

# 2014 CORPORATE RESPONSIBILITY REPORT



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# 2014 CORPORATE RESPONSIBILITY REPORT

The Intel® brand is consistently ranked as one of the most recognizable and valuable brands in the world. We relentlessly pursue Moore's law to push the boundaries of smart and connected technology to outdo what's been done before. As the world leader in computing innovation, Intel makes amazing experiences possible for every person on Earth.

Below are a few key highlights:



In 2014, we reported record revenue of \$55.9 billion, up 6% from 2013, and achieved record annual shipments for PCs, servers, tablets, phones, and the Internet of Things.



We announced a goal to achieve full representation of women and under-represented minorities at Intel in the U.S. by 2020.



Since 2008, Intel has been the largest voluntary purchaser of "green" power in the U.S., according to the U.S. EPA. We have achieved Leadership in Energy and Environmental Design\* (LEED\*) certification for more than 40 buildings with over 12.5 million square feet of floor space.



In 2014, we set a goal to validate that all of our products are DRC conflict-free for tin, tantalum, tungsten, and gold beginning in 2016.



The Intel® She Will Connect program, launched in Sub-Saharan Africa, aims to connect millions of women to new opportunities by closing the Internet gender gap.



In 2014, 39% of our employees volunteered 1.25 million hours in 38 countries around the world, at an estimated value of \$28.8 million.

[Access the Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

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# ABOUT THIS REPORT

We prepared this report using the [Global Reporting Initiative\\*](#) (GRI) Sustainability Reporting Guidelines, and self-declare the report to be prepared “in accordance” with the G4 guidelines at the comprehensive level. A GRI Content Index is provided in the [Appendix](#), along with information about the report’s scope and approach to assurance.

We continue to integrate sustainability information into our Annual Report and 10-K and other investor communications. The [Our Business and Integrated Value Approach](#) section of this report covers content recommended by the [International Integrated Reporting Committee](#) for inclusion in “integrated reports,” and can be downloaded as a standalone document or read as an interactive part of the full 2014 Corporate Responsibility Report. Please refer to the text at right for more information about navigating and customizing the report.

Additional information about Intel’s operations and financial statements is available in our [2014 Annual Report and Form 10-K](#). References to “Intel” throughout this document pertain to Intel Corporation. Intel Foundation is a separate entity.

## How to Use This Document

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

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

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

 Click or tap to play the video.

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Past performance does not guarantee future results. This Corporate Responsibility Report contains forward-looking statements, and actual results could differ materially. Risk factors that could affect Intel’s results are included in Intel’s filings with the Securities and Exchange Commission, including our most recent reports on Form 10-Q and Form 10-K and earnings release.

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# LETTER FROM OUR CEO



If it is smart and connected, it is best with Intel. That's our corporate vision, but to us, "best with Intel" goes far beyond just delivering great products. We are committed to developing energy-efficient technology solutions that can be used to address major global problems while reducing our environmental impact.

We seek to empower people and expand economic opportunity through education and technology access. And we cultivate a work environment in which engaged, energized employees can thrive on the job and in their communities. These initiatives aren't an afterthought—they are integrated into the way we work, because they are good for our business.

I am proud to work for a company that profoundly impacts the lives of people around the world every day. A great example is our six-year quest to ensure that our products do not contain tantalum, tin, tungsten, or gold derived from sources that benefit armed groups in the Democratic Republic of Congo (DRC) or adjoining regions. We have accomplished our goal to manufacture microprocessors that are DRC conflict-free for these minerals, and in 2014 set a new goal that all of the products on our roadmap for 2016 and beyond will be DRC conflict-free. Non-governmental organizations in the DRC report that lives are already changing in the DRC: Miners' wages are increasing, their working conditions are improving, and armed groups are being replaced by hospitals and schools in mining communities.

In 2014 Intel once again topped the U.S. Environmental Protection Agency's list of "green" power purchasers in the U.S., a position we have held since 2008. We also continue to work toward achieving our ambitious 2020 environmental goals. In 2014, both our absolute water use and solid waste generated decreased, and although our chemical waste generated increased, we sent just 5% of that waste to landfill.

In 2014 we donated 43,000 Intel® Galileo development boards to 1,900 universities around the world to encourage students to become makers of technology. We also launched the global Make It Wearable challenge, aimed at spurring young people to become entrepreneurs and inventors of wearable technologies. The \$500,000 grand prize winner developed the first wearable camera that can fly. Based on the success of the challenge, Intel will premier an expanded Make it Wearable program in late 2015.

