
Nuflare Technology Inc.
Pegatron Corporation
Praxair Electronics
Quanta
Ringchem Company, Inc.
Samsung Electro-Mechanics
Schenker Logistics, Inc.
SEH America Ltd.
Shinko Electric Industries Co., Ltd.
Siliconware Precision Industries Co., Ltd.
Siltronic AG
Stats Chip Pac Ltd.
Sumco Corp.
Tokyo Electron Ltd.
Tokyo Ohka Kogyo America, Inc.
Tosoh Quartz Inc.
TSMC
Ultratech, Inc.
United Van Lines
Universal Scientific Industrial Co., Ltd.
UTI IMS Inc.
Varian Semiconductor Equipment Associates, Inc.
VWR International

[1] As of December 31, 2010

The suppliers in this list represent approximately 90% of Intel's purchasing spends in production, capital, and logistics in 2010. Some were recipients of Intel's 2010 Supplier Continuous Quality Improvement and Preferred Quality Supplier awards.

Our Expectations

We expect our suppliers to actively support Intel's supplier responsibility goals by: developing a corporate responsibility strategy or policy, setting aggressive goals, engaging and auditing their own suppliers, and reporting and sharing their ideas and successes. Some of our suppliers may in turn have thousands of suppliers themselves, so it is critical that we set clear expectations with our own suppliers.

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

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

The EICC Code also embodies principles from external standards, such as pertinent International Labour Organization conventions, the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights.

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Governance and Management

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

Industry Collaboration. We actively participate in a number of external supply chain-related organizations, including the EICC. Intel representatives serve on EICC committees to advance improvements throughout the industry, including helping to develop audit processes and tools to track assessment data and emissions information. Our EICC representatives provide regular updates to Intel's internal working groups and MRCs to ensure that Intel's supply chain responsibility priorities align with those of the EICC.

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

Supplier Selection and Risk-Based Management. Commodity managers and buyers are responsible for overseeing Intel's supplier selection process and communicating our corporate responsibility expectations to suppliers. 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 supplier social responsibility activities. Our commodity managers are responsible for working with our suppliers to assess potential risks, using the following three-tiered framework:

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.

Employee Training. For a number of years, Intel commodity managers and buyers who manage our Tier 1 (direct) suppliers have been required to attend an internal training course that covers corporate responsibility and environmental sustainability. In 2010, we further integrated environmental and social responsibility considerations into our management systems and training, including:

- Adding more in-depth discussions to commodity manager training about human rights, conflict minerals, and environmental sustainability requirements;
- Updating two of our supply chain negotiation courses to include sustainability topics;
- Integrating corporate responsibility content into training and web sites for employees who use our corporate purchasing cards, high-volume shopping cards, and Correct Way to Buy tool;
- Creating new purchasing desk scripts that cover corporate responsibility issues, and training our helpdesk staff to better respond to questions from employees;
- Adding environmental and social considerations into the strategic sourcing plans of a number of groups in our supply chain organizations; and
- Creating and implementing sustainability curricula in our internal employee training program on supply chain management competencies.

Transparency. In 2010, we took a number of steps to increase the overall transparency of our supply chain responsibility efforts, including: expanding disclosure of our top suppliers from 50 to 75, providing regular updates during the year on our actions to address conflict minerals, expanding our disclosure on our assessment and audit findings, and redesigning our supplier web site. We also launched a pilot web site with real-time reporting for one of our factories. For more information, see "Stakeholder Engagement" in this report.

Supplier Continuous Quality Improvement Program

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

On an annual basis, we publicly recognize suppliers that have demonstrated outstanding performance. Suppliers are awarded either SCQI or Preferred Quality Supplier (PQS) status based on Supplier Report Card (SRC) results; performance against a challenging annual improvement plan; active participation in Intel's supply chain environmental, social, and governance initiatives; and validated quality and business systems. In addition to the SCQI and PQS awards, we created a new Achievement Award in 2010 to recognize an extraordinary supplier effort that impacted one of Intel's key business areas. For a list of recent SCQI and PQS winners, visit our Supplier Quality Portal.

In 2010, we continued to improve our internal processes for integrating environmental considerations into the SRC and into the processes that we use to request bids and proposals, select new suppliers, and manage supplier performance. The SRC now includes sustainability metrics, as well as metrics in the areas of availability, cost, quality, technology, and customer satisfaction. Within the sustainability category, suppliers are assessed on an Intel Code of Conduct risk assessment, the presence of an environmental management program with set goals and performance improvements over time, and financial sustainability measures. Starting in 2011, suppliers subject to the SRC will also be required to provide baseline usage and historical trend data on carbon, water, and waste, including any applicable goals that the supplier has established. The objective is not to set specific improvement expectations for suppliers at this stage, but to determine how to drive improvements in the future.

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Supplier Tools and Education

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

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

Intel Supplier Day. At our Intel Supplier Day conference in March 2010, hundreds of executives came together to receive education, share information, discuss our supplier expectations, and learn about our corporate responsibility objectives for the coming year. Sustainability was one of the main themes at the event. Keynotes, panels, and many of the interactive booths at the conference focused on corporate responsibility and sustainability topics.

Ethics Training. We communicate our supplier ethics expectations throughout the year in supplier meetings and training events, as well as on our Supplier Site. An annual reminder letter to suppliers reinforces those ethics expectations. We provide ethics training materials in multiple languages, including English, Chinese, Japanese, Spanish, Russian, and Vietnamese. Suppliers are expected to report any ethical concerns to Intel so we can investigate and take appropriate action. Reporting can be done using any of several reporting methods, in English or in their local language. For more information on Intel's supplier ethics expectations, training materials, or issue reporting, visit the Ethics and Code of Conduct section of our Supplier Site.

2010 Assessment and Audit Summary

We believe that the most effective way to improve corporate responsibility performance across our supply chain is to direct our audit and performance improvement activities primarily toward suppliers with the highest risk profiles. Our assessments and audits cover a range of labor-related issues as well as environmental, health, and safety factors.

In 2010, we improved supplier due diligence by significantly increasing the total number of assessments and audits that we completed using our risk-based assessment process.

Risk Assessments and Audits

	2010	2009	2008
RA1 (high-level self-assessment)	576	500	300
RA2 (in-depth assessment with over 300 questions)	172	74	49
RA3 (on-site third-party audit)	8	0	9

Since 2008, we have completed more than 1,000 supplier self-assessments or audits. 89% of our production suppliers in our top 75 list have been evaluated using our risk-based assessment process. In 2011, we will continue to expand our assessment process across more of our supplier base, including logistics suppliers.

"Each company can have an impact with an individual supplier, but if you drive change through thousands of suppliers, that can lead to a geometric impact."

Robert E. Bruck, Vice President,
Technology and Manufacturing Group, General Manager,
Technology Manufacturing Engineering

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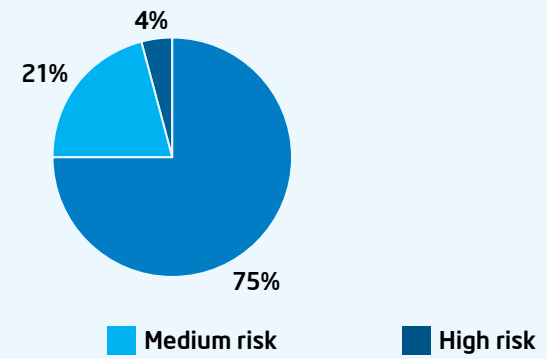
We restarted our audit activity in 2010, completing eight RA3 third-party audits in 2010, compared to zero in 2009, when audits were put on hold while the audit process was refined. Primary areas of concern identified through the assessments and audits in 2010 included working hours, issues related to wages and benefits, emergency preparedness concerns, and insufficient labor and ethics management systems. Examples of findings included evidence of employees working longer than 60 hours in a week or not being provided at least one day off in seven, and insufficient training or procedures related to fire safety and drills. Affected suppliers were required to draft corrective action plans to address these issues, and we continue to work with the suppliers to secure documentation of actions taken and ensure closure.

In 2010, several workers at one of these supplier sites, Foxconn (also known as Hon Hai), committed suicide at their workplace in Shenzhen, China. Like many other companies in our industry that work with this supplier, Intel was deeply concerned about this tragic situation. Executives from our supply chain organization have been in continuing discussions with Foxconn's senior management, and we have offered them our assistance in the form of human resources staff expertise and other general support. In addition, we joined the EICC's employee health and welfare taskforce to conduct a root cause analysis, and Intel required that a validated audit be performed on-site to identify any major and minor nonconformances to EICC Code. Foxconn has taken a number of actions to address the underlying issues; we are encouraged by their effectiveness to date. In 2011, we will further monitor the issues identified in the audit to ensure that progress continues to be made.

When serious concerns are identified through audits, our approach is to engage with the supplier to drive improvements in their management systems and controls. However, if suppliers do not make adequate progress on identified areas of concern, we will take disciplinary actions up to and including termination of their contracts.

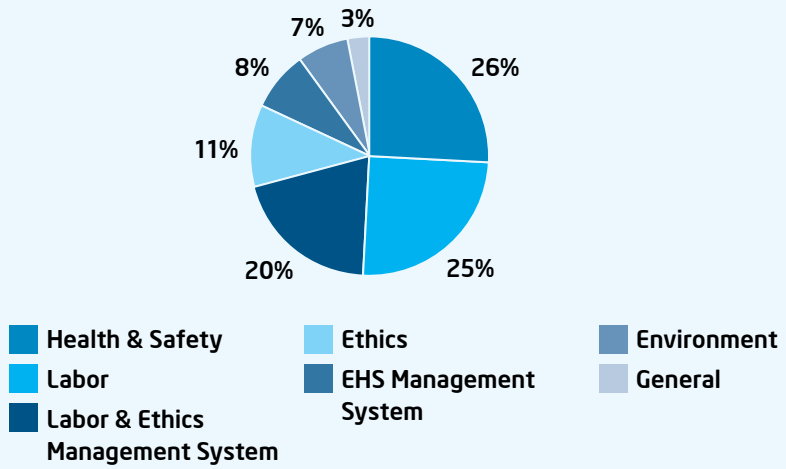
We plan to complete a total of at least 50 third-party supplier audits in 2011. We remain committed to the EICC shared-audit process, and in 2011 we will supplement that system with additional third-party audits to increase our overall audit activity level. The suppliers in the audits will be able to share the results with their customers, as we will be following the EICC standard audit process.

Supplier Facility Risk Levels Based on RA2 Assessments



We completed 172 RA2 assessments of supplier facilities in 2010. Areas identified as potentially high risk included labor issues, such as systems to prevent child labor and excessive working hours, and environmental management systems.

Distribution by EICC Section of Major Nonconformances in 2010 Supplier Audits



The most common nonconformance findings in 2010 were in the areas of health and safety (including emergency preparedness) and labor and working hours.

We hold ourselves accountable to meet or exceed the same standards that we set for our suppliers. In early 2011, we completed RA2 assessments at our assembly and test facilities and fabs. We intend to make the summary results public on our Supplier Site and in our next Corporate Responsibility report.

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Conflict-Free Minerals

In 2010, Intel took a number of actions to proactively address concerns that metals (cobalt, gold, tantalum, tin, and tungsten) mined in the Democratic Republic of the Congo (DRC) might be used in the electronics supply chain, and that profits from the sale of these minerals may be fueling human rights atrocities in the eastern region of the DRC.

The electronics industry supply chain is deep and wide, with many layers of suppliers in multiple countries. As a result, it is difficult to verify the origin of all the metals used in our products. Resolution of this issue will require the commitment and cooperation of businesses, governments, development agencies, and non-governmental organizations (NGOs).

Throughout 2010, we continued to work diligently to put systems and processes in place that will eventually enable us, with a high degree of confidence, to declare that our products are conflict-free. Our efforts are focused in three main areas: 1) driving accountability and ownership within our own supply chain through smelter validation audits; 2) partnering with key industry associations, including the EICC, Business for Social Responsibility, and ITRI (the international tin industry association) to drive industry-wide action; and 3) working with both government agencies and NGOs to drive solutions.

Our actions in 2010 included:

- **Smelter Reviews and Audits.** We completed on-site reviews of 25 smelters in eight countries: Bolivia, Canada, China, Indonesia, Malaysia, Peru, Thailand, and the U.S. Through these reviews, Intel is determining if smelters can verify the mines of origin for the ores they process. While other companies have since joined us in these visits, Intel was the first company in the electronics supply chain to conduct on-site smelter reviews. The smelter reviews laid the groundwork for the EICC to develop and implement a process for independent third-party smelter audits. At the end of 2010, the EICC completed two independent, third-party smelter audits, and additional audits are being scheduled for 2011.
- **Visits to the DRC.** In late 2010, we sent our lead staffer working on the conflict minerals issue to the DRC to meet with local groups and work to understand the challenges related to traceability.
- **Supplier Communications.** We continued to reinforce our expectations with our suppliers, following up on a survey on conflict minerals that we sent to all suppliers in 2009.
- **Engagements with NGOs.** We continued to meet with NGOs and individuals engaged on this issue.
- **Industry Collaborations and Working Groups.** Intel continued to co-chair the EICC/Global eSustainability Initiative (GeSI) Working Group on extractives, helping to develop a tantalum audit protocol. We also hosted and co-chaired the first industry-wide meeting with the tin supply chain, and financially supported the tin industry's efforts to create a traceability system of metals coming from the region. Intel arranged a Conflict-Free Gold Sourcing Summit in March 2011 with members of the World Gold Council and the Responsible Jewelry Council to share our learnings from the EICC smelter audit program with leaders in the gold industry.
- **Policy Work.** Where appropriate, we shared our unique experience and knowledge to inform government efforts, both directly and through industry collaborations. The U.S. Congress included provisions to address conflict minerals in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. We see this as a contribution to an international solution of multilateral due diligence guidelines and industry efforts to develop a system to validate conflict-free sourcing.

We have invested significant resources—including staff time and financial support of studies and working groups—to address this issue, and we will continue to do so in 2011 (including the completion of at least 10 more on-site smelter reviews). Since conflict minerals are an evolving issue, we are committed to providing regular progress updates and white papers on our web site, and continuing to educate our suppliers on this topic (as in this video, shown at Intel Supplier Day).

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Supplier Diversity

As part of our commitment to deliver world-class products and services, Intel has maintained a Corporate Supplier Diversity Program for more than a decade.

We understand the importance of working with a diverse supply chain that represents our local markets and contributes innovative ideas to our business, helping us to better understand and serve the needs of varying markets and customers. We estimate that in the past three years, Intel derived more than $40 billion in revenue from customers that require us to demonstrate supply chain diversity. We recognize diverse suppliers as businesses that are 51% owned and operated by at least one of the following: minorities as defined by the country where the business was established; women; veterans; service-disabled veterans; persons who are lesbian, gay, bisexual, or transgender; or persons with a disability. Within the U.S., we also recognize suppliers that are in Small Disadvantaged Enterprise, HUB Zone, and 8A categories, 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. Those organizations include the National Minority Supplier Development Council (NMSDC), the National Gay and Lesbian Chamber of Commerce (NGLCC), WEConnect International (WCI), and Minority Supplier Development China (MSD China). We also participate in events sponsored by local organizations dedicated to supplier diversity.

Intel is a member of the Information Systems Technology Group, a consortium that defines guidelines, innovative supplier development solutions, and best-known methods to proliferate global supplier diversity for 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 $149 million in 2010. We achieved our 2010 goals of: including historically under-represented businesses in 100% of all eligible non-capital bidding opportunities, and participating in international supplier diversity standards adoption and community awareness campaigns. In 2011, we will continue to include under-represented businesses in all eligible non-capital bidding opportunities, and we will collaborate further on the establishment of cross-industry global supplier diversity policies and practices. We will also work to build greater awareness of the value of supplier diversity throughout the global supply chain.

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

"Running any business has its challenges. But small, diverse businesses face even greater hurdles. Intel's Diversity Supplier program has helped our business prepare for opportunity, open doors, and cultivate new relationships."

Noma Hanlon, President, HB Design

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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. To that end, we collaborate with our suppliers on environmental management issues and integrate sustainable purchasing best practices across our global operations.

Carbon and Water Footprinting. Many companies in the electronics industry outsource much of their manufacturing, so the environmental impact and carbon emissions of their supply chain can be significantly larger than those from their own operations. That is not the case with Intel, since we continue to conduct the majority of our wafer manufacturing in our own global factory network. As a result, we place a higher priority on investments that reduce the environmental impact of our own operations, but we also remain committed to finding new opportunities to improve sustainability across our supply chain.

In 2009, we completed a research paper entitled "Developing an Overall CO_2 Footprint for Semiconductor Products,"[1] published by IEEE, to gain a high-level understanding of the environmental impacts from our industry not directly attributable to direct manufacturing operations. We primarily focused on activities that directly support manufacturing operations; we did not include potential impacts from other support operations, and we did not assess the embedded CO_2 impact from capital goods such as buildings and manufacturing equipment. We collected information on more than 90% (by mass) of the raw materials used in the semiconductor manufacturing process and worked with a third-party consultant to create an estimate of the total CO_2 equivalent impact.

The study revealed that supply chain impact represented only about 2.2% of total emissions. When emissions associated with consumer use of our products were excluded, direct operations accounted for nearly 60% of emissions, and the supply chain represented 23%. The calculation of an overall CO_2 footprint still contains many limitations and uncertainties, and we are continuing to evolve our thinking in this area.

We also conducted an assessment for an IEEE research paper entitled "Performing a Water Footprint Assessment for a Semiconductor Industry,"[2] using similar methodologies to estimate water use in our supply chain. We found that our Tier 1 suppliers accounted for only 6% of total water use, while 66% stemmed from our direct manufacturing operations. About 24% of the water use was related to the production of energy. In 2011, we collaborated with an outside research firm to build on this preliminary estimate and further refine our methodology. This second paper found that the supply chain portion of our footprint accounted for less than 1% of our total footprint when water associated with the consumer-use phase of our products was incorporated.

Over the past few years, we have participated in EICC Sustainability Work Group activities geared toward decreasing the carbon footprint across the electronics industry supply chain, including piloting a new EICC carbon reporting system. In 2010, we collected emissions data from our top 50 suppliers. By the end of the year, more than half of these 50 suppliers had provided carbon data, and we had also received unsolicited carbon data from 22 other suppliers. We have begun an initial analysis of this data, and in 2011 will use it to inform our supplier engagement strategy and footprinting methodologies. As noted previously, suppliers subject to the SRC are now required to provide baseline usage and historical trend data on carbon, water, and waste, including any goals that the supplier has established. We expect that this data will enable us to establish a much broader picture of our supply chain's environmental footprint. For more information on our activities to reduce our carbon and water footprints, see the Environment section of this report.

> "From a logistics perspective, where we have driven environmental sustainability improvements, we have also realized positive bottom-line impact, so it is good for the environment and good for our business."
>
> Frank Jones, Vice President, Technology and Manufacturing Group, General Manager, Customer Fulfillment, Planning, and Logistics

[1] © 2010 IEEE. Reprinted with permission from "Developing an Overall CO_2 Footprint for Semiconductor Products."

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

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Product Packaging and Logistics. Our product packaging and logistics teams are working to reduce waste generation and emissions through better design of the trays and packaging materials used to ship products between Intel sites and to customers. In 2010, we reduced by 217 tons the amount of paper and plastic used to ship a wide variety of Intel products through design changes and reduction of packaging size.

Savings from Logistics Packaging Reduction Projects in 2010

Material Type	Plastic	Corrugated Paper	Wood	Total
Tons	21	148	48	**217**
Percentage of Total Reductions	10%	68%	22%	**100%**

We exceeded the internal goal set by our logistics teams to reduce materials packaging by 180 tons in 2010.

Trays that hold our products account for a large part of the weight of our shipments to customers. When we can reduce tray weight, we not only cut costs, but also save materials resources and reduce transportation fuel consumption. In 2010, we initiated projects to convert some of our trays from heavier, injection-molded plastic to lighter, more flexible, thermo-formed plastic trays. The conversion generally reduces plastic volume per tray by approximately 50%. As a result, we project that over the next three years, we will be able to reduce the amount of plastic used for trays by 2,267 tons—while saving about $8 million.

In 2010, we also began redesigning trays to enable denser shipments of our Intel® Atom™ processors. The newly designed trays, which we expect to start using in the second half of 2011, will weigh half as much as our existing trays and will take up 27% less space due to their nesting ability. We expect to save 265 tons of packaging material over three years, while cutting costs by $5 million as a result of using the new Intel Atom processor trays.

We also redesigned the box that we use to ship small quantities of sample chips to customers, validation labs, and integrated warehouses. We expect that the new box will reduce package weight by about 16 tons over three years, once we begin using it in late 2011.

A team of Intel employees received a 2010 Intel Environmental Excellence Award for collaborating with assembly subcontractors and a tray supplier on a tray reuse project. In addition to boosting process efficiency and cutting costs, the project resulted in significant benefits, including:

- The conservation of close to 475 tons of raw materials due to a 4.4 million (approximately 50%) reduction in the number of trays manufactured in 2009. As the program continues and expands to additional suppliers, we project further reductions in raw materials usage.
- The recycling of reject and broken trays. Instead of being sent to landfills, unusable trays are now ground up and made into new trays, reducing the need for raw materials by up to 18%.
- Indirect benefits resulting from the conservation of energy and resources throughout the tray supply chain—from the mining of raw materials through the energy required to transport trays to our assembly factory.
- A 40% reduction in cost from the new tray purchase price, for an estimated savings of $1.9 million over three years.
- Prevention of the inflow of potential "counterfeit" trays into the supply chain, which can be attributed to quality issues in our assembly and test facilities.

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Non-production Sourcing Projects. Over the past two years, our sourcing professionals have found numerous ways to improve the sustainability of non-production projects, including initiatives in event planning, employee travel, office supplies, and printing.

For example, each year Intel sponsors or holds more than 1,000 events—from small department meetings to large-scale customer events. In 2009, we launched a concerted effort to improve the design and planning of these events to reduce their environmental impact. For the 2009 Intel Developer Forum (IDF), we selected hotels that would reduce the need for ground transportation, designed more efficient lighting, procured food through local sources, and used more recycled materials. These efforts resulted in recognition from IMEX through its annual "green" meeting awards. We employed similar strategies and practices at four major Intel-sponsored events in 2010. At just one of these events, IDF in Beijing, China, we estimate that our new sustainability initiatives enabled us to avoid the equivalent of 6,900 tons of CO_2 emissions.

Based on the success of these events, our Corporate Event Marketing and Corporate Strategic Procurement groups developed a Green Events Handbook that covers best practices to improve environmental aspects in event planning. The handbook will be piloted with 15 of our largest U.S. events, and has the potential to eventually impact the planning of some 1,200 Intel events each year.

In 2010, our employees found new opportunities to further embed sustainability considerations into their purchasing and planning decisions, from the design of Intel-sponsored events to the selection of "green" hotels and rental cars for business travel.

Sustainable Purchasing Projects—2010 Highlights

Area	Project Results
Paper Use	▪ We reduced paper use by encouraging employees to opt-in to receiving electronic credit card, stock, retirement, and payroll documents instead of printed statements. ▪ We encouraged employees to print fewer documents by requiring them to enter a personal code at our printers. This process change raised awareness about printing volumes and resulted in a 27% reduction in paper use, saving 9 million sheets of paper in 2010.
Travel and Ground Transportation	▪ We requested that our travel service supplier label green hotels in the database that employees use when booking travel, and instituted a survey tool to understand the impact of the green designations on booking decisions. ▪ We worked with our car rental supplier to increase hybrid vehicle options and the overall fuel efficiency of our rental car fleet, and promote "smart-way" car rentals in our online travel tool. We also set internal mileage-per-gallon and CO_2 targets for both our rental vehicles and our leased fleet.
Office Supplies	▪ We completed a pilot with our office supplies vendor to test a set of more sustainable options and integrated these new items into our purchasing catalogs. As a result, we estimate that we avoided the equivalent of 30 tons of CO_2 emissions in 2010.
Marketing	▪ We encouraged Intel groups and their suppliers to print marketing collateral and other items closer in location proximity to their final delivery location, thus reducing the carbon emissions resulting from document transport.

We continue to look for opportunities to partner with business groups across the company to reduce the environmental impact of their purchasing decisions.

Performance Summary and Goals

In 2010, we continued to implement new tools to further integrate corporate responsibility into our management practices. We improved our processes to assess and audit our supply chain and completed eight third-party audits of high-risk suppliers. We invested significant resources to help develop an industry-wide system to address the issue of conflict minerals in the electronics supply chain, including the completion of 25 on-site smelter reviews and two third-party audits, and sending a staff member to visit the Democratic Republic of the Congo. We worked to expand our supply chain environmental footprinting initiatives, and identified new opportunities to engage employees to further integrate sustainability into their purchasing practices.

Supply Chain Goals and Performance		
2010 Goals	**2010 Performance**	
Include historically under-represented businesses in 100% of all eligible non-capital bidding opportunities, and participate in international supplier diversity standards adoption and community awareness campaigns.	We achieved our 100% inclusion target and participated in a number of international supplier diversity forums.	●
Continue to integrate corporate responsibility factors into supplier awards, Supplier Report Card, contracts, purchasing specifications, and training.	We made significant progress in 2010 to further integrate these factors into our management practices and internal training.	●

● Achieved ◒ Partially Achieved ○ Not Met

In 2011, we will continue to expand the number of third-party supplier audits and continue to integrate corporate responsibility metrics and considerations into our management systems, scorecards, and training processes. In the area of conflict minerals, we will complete additional on-site smelter reviews and audits to improve traceability within the four key conflict mineral supply chains. We will also complete projects to further reduce the environmental impact of our non-production sourcing activities, transportation, and packaging. We will drive to higher levels of transparency, posting assessment and audit findings on our supplier web site and encouraging higher levels of transparency by our own suppliers.

Supply Chain Goals for 2011
Complete a minimum of 50 on-site, third-party supplier audits.
Complete at least 10 on-site smelter reviews and initiate third-party industry smelter audits across four key conflict minerals: gold, tantalum, tin, and tungsten.
Require our top suppliers to provide baseline supplier environmental data on carbon, water, and waste to inform goal setting for 2012 and beyond.
Continue to increase corporate responsibility requirements in the Supplier Report Card and criteria for Supplier Continuous Quality Improvement and Preferred Quality Supplier winners, adding additional screens in the selection process.
Reduce the weight of our packaging by 30% from 2010 levels.
Increase "green" purchasing alternatives for employees in the areas of travel and office supplies.
Include historically under-represented businesses in 100% of all eligible bidding opportunities.

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Contributions to Society

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

1 2 3

Mouse over numbers to see more images.

>9 Million

Number of teachers trained through the Intel® Teach Program

$1 Billion

Amount invested in education transformation over the last decade

48%

Percentage of Intel employees who volunteered in 2010

Key Society Impact Links

Intel's Education Strategy

Intel® Teach Program

Intel World Ahead Program

Intel® Learning Series

Intel in Your Community

Intel Foundation

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Our 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.

Management Approach

Our vice president of Corporate Affairs has overall responsibility for our global community engagement and education programs. Corporate Affairs professionals at our locations around the world give Intel an "on-the-ground" presence that helps us understand and respond to local community and education-related needs. These employees work closely with nonprofit organizations, schools, regional leaders, and policy makers—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 delivers resources in the form of technology, Internet access, and digital content, and works to implement effective e-learning environments. Our Emerging Markets Platform Group conducts research and defines, develops, and markets technology platforms designed for emerging markets, including innovative solutions for education. Intel Labs invests in university research and works to advance collaboration among academic thought leaders in essential technology areas such as visual computing, security, and mobile computing.

Funding for our education and social programs comes from both Intel Corporation and the Intel Foundation. The goals of the Intel Foundation—founded in 1989 and funded solely by donations from Intel Corporation—are to increase interest in math and science education, and to help develop a workforce that represents diversity around the world. Through local and national grants, the Foundation works to fuel classroom innovation and student interest in math and science, empower women and underserved youth, and enable university education and research. The Foundation supports Intel employees' passion for service by allocating more than half of its annual investments to employee matching gift and volunteer programs. For more information, visit the Intel Foundation web site.

Creating Shared 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, we believe that engaging our employees in meaningful volunteer experiences positively impacts their satisfaction and pride, and helps us attract and retain talented people.

Intel's investments in education expand opportunities for young people, while also benefiting the company. Education is the foundation of innovation, and as a technology company, Intel's success rests on the availability 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 women, girls, and students in underserved communities to pursue careers in science, technology, engineering, and math. Applications of technology in education also provide 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

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

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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.

Measuring Social Investment and Impact

Intel, academics, and other companies and organizations continue to find it difficult to quantify the full effects of community and education programs, particularly when assessing long-term impact and change. Intel partners with and supports the research of other organizations that are developing metrics in this area, and we work with independent research organizations such as SRI International and the Education Development Center's Center for Children and Technology to evaluate our education initiatives and activities. We also invest in our own research to measure and quantify the social impact of our education and community programs. A recent study by the Intel Labs Interactions and Experience Research group looked at how social and cultural forces affect the impact of technology interventions in developing communities. To access other reports and case studies on our program evaluation and measurement activities, visit our Evidence of Impact web site.

2010 Social Investment Snapshot

Investment Summary	Amount
Cash: charitable contributions and community investments (Intel and Intel Foundation)	$88,781,421
Estimated value of employee volunteer time	$22,840,028[1]
In-kind giving (product or services donations) (Intel Corporation)	$36,913,363[2]
Co-funding secured for three of our strategic education initiatives[3]	~$36,000,000

[1] Calculation based on 1,085,432 volunteer hours in 2010 and the 2009 Value of Volunteer Time rate of $20.85 per hour, published by Independent Sector.
[2] In 2010, in-kind giving increased significantly due to a one-time large donation of surplus fab equipment to a university. As with surplus equipment donations in previous years, that donation was included at its resale/fair market value.
[3] We have inspired other companies and governments to make contributions that amplify the impact of Intel's social investments, including co-funding for our Intel® Teach, Intel® Learn, and Intel International Science and Engineering Fair programs.

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

Strategic Giving Summary

	2010	2009	2008	2007	2006
U.S.	**$60,201,525**	**$59,722,818**	**$62,002,262**	**$66,001,263**	**$63,253,599**
Total Foundation Cash	$35,250,352	$31,748,951	$29,249,452	$30,432,692	$33,113,168
Total Corporate Cash	$23,642,629	$18,052,440	$24,533,853	$24,496,057	$25,625,670
In-kind Giving	$1,308,544	$9,921,427	$8,218,957	$11,072,514	$4,514,761
International	**$65,493,259**	**$40,342,702**	**$40,471,738**	**$43,213,066**	**$33,156,898**
Total Foundation Cash	$5,492,679	$5,073,277	$6,601,840	$8,860,188	$7,954,777
Total Corporate Cash	$24,399,062	$25,233,768	$23,000,523	$24,674,666	$23,319,929
In-kind Giving[1]	$35,604,819	$10,035,657	$10,869,375	$9,678,212	$1,882,192
Total Giving	**$125,698,085**	**$100,065,520**	**$102,474,000**	**$109,214,329**	**$96,410,497**
Total Giving as a Percentage of Pre-tax Net Income	**0.8%**	**1.8%**	**1.3%**	**1.2%**	**1.4%**

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

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Education Transformation

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

The United Nations (UN) Millennium Development Goals call for a full course of primary schooling for children everywhere. Intel supports this goal and believes that to succeed in today's innovation economy, children need a solid math and science foundation coupled with 21st century skills, such as digital literacy, problem-solving, critical thinking, and collaboration. Intel's model combines advocacy for policy reform, curriculum standards and assessment, sustained professional development, information and communications technology (ICT), and support of research and evaluation.

We collaborate with governments, policy makers, local organizations, and other companies to make this model viable worldwide—through scalable programs and competitions, technology solutions, and ecosystem support.

> "The [Intel Teach] program is so much more than technology training. It is solid curriculum training. It goes beyond theories and teaches how to develop meaningful technology integration into core subject areas. The program is very powerful and will change any teacher who embraces it. It has definitely shaped the way I taught students, and the way I continue to train teachers today."
>
> Jennifer Hettler, Education Specialist, Wichita Falls, Texas

Education Transformation

This cohesive approach to helping governments improve country competitiveness and the quality of their education systems has led to successful engagements in multiple parts of the world.

Programs to Advance Teaching and Learning

Intel has over 200 programs in 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 of Intel's programs that are helping to transform education worldwide. Visit the Intel Education web site for more detail on these and additional programs.

Intel® Teach Program. Since 1999, the Intel® Teach Program has helped teachers integrate technology and create active learning environments in their classrooms. Intel Teach offers in-depth professional development for K–12 teachers, helping them implement real-life projects and make concrete changes in their teaching through the effective integration of technology. As of the end of 2010, the program had provided professional development for over 9 million teachers in more than 60 countries. Intel is on target to train 10 million teachers by the end of 2011.

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Governments align Intel Teach to their professional development offerings, build support into their staffing and budgets, and agree to support localization. In each region, Intel builds capacity and ensures sustainability of the program and its impacts by training Intel Teach trainers, who, in turn, share their skills with other teachers in the region. Nonprofit organizations provide logistical support, and multilaterals (such as USAID and UNESCO) and other for-profit companies help provide funding, staffing, and policy support. The program has influenced thinking on policies related to ICT and teachers. For example, Intel worked with UNESCO on a teacher policy toolkit, and with the International Society for Technology in Education on teacher and administrator technology literacy standards.

Intel Teach is highly scalable, enabling systemic change. The program includes face-to-face and online instruction, and comprises a suite of courses and materials that have been translated into 26 languages. To help expand the program's reach, in 2010 Intel launched Intel® Teach Elements, a series of e-learning courses. Intel Teach Elements courses are available for free online or on CD, and can stand alone or be used to enhance other Intel Teach Program offerings. Through the Intel Teach Elements user-friendly animated lessons, educators learn to develop materials and activities designed to engage their students with self-directed, project-based learning. Current offerings include three courses, each with multiple modules and lessons, and we expect to add two more courses in 2011. More than 263,000 teachers have already been trained using Intel Teach Elements coursework.

In many countries, Intel Teach is the primary ICT training program for educators, with ministries of education awarding certification, promotions, and salary increases based on course completion. In France, Intel Teach courses are part of the Ministry of Education's web portal for all teachers; and in Egypt, the Ministry of Education requires that all teachers take Intel Teach or equivalent computer coursework to be eligible for promotion. In China, over 1.7 million teachers—12% of all K–12 teachers in the country—have received Intel Teach training. Independent evaluation is integral to the Intel Teach Program. To view survey results, 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, and collaboration skills. Funded by the Intel Foundation, the program extends learning beyond classrooms to informal environments in local community centers, and uses an engaging, project-centered approach. Intel and the Intel Foundation provide support for Intel Learn, which has reached more than 1.4 million learners in 15 countries. The program includes over 90 hours of curriculum designed to tap into children's interest in their communities. In 2010, we added a new program unit, "Intel Learn Technology and Entrepreneurship," through which children formulate a business idea, and then use computer and Internet skills to research, create, and present a business plan. Read more Intel Learn stories of impact.

> "Rates of completion—about 95%—were astounding and almost unheard of for an informal education program. That speaks to the quality of the [Intel Learn] program."
>
> Vera Michalchik, Research Social Scientist, SRI International

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Education Programs and Activities by the Numbers	
Teachers trained through the Intel® Teach Program since 1999	9 million in >60 countries
Young people reached through the Intel® Learn Program since 2003	>1.4 million in 15 countries
Youths served annually at Intel Computer Clubhouses	25,000 at 100 Computer Clubhouses in 20 countries
Students reached through the Intel International Science and Engineering Fair (Intel ISEF) in 2010	>1500 students at Intel ISEF >6 million students at local and regional science fairs affiliated with Intel ISEF
Intel® Higher Education Program	Investments and programs at universities in >80 countries
PCs donated through Intel ICT in Education program as of year-end 2010	~100,000 in >40 countries

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

skoool™ Learning and Teaching Technology. The skoool™ Learning and Teaching Technology program supports math and science learning for learners 13–15 years old—the age when many young people progress from concrete to more abstract thinking. Skoool.com is a web-based e-learning portal designed for students working alone or in a classroom setting. The program is available in 25 countries and has reached millions of students.

Competitions to Inspire Young Innovators

The Intel Foundation is the lead sponsor of two premier science competitions, the Intel International Science and Engineering Fair (Intel ISEF) and the Intel Science Talent Search (Intel STS), which are both programs of Society for Science & the Public. The competitions encourage students to solve real-world problems and tackle challenging scientific questions through original research. In 2008, the Intel Foundation committed to invest $120 million to extend its support of Intel ISEF, Intel STS, and related initiatives for 10 years. Finalists and winners of these events are regularly invited to meet with presidents and other leaders in their countries. By celebrating students' achievements and encouraging open-minded research and learning, we hope to encourage young people to pursue advanced education and careers in math, science, and engineering. Watch the videos of 10 Intel ISEF finalists examining 10 global issues.

Intel International Science and Engineering Fair (Intel ISEF). The world's largest pre-college science competition brought together more than 1,600 young scientists from nearly 60 countries in May 2010. Each year, more than 6 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. Intel employees often serve as mentors for the young scientists, and also volunteer at the events. For more information, visit the Intel ISEF web site.

In conjunction with Intel ISEF, Intel hosts the Intel ISEF Educator Academy, which brings together select groups of educators and government officials to share resources and explore proven methods of engaging students in math and science. In 2010, we added regional locations for the Intel ISEF Educator Academy. At the first Asia Science Educator Academy, in August 2010, 67 national education policy makers, education specialists, curriculum planners, and science professionals from 15 countries developed action plans to support STEM education across the region. And at the first Latin American Academy for Science Educators, in November 2010, 43 representatives from 10 countries learned about Costa Rica's science fair system—a role model for the region—and participated in workshops, poster sessions, and panel discussions.

Intel Science Talent Search (Intel STS). Intel STS, the oldest and most prestigious pre-college science competition in the U.S., provides an opportunity for high school seniors to complete an original research project and have it judged by highly regarded professional scientists. The Intel Foundation awards more than $1.25 million to winning students and their schools during the annual competition. In 2010, over 1,700 students entered the contest, and 40 finalists traveled to Washington, D.C., where they competed for scholarships ranging from $20,000 to $100,000. Erika DeBenedictis of Albuquerque, New Mexico, captured the top award for developing a software navigation system to improve spacecraft travel through the solar system.

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Regional Fairs. Intel and the Intel Foundation also partner with governments to support local efforts to increase student interest in STEM subjects. In 2010, for example, the Intel Foundation partnered with an NGO to fund the first science competition in the Arab world. Competitors included 102 "best of the best" young scientists from 10 Arab countries. Fatimah Abdulhakim, a young woman from Saudi Arabia, received the Grand award of $3,000 for her health science project. The Intel-sponsored competition in Ireland, SciFest 2010, attracted 2,650 competitors from almost 200 schools. Speaking at the SciFest launch, Conor Lenihan, Ireland's then-Minister for Science, Technology, Innovation, and Natural Resources, said, "SciFest is a fantastic example of industry, the education sector, and government partnering together to promote science, technology, engineering, and maths.... SciFest plays a valuable role in helping to encourage young people to pursue opportunities in the smart economy."

The Right Technology for Education

Powerful and energy-efficient Intel®-based PCs and servers, combined with software and fast Internet access, help students to acquire 21st century skills and educators to teach more effectively. Through the Intel World Ahead Program, Intel has worked with more than 70 countries on over 200 programs aimed at making technology more available, affordable, and understandable to first-time users. Intel-backed 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 supports initiatives to connect millions of people to the Internet with high-speed wireless technologies. In conjunction with the Intel World Ahead Program, Intel has donated 100,000 PCs to over 40 countries—part of a commitment to jump-start education in emerging markets.

Intel supports the use of technology in developing countries to create one-to-one (1:1) e-learning environments, which have a dedicated laptop computer for each student and teacher. We have developed the Intel® Learning Series, a complete 1:1 e-learning solution for students that includes hardware, software, services, and support tailored for local needs and delivered by local vendors in each region where it is implemented. At the heart of the Intel Learning Series are Intel®-powered classmate PCs—affordable, rugged netbooks designed for interactive, collaborative learning in K–6 classes. Classmate PCs are giving thousands of children around the world their first exposure to computers and the Internet. During 2010, Intel Learning Series solutions were selected for new deployments, including ones in Argentina, Brazil, Japan, Nigeria, Portugal, Spain, and Turkey. See the case study on the Argentine deployment. Watch the videos on classmate PC deployments.

In 2010, Intel partnered with Microsoft, Internet provider Safaricom, Equity Bank, and the Kenya Institute of Education on an initiative designed to make laptop and Internet connectivity more affordable to some 260,000 teachers in Kenya. Intel also helped the department of education in South Africa to launch the Teacher Laptop Initiative, aimed at enabling 400,000 teachers across the country to purchase affordable laptops.

Enabling the Ecosystem

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

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Government Partnerships. In 2010, in conjunction with U.S. President Barack Obama's "Educate to Innovate" campaign, Intel announced a $200 million commitment to help advance math and science education in the U.S. Intel was also a founder of "Change the Equation," a CEO-led initiative designed to answer the President's call to move the U.S. to the top globally in science and math education over the next decade. In support of the initiative, Intel has committed to provide professional development training to 100,000 U.S. teachers over a three-year period. We are also expanding the Intel® Math Program, an 80-hour professional development course designed to help K–8 teachers in the U.S. improve their students' understanding of math. In early 2011, President Obama visited Intel to learn more about our commitment to innovation and investment in STEM education.

Intel's education partnerships with other governments include working with the Taiwan government, National Taiwan Normal University, and a group of ICT industry partners to convene over 230 teachers and faculty to discuss best-known methods for implementing 21st century learning and ICT in classrooms.

Multi-Stakeholder Collaborations. Intel is a founding member of ATC21S, a collaboration with Cisco, Microsoft, and the University of Melbourne. This group—made up of 60 top thinkers in academia, government, and industry—is developing new approaches to help transform the teaching, learning, and assessment of skills needed by students to succeed as citizens and workers in the 21st century.

Intel is also a partner in Innovate+Educate New Mexico, a collaboration of leaders from some of the largest U.S. corporations working to test, align, and support new approaches to STEM education. The group is using New Mexico as a test bed before scaling effective solutions across the country.

Intel also joined with UNESCO, Cisco, International Society for Technology in Education, and Microsoft to develop ICT Competency Standards for Teachers. These standards help educational policy makers and curriculum developers identify the skills that teachers need to harness technology in education. In addition, Intel collaborated with Cisco; Education Impact; Microsoft; University of the Witwatersrand, Johannesburg; and the World Bank Institute to create "Certificate in ICT in Education for Policy Implementers," a course designed for government officials involved in the roll-out and integration of ICT in schools and colleges across Africa.

In addition, Intel serves on the steering board of the Global Education Initiative (GEI), which is focused on supporting advancement of education through effective partnerships. GEI—which brings together over 40 companies, 14 governments, and more than 20 NGOs and development organizations—has provided millions of dollars in resource support in Jordan, Rajasthan (India), Egypt, the Palestinian Territories, and Rwanda since 2004, reaching more than 1.8 million students and teachers. In 2010, GEI's continuing efforts included restarting multi-stakeholder collaboration efforts in the Palestinian Territories and helping the government of Rwanda develop and implement a new ICT in Education policy.

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

Intel and the Intel Foundation's support of universities includes grants, fellowships, scholarships, and internships for hundreds of university students each year, as well as funding for larger scale university research labs. In early 2011, Intel Labs—Intel's research organization—announced plans to invest $100 million directly into U.S. university research over the next five years, including the establishment of Intel Science and Technology Centers at multiple universities. Our university support also includes donations of equipment; for example, Intel Turkey is contributing equipment worth $2.5 million to improve the R&D capabilities and production capacity of a Middle East Technical University research and application center.

To accelerate the adoption of cutting-edge technology in engineering education and prepare students for careers in critical technology areas, Intel works with universities to develop and disseminate curricula on advanced topics, such as the parallel programming models used for Intel's multi-core products. By year-end 2010, more than 4,300 faculty members from at least 2,000 universities in 93 countries were using our parallel programming curriculum.

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Community Engagement and Employee Volunteerism

One of Intel's strategic objectives is to cultivate a workplace where employees can thrive on the job and in their communities. Our employees give generously of their time, skills, and technology expertise, donating more than 3 million hours of service over the past three years.

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

For a detailed chart outlining the stakeholder tools and processes that we use to manage local impacts and engage with our communities, see "Stakeholder Engagement" in this report. For information on Intel's economic impact on communities, see the Financial Performance and Economic Impact section, and to learn how we work to mitigate environmental impacts where we operate, see the Environment section.

Intel Involved and Skills-Based Volunteering

Our employees generously donate their energy, professional skills, and money to tackle environmental challenges, improve education, and help meet other community needs. In 2010, Intel employees donated over 1 million hours of service through the Intel Involved volunteer program—an average of 13 hours per employee—at more than 4,900 schools and nonprofit organizations in 38 countries. In 2010, 48% of our employees volunteered, exceeding our goal of 40%.

Through the Intel Involved Matching Grant Program (IIMGP), the Intel Foundation extends the impact of that service by donating cash to qualified nonprofits and schools where Intel employees and retirees volunteer at least 20 hours in a year. In 2010, our employees earned more than $7.9 million for schools and nonprofit organizations, bringing total IIMGP contributions to more than $40.3 million since the program launched in 1995.

Analysis of corporate volunteering best practices indicates a growing trend toward applying employees' professional skills to help local organizations build capacity. In recent years, our employees have increasingly found opportunities to donate the skills that they have honed at Intel—providing legal, human resources, marketing, finance, and information technology (IT) expertise to schools, nonprofits, and NGOs. During 2010, employees logged an estimated 300,000 hours of skills-based volunteerism. We believe that the impact of these hours tends to be 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 3,473 hours in 2010, estimated to be valued at over $800,000 (based on a $250 per hour rate from CECP and the Taproot Foundation).

Employee Volunteer Rate

In 2010, nearly half of all of our employees worldwide volunteered in their communities.

Below are a few recent examples of ways that Intel employees helped to improve communities around the world in 2010. Read more volunteer stories on the Intel Involved web site.

- A team of employees in Folsom, California—all recent MBA graduates with a passion for public service—donated their skills to help create a business plan for Plates, a restaurant and catering business run by the St. John's Shelter Program for Women and Children. After completing training programs at Plates, several shelter clients started full-time jobs in their communities.
- Employees involved in Intel Israel's flagship community program Think Positive+ helped deliver after-school math, science, and English classes to hundreds of high school students. Twelve other high-tech companies have joined the Think Positive+ initiative, now in its eighth year.
- 200 employees attending an Intel conference in Arizona spent an evening assembling 90 bicycles for children from the local Boys and Girls Club. Tears, screams of joy, and high fives filled the room when the kids arrived to accept their new bikes.
- Intel Japan employees volunteered at Japan's Science Research Festival, a science fair at the Ueno National Science Museum, and along with their family members created 200 picture books for children in refugee camps in Afghanistan, Burma, Cambodia, Laos, and Thailand.
- In Oregon, Intel employees serve as mentors and support internships for students with disabilities. In recognition of these efforts, Intel Oregon received the 2010 Outstanding Employer award from Incight, a local nonprofit organization that empowers people with disabilities to become contributing members of society.

- When arson destroyed most of Merritt Trace Elementary School near our Santa Clara campus, Intel volunteers pitched in to aid in the cleanup and help teachers ready portable classrooms for the students' return.
- In Costa Rica, our corporate investigator for Latin America donated his time to help the government and other local companies develop plans to prevent workplace violence, sharing his expertise and Intel best practices.

In 2009, we launched the Intel Education Service Corps (IESC), a program that 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. In 2010, 10 teams of IESC volunteers were deployed to Bangladesh, Bolivia, Egypt, India, Kenya, Uganda, and Vietnam. The 52 volunteers partnered with seven NGOs on projects that included deploying over 1,000 Intel-powered classmate PCs; teaching more than 2,400 students; and training 100 teachers who, in turn, could train 1,000 additional teachers. The team in Bangladesh also partnered with the NGO BRAC to train over 100 adolescent girls to use computers and teach thousands of their peers.

2010 Volunteerism by the Numbers	
Number of hours	1,095,445
Number of countries	38
Percentage of employees who volunteered	48%
Schools or nonprofits benefiting from the program	~4,900
Total dollar match under Intel Involved Matching Grant Program[1]	$7.9 million
Estimated in-kind value of volunteer hours[2]	$22,840,028

[1] Total estimated match based on 2010 employee volunteer hours at eligible organizations.
[2] Calculation based on the 2009 Value of Volunteer Time rate of $20.85 per hour, published by Independent Sector.

We estimate that approximately 33% of Intel employee volunteer hours in 2010 were related to education activities; 57% to community and civic activities; and 10% to environmental, health, and safety activities. Actual environment-related hours may be higher, since this estimate does not include additional environment-related volunteer activities at schools and civic organizations.

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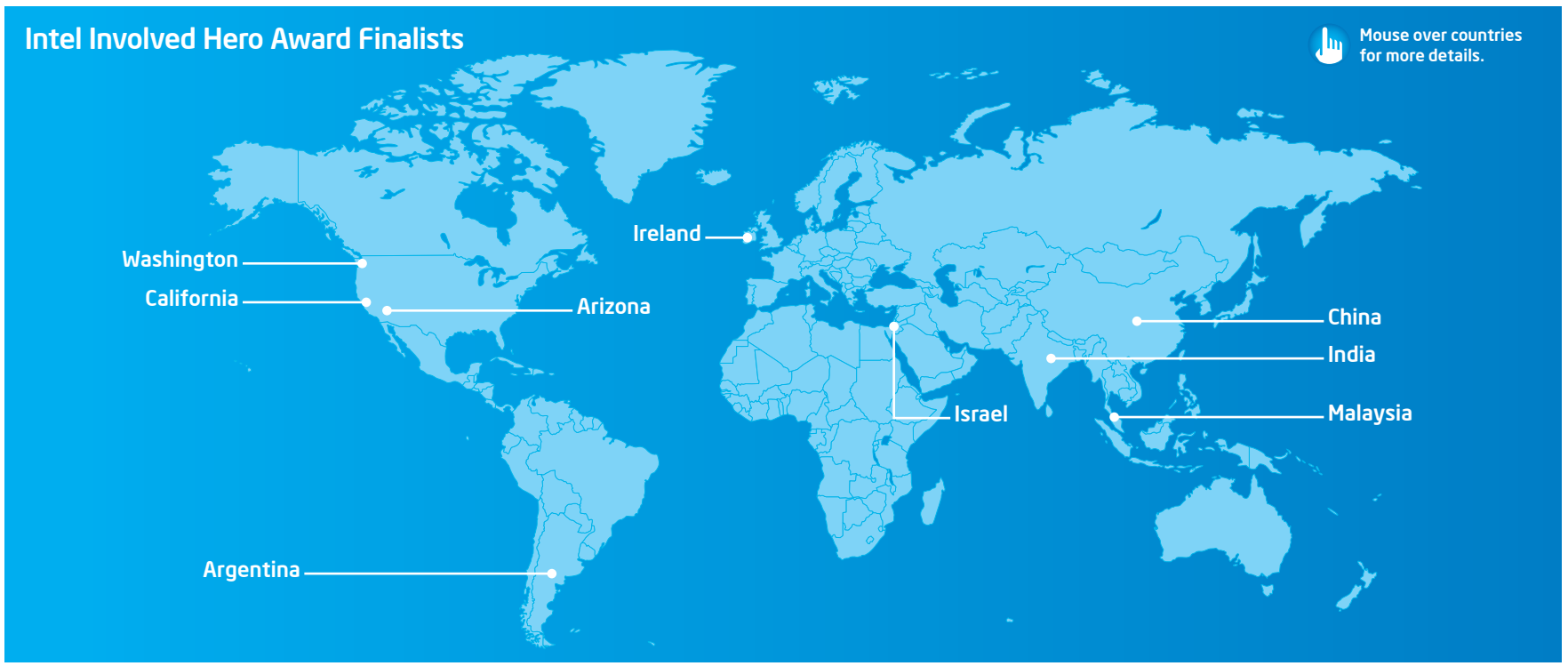
Recognizing and Funding Employees' Initiatives

Through the Intel Involved Matching Seed Grants program, launched in 2010, teams of employees can apply for funding from the Intel Foundation to get their creative volunteer initiatives off the ground. The Intel Foundation awards grants of up to $5,000 to underwrite selected employee-initiated community service projects. The amount of each grant is tied to the number of hours that employees plan to volunteer on the project. Projects are selected for grants based on their originality, potential impacts, measurable outcomes, and other criteria. Summaries of a few of the project proposals that received seed grants from the Intel Foundation in 2010 follow:

- Employees in Germany proposed building a learning pavilion, raft, and water lab to use for educational programs alongside a river. The seed grant will support the purchase of equipment for the lab.
- Volunteers in Mexico proposed a recreational center at a school to give children a safe place to play, practice sports, and spend time with their peers. As part of this effort to get kids off the street, the volunteers plan to organize games and sports.
- Intel Russia employees proposed a children's information laboratory equipped with tools for researching natural sciences—biology, ecology, chemistry, and physics—through practical, hands-on study. The employees will help with equipment installation, tutoring, mentoring, and teacher training.
- To expand the horizons of young people at a local high school, volunteers from Intel Israel initiated a digital media program. The program introduces students to digital image editing, composition, and more. In addition to planning and setting up the program, volunteers have committed to work weekly with participating students, and to organize an exhibition of students' work.

We also extend the impact of Intel volunteers' efforts and recognize their extraordinary achievements and impact through the Intel Involved Hero Award program. The annual overall winner of this honor earns a $10,000 Intel Foundation grant for his or her favorite school or nonprofit and is recognized at Intel's highest level recognition event, the Intel Achievement Award banquet in San Francisco, California. In 2010, there were two winners (announced in early 2011)—Amir Davis from Ireland, and Tom He from Chengdu, China—who each earned $10,000 for their volunteer organizations.



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Another Intel program, Sustainability in Action, provides funding and support for multi-disciplinary employee teams that initiate and carry out environmentally focused service projects. In 2010, Intel funded a range of projects, including creating a community water conservation demonstration garden in California, working with homeless youth to build a vegetable garden in Oregon, and building a wind-powered mobile computer lab for remote schools in Costa Rica. For more information, see the Environment section of this report.

To encourage employees to take responsibility for volunteer projects, Intel India launched a Social Initiatives Contest in 2009. Volunteers teamed up with NGOs of their choice to develop project proposals and apply for funding from Intel. In 2010, the second year of the program, employees submitted almost 50 applications, proposing a wide range of projects—including transforming trash into art supplies, working to prevent drug abuse among youths, setting up technology clubs for children living in slums, and creating multimedia education resources for nurses. Intel awarded cash grants to enable volunteers to implement 20 projects.

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 2010 campaign generated a record $14 million in employee donations, up 15% over 2009. With the Intel Foundation match, the total contribution amounted to $24.6 million. In 2010, for the third year in a row, Intel placed in the top 10 United Way corporate campaigns in the U.S., and we received numerous recognitions from local United Way organizations for our commitment.

Intel also has a Matching Gifts to Education program, through which 50% of each donation that a U.S. employee makes to a K–12 school can be matched by an Intel Foundation grant of up to $5,000 per institution.

Responding to Natural and Humanitarian Disasters

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

Haiti. In light of the overwhelming devastation caused by the January 2010 earthquake, the Intel Foundation made immediate grants for relief and offered an employee matching program to assist with the relief efforts. Intel Corporation donated significant hardware and expertise, including a mobile data center. The Intel Foundation and Intel Corporation are continuing to work with government and NGO partners to grant funds committed for rebuilding, particularly in the area of schools and education. Giving and planned long-term recovery support from Intel, the Foundation, and employees totaled more than $3 million.

China. Intel launched the iWorld initiative to help to restore education services after the 2008 earthquake in Sichuan Province. Working with other companies, we met our goal of establishing 200 e-classrooms by 2010—benefitting more than 150,000 students. Intel and the Intel Foundation donated $5 million in financial support for the project, and also provided Intel Teach and Intel Learn programs. By the end of 2010, 3,000 employees had also contributed over 50,000 volunteer hours to the effort, including collaborating with Junior Achievement to launch the Laws of Life mentoring program at 100 iWorld schools. The program focused on building student self-esteem and resilience in the wake of the disaster. Students collaborated on projects and wrote essays about their experiences, many of which were included in a book shared with other students throughout the region.

India. In late 2009, floods hit the agricultural region of the Bagalkot district of Karnataka, causing a tragic loss of lives, homes, and livelihoods. Intel partnered with local NGOs on a program for long-term recovery, which included helping to establish cooperatives to enable farmers to share resources, improve irrigation and farming methods, and market their produce. To help those who had lost their livestock in the flooding, groups of families were given cows or sheep, and the program restored the fishery occupations of over 48 families. The program also created revenue-generating micro-enterprises for women that led to self-sustaining businesses.

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Entrepreneurship and Social Innovation

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

Empowering Entrepreneurs

Since 2005, Intel has invested in a number of initiatives aimed at inspiring, and providing education and critical skills for young entrepreneurs. Many initiatives include a social entrepreneurship component that encourages students to develop projects or business plans that address social or environmental challenges.

Competitions. The global Intel Challenge business plan competition invites university students from around the world to submit plans for turning their technology ideas into business opportunities, and to showcase those plans to potential investors. The Intel Challenge has regional competitions—including several new ones added in 2010 in Europe, the Middle East, and Latin America—and culminates in the global finals at the annual Intel + UC Berkeley Technology Entrepreneurship Challenge (IBTEC).

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, Intel's venture capital organization, work as mentors and judges for the competition. In 2010, at the sixth annual IBTEC competition, 27 finalist teams from 19 countries presented plans for businesses that could positively impact society through the commercialization of new and innovative technologies. First-place winner, OsComp Systems of the Dominican Republic, received $25,000 from the Intel Foundation for a plan that would enable energy suppliers to enhance production and cut costs through the use of new natural gas compression technology.

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

The Intel Higher Education Program, in partnership with the Lester Center for Entrepreneurship and Innovation at the UC Berkeley Haas School of Business, offers Entrepreneurship Theory to Practice seminars for technical and business university faculty around the world. The seminars demonstrate how to build entrepreneurship programs that drive new uses of technology and promote successful technology commercialization. One of the goals of the seminars is to accelerate the move of technology out of research labs and into local communities.

Our partnership with the Lester Center also includes the Global Entrepreneurship Leadership Symposium (GELS), aimed at developing a supportive entrepreneurial ecosystem for start-up companies. GELS provides concepts, processes, and tools to enable qualified individuals to effectively mentor emerging entrepreneurs. Program participants learn how to support entrepreneurial success at the individual level, as well as at national and regional policy and governance levels.

In 2010, we added a new entrepreneurship curriculum to the Intel Learn Program, a project-based, after-school learning program for children in underserved communities. The new curriculum introduces young learners around the world to the basic concepts of entrepreneurship, and demonstrates how technology can be used to advance a business idea. Participants use Internet tools and office applications to research and formulate a business idea, and then create and present a business plan based on that idea.

In 2010, over 375 young entrepreneurs from 15 Malaysian schools participated in the Penang Young Enterprise* (YE) Achievers Sales Fair. The event was organized by Intel Malaysia, in collaboration with the American Malaysian Chamber of Commerce, to enable students to showcase their entrepreneurial skills. Through the YE program, students are given the opportunity to learn the entire process of starting up a company,

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developing a business plan, selling products, and managing a business. After nine months of collaboration with numerous corporate sponsors, students gathered together at the sales fair to showcase their businesses and sell their products.

Intel recently launched the Intel® Easy Steps digital literacy program for adult learners who have little or no experience with computers. The program is aimed at helping adults in developing countries learn skills that can assist them in creating small businesses or micro-enterprises. Participants learn basic computer skills, such as Internet searching, e-mail, word processing, spreadsheets, and multimedia. The program is deployed through partnerships with NGOs and governments. Following successful pilots in India and Pakistan, Intel Easy Steps rolled out formally in the Asia-Pacific region in 2010. In December 2010, Intel signed a memorandum of understanding with Nehru Yuva Kendra Sangathan, the Indian government's Ministry of Youth Affairs & Sports, to incorporate Intel Easy Steps into the curriculum of a government training program for 50,000 promising youth leaders from across the country. These young leaders are empowered to go back to their communities to share information about opportunities to participate in government programs and social development initiatives.

Transforming Ideas into Solutions

Intel enables the transformation of innovative ideas into action, by architecting solutions, providing training and consultation, and co-creating new products and technology solutions that meet social needs. Our goal is to support sustainable, local social businesses and partnerships that address critical community needs and to help scale replicable technology solutions.

NetHope. NetHope is a consortium of chief information officers, senior program managers, and technical experts from some of the largest international NGOs. Intel started collaborating with NetHope in 2008 to help develop ICT solutions in support of member NGOs' healthcare, economic development, and disaster relief programs. One of NetHope's showcase projects in 2010 was a multi-year initiative launched by the President of Tanzania to revolutionize his country's education system through technology. In November 2010, Intel and Microsoft announced that they would contribute resources for cloud-based computing solutions for the developing world, in support of NetHope's efforts to accelerate deployment of ICT solutions to help doctors, nurses, teachers, and students in sectors such as micro-finance, agriculture, education, and health.

Grameen Intel Social Business. In 2008, Intel Capital, Intel's global investment organization, formed a business venture with Grameen Trust aimed at applying self-sustaining ICT solutions to address issues related to poverty, healthcare, and education in developing countries. The business venture combines Intel's technology innovation and Grameen's extensive experience in creating opportunities for economic development and income generation at the village level. In 2010, the organization continued to develop projects in India and Bangladesh, including: a maternal healthcare project that is working to identify high-risk pregnancies in rural areas using a mobile software solution to collect information and send it over the Internet to healthcare clinics for analysis; and a soil-testing project that helps farmers increase productivity by selecting appropriate seeds and fertilizers. The goal is to develop technology solutions as a means to economic development using appropriate local skills, knowledge, and partners. For more details, visit the Grameen Intel Social Business web site.

Healthcare Solutions. The Intel Health Guide is a comprehensive, next-generation remote health management (RHM) solution that combines an in-home patient device with an online interface that allows clinicians to monitor patients and remotely manage care. The Intel Health Guide encourages patients to take a more active and positive role in their own care. It also enables more informed and personalized care. Another solution, the Intel® Reader, enhances independence for people with reading-based learning disabilities such as dyslexia, low vision, or blindness, by providing convenient and flexible access to a variety of printed materials. The Intel Reader's unique design combines a high-resolution camera with the power of an Intel® Atom™ processor that converts printed text to digital text, and then reads it aloud. Going forward, these products will be supported by Intel-GE Care Innovations, LLC, formed in early 2011.

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Building the Ecosystem

In keeping with our belief that public-private partnerships are crucial to achieving scalable impact, Intel develops alliances with governments, leading NGOs, and other companies to develop technology solutions to support entrepreneurship and social innovation.

Partners for a New Beginning. In September 2010, Intel CEO Paul Otellini joined the Steering Committee for Partners for a New Beginning, a non-partisan, nonprofit organization established by the Aspen Institute to harness private sector and civil society resources to advance engagement with Muslims around the world based on mutual respect and responsibility. Steering Committee members have pledged to use their expertise, global networks, and access to resources to foster projects that advance opportunity in the Muslim world in the areas of economic opportunity, science and technology, and education.

Schwab Foundation for Social Entrepreneurship. As a partner with the Schwab Foundation, Intel helps to promote social entrepreneurship. Working with academic partners, Intel and Schwab have produced a detailed document designed to encourage future business leaders to integrate community and environmental concerns into their business plans and promote ethical and responsible business practices.

Mailafiya Health Program. The Intel World Ahead program recently concluded a project to bring healthcare ICT solutions to Nigeria. A public-private partnership between Intel, the Nigerian Federal Capital Territory Millennium Development Goals Unit, and health officials has helped increase healthcare delivery to underserved communities by 270%, with over 336 settlements and 10,000 patients served, and has registered a 900% increase in disease detection.

Asia NGO Innovation Summit. Intel and the Hope Institute of Korea united to organize the first Asia NGO Innovation Summit in Seoul, Korea in September 2010. The summit brought together 67 leaders, representing NGOs from 15 Asian countries, to address the common challenges that NGOs face when creating and implementing capacity-building and social innovation programs. The delegates shared ideas and approaches for overcoming these challenges.

Tech Awards—Intel Environment Award. Since 2001, Intel has supported the Tech Awards (a program of the Tech Museum) by sponsoring the Intel Environment Award, which recognizes individuals and organizations working to solve global challenges by creating and using simple and complex technology. In 2010, The Peer Water Exchange, a project of Blue Planet Network, received the award for helping to support nearly $27 million in member water and sanitation projects, bringing safe drinking water to nearly 700,000 people.

Advancing Social Innovation in China. In addition to helping to connect thought leaders and key stakeholders at the global and regional level, we help drive social innovation at the country level. One such example is in China, where our corporate responsibility team has aligned key programs and initiatives to support the government's strategic objectives of promoting social innovation and the creation of a more vibrant social sector.

In 2010, Intel launched a new Innovation Award for Non-profit and Technology for Social Innovation with the Ministry of Civil Affairs to encourage ICT adoption by nonprofit organizations in the country. Intel China also hosted the first Technology for Social Innovation Forum at the Intel Developer Forum in Beijing, with 17 winners from among 250 entries evaluated by a panel of government leaders and leading think tanks. A key objective of the initiative is to build capacity in the Chinese social sector to help address social challenges more effectively than can be accomplished by the government or companies working alone.

> "The Innovation Award for nonprofit collaboration, initiated by Intel, will become an important catalyst of the social innovation ecosystem in China. It could enable a nonprofit platform economy, and Intel definitely plays a critical role in the process."
>
> Yang Tuan, Director, Social Policy Office, Chinese Academy of Sciences, and a judge for the 2010 and 2011 awards

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Empowering Girls and Women

We believe that to foster innovation and drive economic growth, we must enable everyone—especially girls and women—with education and entrepreneurial skills. This is a goal we share with governments, NGOs, and development agencies, because by empowering girls and women, we also improve the lives of their children, families, and communities.

Intel is actively engaged in a number of initiatives to enable girls and women to pursue education and entrepreneurship, from education programs such as the Intel Learn Program to programs that improve access to technology such as Intel Easy Steps. We are also committed to increasing the representation of women in technical and leadership roles in our own workforce. Read more about our programs to advance opportunities for women at Intel in the Workplace section of this report.

Educating to Create Opportunity

Research has shown that devoting resources to quality education for girls is among the best investments that any society can make. A 100-country study by the World Bank showed that increasing the number of women with a secondary education by 1% boosts annual per capita income growth by 0.3 percentage points. For many years, Intel's education programs have been helping to improve the social and economic standing of females around the world. Close to 700,000 girls in underserved parts of the world have participated in the Intel Learn Program, acquiring technology and life skills that enable them to advocate for themselves and their communities.

But the impact is often best illustrated at the individual level. For example, 15-year-old Farha from India was pulled out of school by her parents, who feared that her reputation would be ruined if she was allowed to continue her education with boys. Farha learned about the Intel Learn Program at her local community center, and without her parents' knowledge, took her sister to learn more about it. Armed with information they had received about the program, the girls convinced their parents to visit the center, and, ultimately, the parents permitted the girls to join the program. Based on their strong performance in Intel Learn, the girls were allowed to return to school, and Farha began to pursue her dream of becoming a doctor.

Some 4 million female teachers have participated in the Intel Teach Program, which helps educators integrate technology and project-based approaches to learning into their classrooms. After a teacher in India completed the program, she led her students through a project about young children being forced to drop out of school to work. The students used mathematical models to show parents that, over the long run, their children would earn more if they stayed in school. As a result, seven parents allowed their children to return to school.

Another Intel program addresses the problem of math anxiety in women and girls. A study from the University of Chicago indicates that female elementary school teachers who are anxious about math may undermine girls' confidence in their math abilities. The Intel Math Program helps remedy this problem by providing teachers with 80 hours of instruction to improve their own math knowledge, along with creative ways to teach the subject.

In recent years, top winners in the world's largest pre-college science competitions—Intel ISEF and Intel STS—have been girls, and they have presented projects with the potential to alter people's lives. Amy Chyao, 16-year-old winner of the 2010 Intel ISEF competition, developed a photosensitizer for an emerging cancer treatment that uses light energy to activate a drug that kills cancer cells. Asil Shaar and Nour Alarda, two determined Palestinian girls who won a special award at the 2010 Intel ISEF competition, made multiple long trips through several military checkpoints to find the materials they needed to create their project—an obstacle-detecting cane for the blind.

Intel and the Intel Foundation also have a long history of providing scholarships and research fellowships to women and underserved minorities to pursue careers in engineering, computer science, and other technical fields. In 2010, the Intel Foundation awarded scholarships and grants totaling over $5.5 million to prepare women and underserved youth with better skills for the innovation economy.

Promoting Inclusion Through Technology

In many cases, simply providing access to technology can change the outlook for girls and women. Nancy, a girl from inner-city Boston, visited an Intel Computer Clubhouse for the first time when she was 12. 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.

Nancy's Computer Clubhouse experience inspired her to go on to college, studying computer interactions at the University of Michigan. "The Clubhouse was an escape from the turmoil of my foster homes," Nancy said. "I never guessed that those fun things would turn into skills that would help me be a creative thinker."

One hundred Intel-powered PCs are being deployed in Computer Clubhouses throughout Asia, operated by the Social and Financial Empowerment of Adolescents (SOFEA) project. For 95% of the girls in this program, the centers provide their first exposure to a PC. The technology, business, and financial skills that the girls are acquiring will help them overcome inequalities due to early marriage, war, domestic violence, and other problems.

Advancing Economic Independence

Just as technology removes walls around the classroom, entrepreneurial skills can remove walls around women's lives. An Intel Foundation grant led to the opening of the Intel Udyogini School of Entrepreneurship, where 3,600 tribal women in insurgency-hit areas of India have received business management training. Some of the women developed businesses that collect and extract lacquer from insects, and then sell it to industry in the region, resulting in economic empowerment for the women.

In Bangladesh, a group of women called the "Info Ladies" take Intel-powered classmate PCs with mobile phones and digital cameras to remote villages, giving these communities their only telephone and Internet access. The Info Ladies earn a living while performing services such as helping a farmer call an expert to learn how to save his diseased fruit tree, enabling a mother to find out what medicine her sick daughters need, and allowing a man to chat with his cancer-stricken father on the other side of the world.

Collaborating for Impact

A new global initiative entitled "10X10: Connect the Dots, Educate Girls, Change the World" was unveiled at the Clinton Global Initiative Annual Meeting in September 2010. Intel is proud to be the founding corporate sponsor of the 10x10 initiative, which consists of a documentary film and social action campaign dedicated to addressing the plight of girls around the world. The upcoming movie (to be released in 2012) tells the inspiring stories of 10 girls from 10 countries, shining a light on the importance of education and what successful girls can accomplish for their families, communities, and countries.

Another initiative, TechWomen, was developed by the U.S. State Department in 2010 as part of U.S. President Barack Obama's vision of greater collaboration between the U.S. and communities with predominantly Muslim populations. TechWomen is a professional mentorship and exchange program that will identify women who are emerging leaders in technical fields in Muslim communities and bring them to the U.S. in the summer of 2011 for a five-week, project-based mentoring program at leading technology companies in Silicon Valley, including Intel. Goals of the program include strengthening participants' professional capacity, expanding and diversifying networks of technology professionals in the Middle East and North Africa, and expanding girls' interest in tech-based careers by exposing them to women role models in the technology field.

> "There is overwhelming evidence that investing in adolescent girls in the developing world creates transformative change for families, communities, and entire countries."
>
> Shelly Esque, Vice President, Intel Corporate Affairs; President, Intel Foundation

Performance Summary and Goals

In 2010, we surpassed the milestones of 9 million teachers trained through the Intel® Teach Program and 1.4 million learners reached through the Intel Learn® Program. We broadened the reach of our learning and teacher development programs, and expanded our role as an advocate for improved science, technology, engineering, and math education—especially for girls and women and under-represented minorities. Our employees continued to inspire us, with 48% volunteering over 1 million hours and sharing their skills to develop and implement innovative projects that benefit schools and communities. We also combined our passion for innovation with our technology to support social innovation and entrepreneurship programs, competitions, and partnerships that lead to the creation of shared value.

Society Goals and Performance

2010 Goals	2010 Performance	
Enable teachers to prepare students with 21st century skills by training 10 million teachers by 2011 through the Intel® Teach Program and expanding our portfolio of program options to meet local needs.	At the end of December 2010, we had trained 9 million teachers and are on track to reach our 10 million teacher goal in 2011. We successfully rolled out our new Intel® Teach Elements program, reaching 263,000 teachers.	●
Reach an additional 250,000 learners in 2010 through the Intel® Learn Program. Extend the program by adding a new curriculum unit, Intel® Learn Technology and Entrepreneurship.	We exceeded our goal, reaching approximately 400,000 additional learners in 2010 and successfully launching the new entrepreneurship curriculum.	●
By 2011, reach our goal of 100,000 PC donations to schools in emerging markets to improve teaching and learning through ICT use.	We achieved this goal in February 2011, completing the donation of 100,000 PCs.	●
Maintain at least a 40% employee volunteerism rate globally.	Achieved 48% volunteer rate globally and over 1 million volunteer hours.	●
Continue to engage employees in high-impact, skills-based volunteering opportunities: launch one business group pilot project and integrate skills-based volunteering information into our career development course.	We continued to expand skills-based opportunities for our employees, including business group projects and integration of information into career development resources.	●

● Achieved ◒ Partially Achieved ○ Not Met

In 2011, Intel and the Intel Foundation will continue to expand and support the development of our education programs, reaching more teachers and young people around the world. We will also continue to place a high importance on collaboration with governments and other stakeholders to support systemic change in education, entrepreneurship, and social innovation. We will roll out a comprehensive new employee engagement communications campaign to engage even more employees in our Intel Involved program, including a focus on developing more opportunities to support girls and women.

Society Goals for 2011

Enable teachers to prepare students with 21st century skills by training 10 million teachers by the end of 2011 through the Intel Teach Program and expanding our portfolio of program options to meet local needs.
Maintain at least a 40% employee volunteerism rate globally and continue to engage employees in skills-based volunteering activities.

Appendix

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About This Report

Report Scope and Profile

With the Intel 2010 Corporate Responsibility 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 2010 (ended December 25, 2010). Our previous report was published in May 2010.

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 2010 Annual Report and Form 10-K.

We produce our Corporate Responsibility 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 Corporate Responsibility Report does not include performance information for Intel's joint ventures or firms included in Intel Capital's investment portfolio, unless specified. In addition, environmental and social performance data does not include data from our wholly owned subsidiaries, Wind River Software Group or McAfee (the latter was acquired in the first quarter of 2011). 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. Financial data is presented in U.S. dollars. References to "Intel" throughout this document pertain to Intel Corporation. Intel Foundation is a separate entity.

Corporate-wide emissions are calculated using the Climate Leaders Greenhouse Gas (GHG) Inventory Guidance, which defines how U.S. Environmental Protection Agency (EPA) Climate Leaders partner companies account for and report their GHG emissions. This Guidance is based on the existing GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development.

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 Corporate Responsibility 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.

As a member of the EPA Climate Leaders program over the past few years, our GHG emissions data has been reviewed against the Climate Leaders GHG Inventory Guidance, which includes reviews of our emissions inventory data and our progress in reaching our GHG emissions goal. Even though the Climate Leaders program concluded in 2010, our third-party verification partner, WSP Environment and Energy, on behalf of the EPA, is completing an independent review of our 2010 data. Our intention is to continue to secure third-party verification for our future emissions reporting. Our operations in Ireland are covered by the European Union Emissions Trading Scheme.

For our 2004–2007 reports, we worked with a team of MBA students, under the guidance of a professor, to procure external assurance, using the AA1000 Materiality standard. Based on stakeholder feedback received during our outreach efforts and our analysis of the costs and benefits of available external assurance options, we did not complete assurance for our 2008 or 2009 reports beyond the data verification and external review measures outlined above. In 2010, we continued to evaluate trends in assurance and other external verification measures, as well as input from our stakeholders. Based on this review, we plan to engage a third party to complete a "pre-assurance" review of our 2010 report following publication, and use the results to help us prepare for our 2011 report assurance process. We invite readers to provide feedback on this topic to inform our assurance strategy for the 2011 report.

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 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; Strategy and Management Approach (Strategy)	3, 9	
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.	●	Corporate Profile; Financial Performance and Economic Impact (FP&EI)	5, 21	Additional detail available in 2010 Annual Report and Form 10-K.
2.10 Awards received in the reporting period.	●	Strategy	19	
3. Report Parameters				
3.1–3.4 Reporting period; Date of most recent previous report; Reporting cycle; Contact point for questions regarding the report or its contents.	●	About This Report	111	
3.5 Process for defining report content.	●	Strategy	12	
3.6–3.8 Boundary of the report; Limitations on scope and/or report boundary; Basis for reporting on joint ventures, subsidiaries, etc.	●	About This Report	111	
3.9 Data measurement techniques and the bases of calculations.	●	Environment; About This Report	33, 111	Additional information provided in discussion of indicators throughout the report.
3.10–3.11 Explanation of the effect of any restatements of information provided in earlier reports; Significant changes from previous reporting periods.	●	About This Report and individual indicator descriptions	111	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 2010 Annual Report and Form 10-K.
3.12 Table identifying the location of standard disclosures in the report.	●	GRI Index	112	
3.13 Policy and current practice with regard to seeking external assurance for the report.	●	About This Report	111	

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

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GRI Content Index (continued)

Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
4. Governance, Commitments, and Engagement				
4.1–4.4 Governance structure of the organization, including committees under the highest governance body; Indication of whether the chair of the highest governance body is also an executive officer; Number of members of the highest governance body that are independent and/or non-executive members.	●	Strategy; Governance, Ethics, and Public Policy (GE&PP); Workplace	11, 26, 69	Additional information on Board committees and composition available in 2011 Proxy Statement (p 13).
4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	●	Environment; Workplace	35, 70	For additional details on our approach to linking pay and performance, see 2011 Proxy Statement (p 24).
4.6 Processes in place for the highest governance body to ensure that conflicts of interest are avoided.	●	GE&PP	26	Additional information provided in 2011 Proxy Statement (p 16).
4.7 Process for determining the qualifications and expertise of the members of the highest governance body on economic, environmental, and social (EE&S) topics.	●	GE&PP	26	Information on process for selecting new directors included in our 2011 Proxy Statement (p 7). 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.	●	Strategy; GE&PP; Environment; Supply Chain	10, 27, 34, 81	See also 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.	●	Strategy; GE&PP	11, 27, 31	See also the charter of the Corporate Governance and Nominating Committee on our Governance and Ethics web site.
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to EE&S performance.	●	GE&PP	26	Additional information provided in 2011 Proxy Statement (p10).
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	Environment	33	Reference also included in Intel Code of Conduct.
4.12. Externally developed EE&S charters, principles subscribed to.	●	Strategy; Environment; Supply Chain	10, 34, 81, 119	Specific charters/principles covered in specific sections of the report by topic.
4.13 Memberships in associations and/or advocacy organizations.	●	GE&PP; Environment; Workplace; Supply Chain; Contributions to Society (Society)	31, 42, 67, 82, 87, 99, 106	Memberships covered in multiple sections of 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.	●	Strategy	12	

● **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
5a. Economic Performance Indicators				
Management Approach Disclosures: Economic	●	Letter from Our CEO; Strategy; FP&EI	3, 10, 21	Additional information included in 2010 Annual Report and Form 10-K.
EC1 Direct economic value generated and distributed. (Core)	●	FP&EI; GE&PP; Society	21, 23, 93	Additional information in 2010 Annual Report and Form 10-K (p 23).
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change. (Core)	●	Strategy; Environment	16, 36	Climate change risk also covered in 2010 Annual Report and Form 10-K (p 19).
EC3 Coverage of the organization's defined benefit plan obligations. (Core)	●	Workplace	71	Additional information available in 2010 Annual Report and Form 10-K (p 82).
EC4 Significant financial assistance received from government. (Core)	◒	FP&EI	22	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 2010 Annual Report and Form 10-K (p 38).
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation. (Core)	●	FP&EI; Supply Chain	23, 80, 87	Breakdown of spends by region, information on supplier diversity programs provided.
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. (Core)	●	Workplace	61, 66	Our recruiting practices are designed to be inclusive, and we hire from the diverse populations and communities where we operate. A majority of senior management at our global sites are local hires.
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. (Core)	●	Society	93	
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. (Additional)	●	FP&EI	23	
5b. Environmental Performance Indicators				
Management Approach Disclosures: Environment	●	Strategy; Environment	11, 34	
EN1 Materials used by weight or volume. (Core)	◒	Environment; Supply Chain	33, 80	Our systems are not designed to calculate in totality materials in this way. See our Making Silicon Chips web site for a detailed description of the manufacturing process and materials used.
EN2 Percentage of materials used that are recycled input materials. (Core)	◒	Environment	52, 88	Given the complexity and size of our products, calculation of percentage of recycled content is not applicable; more significant are our efforts to design out materials such as lead and halogens.

● **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
EN3 Direct energy consumption by primary energy source. (Core)	●	Environment	39	
EN4 Indirect energy consumption by primary source. (Core)	◒	Environment	39, 41	Data not tracked in this format. Our purchased energy is from multiple public utilities, which include a mix of energy sources. See also Intel's CDP filing.
EN5–EN7 Energy saved due to conservation and efficiency improvements. (Additional); Initiatives to provide energy-efficient or renewable energy-based products and services. (Additional); Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	●	Environment	39	
EN8–EN10 Total water withdrawal by source. (Core); Water sources significantly affected by withdrawal of water. (Additional); Percentage and total volume of water recycled and reused. (Additional)	●	Environment	43, 47	
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)	●	Corporate Profile; Environment	8, 36	Major locations and manufacturing sites listed in this report, and owned and leased facilities listed in the 2010 Annual Report and Form 10-K (p 20).
EN16–EN18 Total direct and indirect greenhouse gas emissions by weight. (Core); Other relevant indirect greenhouse gas emissions by weight (Core); Initiatives to reduce greenhouse gas emissions, and reductions achieved. (Additional)	●	Environment	36, 38	
EN19 Emissions of ozone-depleting substances by weight. (Core)	●	Environment	50	
EN20 NOx, SOx, and other significant air emissions by type and weight. (Core)	●	Environment	50	
EN21 Total water discharge by quality and destination. (Core)	●	Environment	43, 47	Additional information available in SARA Title III Reportable Chemicals by Site.
EN22 Total weight of waste by type and disposal method. (Core)	●	Environment	48	
EN23 Total number and volume of significant spills. (Core)	●	Environment	56	No major spills reported in 2010. Other non-compliance issues reported.
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. (Core)	●	Environment	51	
EN27 Percentage of products sold and their packaging materials that are reclaimed by category. (Core)	◒	Environment; Supply Chain	52, 89	Intel does not have data collection processes to track, record, and report this information in this way. However, an estimated 75% of our packaging material is reusable/recyclable.
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. (Core)	●	Environment	56	

● **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
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional)	●	Environment; Supply Chain	38, 88	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 impact in this area.
5c. Social Performance Indicators: Labor Practices				
Management Approach Disclosures: Labor Practices	●	Strategy; Workplace; Supply Chain	11, 59, 82	
LA1–LA2 Total workforce by employment type, employment contract, and region. (Core); Total number and rate of employee turnover. (Core)	◒	Workplace	61, 62	Information 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)	●	Workplace	70	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 sabbatical benefit.
LA4 Percentage of employees covered by collective bargaining agreements. (Core)	●			The percentage is zero.
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. (Core)	◒	Workplace	12, 65	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 and 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)	●	Workplace	75	
LA8 Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious diseases. (Core)	●	Workplace	76	
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)	●	Workplace	64	
LA12 Percentage of employees receiving regular performance and career development reviews. (Additional)	●	Workplace	63	
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)	●	Workplace	69	

● **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
LA14 Ratio of basic salary of men to women by employee category. (Core)	◒	Workplace	69	Overall ratio not reported, due to information deemed proprietary, but breakdown of top 50 in senior management reported in terms of compensation.
LA15 Return to work and retention rates after parental leave. (Core)	◒	Workplace	72	
5d. Social Performance Indicators: Human Rights				
Management Approach Disclosures: Human Rights	●	Strategy; GE&PP; Supply Chain	10, 27, 81	
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. (Core)	●	Supply Chain	82, 84	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	84	
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (Additional)	●	GE&PP; Supply Chain	27, 83	Training on Intel Code of Conduct and other policies and procedures is mandatory for every Intel employee and includes content on human rights.
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 reported.
HR5–HR7 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. (Core); Operations identified as having significant risk for incidents of child labor, or forced or compulsory labor, and measures taken to contribute to the elimination of child labor. (Core)	●	GE&PP; Supply Chain	27	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, and have Intel Human Rights Principles in place. We have not identified any operations with significant risk for child labor or forced or compulsory labor.
HR10–HR11 Percentage and total number of operations that have been subject to human rights assessments and number of grievances resolved. (Core)	●	GE&PP; Workplace; Supply Chain	27, 66, 85	
5e. Social Performance Indicators: Society				
Management Approach Disclosures: Society	●	Society	93	
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)	●	Strategy; Society	12, 93	
SO2–SO3 Percentage and total number of business units analyzed for risks related to corruption. (Core); Percentage of employees trained in organization's anti-corruption policies and procedures. (Core)	●	GE&PP	27	

● **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)	◒	GE&PP	27	Data reported on anti-corruption training and assessment processes. Summary types of findings from our ECOC and typical actions taken also provided. We do not provide detailed information on specific actions taken since this information is deemed to be proprietary.
SO5–SO6 Public policy positions and participation in public policy development and lobbying. (Core); Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. (Additional)	●	GE&PP	29, 31	
SO7–SO8 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. (Additional); Monetary value of significant fines and total number of non-monetary sanctions. (Core)	●	GE&PP	28	See also Competition in the Innovation Economy web site and 2010 Annual Report and Form 10-K (p 98).
SO9–SO10 Operations with significant potential or actual impact on local communities and prevention/mitigation activities. (Core)	●	Strategy; Environment; Society	12, 36, 93	
5f. Social Performance Indicators: Product Responsibility				
Management Approach Disclosures: Product Responsibility	●	Environment	33, 51	Product responsibility topics span multiple sections of the report, from environment to health and safety.
PR1 Life-cycle stages in which health and safety impacts of products and services are assessed for improvement. (Core)	●	Environment	33	For more information, refer to Intel Quality System Handbook.
PR3 Type of product and service information required by procedure, and percentage subject to such requirements. (Core)	◒	Environment	51	We also provide our customers with information on the energy efficiency of our products through our web site and publications on our web site.
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome. (Additional)	●			Zero incidents in 2010.
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. (Additional)	●	Strategy; Workplace	13, 71	For more information, refer to Intel Quality System Handbook.
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising. (Core)	●	GE&PP	27	Covered in Intel Code of Conduct.
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. (Additional)	○			Information on Intel's privacy policy available on our Security and Privacy web site.
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. (Core)	●			Information on legal proceedings included in 2010 Annual Report and Form 10-K (p 98).

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United Nations Global Compact—Communication on Progress 2010

In June 2009, Intel became a member of the United Nations Global Compact (UNGC), a platform for encouraging and promoting good corporate principles and learning experiences in the areas of human rights, labor, environment, and anti-corruption. The UNGC principles have been engrained in our approach to corporate responsibility and business practices for many years.

As part of our commitment to the UNGC, we have mapped the principles with the relevant discussions in the report, which detail our actions and progress made against the principles during 2010, including our work with other organizations in these areas. In addition to our commitment to promote the UNGC principles in our operations, Intel will continue to support the UNGC in its work to expand country networks.

UNGC Communication on Progress		
Human Rights		
Principle 1	Support and respect the protection of internationally proclaimed human rights.	Intel's commitment to respect human rights is embodied in the Intel Code of Conduct, Intel Human Rights Principles, and Intel Water Policy, the latter of which covers our respect for the human right to water. 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 2010, see the Governance, Ethics, and Public Policy and Supply Chain sections 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, 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 Governance, Ethics, and Public Policy, Workplace, and Supply Chain sections of this report.
Principle 4	Support elimination of all forms of forced and compulsory labor.	
Principle 5	Support effective abolition of child labor.	
Principle 6	Elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses are asked to support a precautionary approach to environmental challenges.	Intel co-founder Gordon Moore, a longtime champion of the environment, instilled a legacy of environmental consciousness at Intel that continues today. We incorporate environmental performance goals throughout our operations and regularly report on our progress, seeking continuous improvement in energy efficiency, emissions reductions, resource conservation, and waste reduction. We strive to minimize the environmental impact of our products—from design through disposal—and we collaborate with others to develop innovative ways that technology can help address long-term sustainability challenges. For more information, see the Environment section of this report.
Principle 8	Undertake initiatives to promote greater environmental responsibility.	
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Intel has set clear standards and policies and has put in place training to ensure employee compliance on these topics, including a reference in the Intel Code of Conduct. We have a comprehensive Ethics and Compliance program, which is described in detail in the Governance, Ethics, and Public Policy section of this report. Depending on their role and geographical location, certain employees are assigned more in-depth ethics and compliance training courses, including those covering anti-corruption. Approximately 16,000 employees were trained on our anti-corruption policies and procedures in 2010.

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