We continue to make significant investments in employee training and development, programs to encourage employee volunteerism, and great-place-to-work initiatives. In support of our belief that a diverse workforce helps us advance our leadership in both technology and corporate responsibility, in early 2015 we announced a bold new goal to achieve full representation of women and under-represented minorities at Intel in the U.S. by 2020. As part of this initiative, we plan to invest \$300 million in programs aimed at building a pipeline of female and under-represented technical talent.

We remain strongly committed to reporting transparency and continuing leadership in corporate responsibility that creates value for our company, our stockholders, and society. This report provides a summary of our 2014 performance and the goals we have set for our future. We welcome your feedback.

Brian Krzanich  
CHIEF EXECUTIVE OFFICER  
INTEL CORPORATION

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# OUR BUSINESS AND INTEGRATED VALUE APPROACH

We relentlessly push the boundaries of smart and connected technology to outdo what's been done before. As the world leader in computing innovation, Intel makes amazing experiences possible for every person on Earth. We have embedded corporate responsibility and sustainability into our strategy, management systems, and long-term goals. We believe that this integrated approach creates value for Intel as well as our stockholders, customers, and society.



We launched the Intel® Core™ M processor family, designed for superior performance and long battery life in razor-thin mobile devices.



In 2014, 70% of our wafer fabrication was conducted within the U.S. at our facilities in Arizona, New Mexico, Oregon, and Massachusetts. To drive strategic alignment with our corporate responsibility objectives, Intel has linked a portion of our executive and employee compensation to corporate responsibility metrics since 2008.



Intel was recognized by *Corporate Responsibility Magazine* as one of the 100 Best Corporate Citizens for the 15th year.



In 2014, we reported record revenue of \$55.9 billion, up 6% from 2013, and achieved record annual shipments for PCs, servers, tablets, phones, and the Internet of Things.

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## Key Section Links

[Performance Summary and Goals](#)  
[Intel Company Information](#)

[Intel Code of Conduct](#)  
[Intel 2015 Proxy Statement](#)

[Intel 2014 Annual Report and Form 10-K](#)

[Intel Investor Relations](#)  
[Intel® Core™ Processor Family](#)

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## Company Profile

Our vision is if it is smart and connected, it is best with Intel. As a result, we offer complete and connected computing solutions, both hardware and software. We continue executing to Moore's Law by enabling new devices with higher functionality and complexity while controlling power, cost, and size.

We design and manufacture advanced integrated digital technology platforms. A platform consists of a microprocessor and chipset, and may be enhanced by additional hardware, software, and services. We sell these platforms primarily to original equipment manufacturers (OEMs), original design manufacturers (ODMs), and industrial and communications equipment manufacturers in the computing and communications industries. Our platforms are used to deliver a wide range of computing experiences in notebooks (including Ultrabook™ devices), 2 in 1 systems, desktops, servers, tablets, smartphones, and the Internet of Things (including wearables, transportation systems, and retail devices). We also develop and sell software and services primarily focused on security and technology integration. We serve customers around the world, and as of year-end 2014, we had 106,700 employees worldwide, with close to half of those employees located in the U.S.

Over time, the number of devices connected to the Internet and to one another has grown from hundreds of millions to billions. This number continues to grow and the variety of devices also continues to increase. The combination of embedding computing into devices and connecting them to the Internet, known as the Internet of Things, as well as a build-out of the cloud infrastructure supporting these devices, is driving fundamental changes in the computing industry. As a result, we are transforming our primary focus from the design and manufacture of semiconductor chips for personal computers (PCs) and servers to the delivery of more complete platform solutions consisting of hardware and software platforms and supporting services. These solutions

span the compute continuum, from high-performance computing systems running trillions of operations per second to embedded applications consuming milliwatts of power. Because computing is becoming an increasingly mobile, personal, and ubiquitous experience, we innovate around energy-efficient performance, connectivity, and security.

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

- relentless pursuit of Moore's Law to maximize and extend our manufacturing technology leadership;
- strive to ensure that Intel® technology is the best choice across the compute continuum, including PCs, data centers, ultra-mobile devices, and the Internet of Things;
- expand platforms into adjacent market segments to bring compelling new System-on-Chip (SoC) solutions and user experiences to ultra-mobile form factors including tablets and smartphones, as well as PC platforms (including Ultrabook devices, 2 in 1 systems, and all-in-ones), data center applications, and the Internet of Things;
- increase the utilization of our investments in intellectual property and research and development (R&D) across all market segments;
- be the platform of choice for any operating system;
- expand data center, security, and big data analytics;
- scale our manufacturing capabilities into foundry; and
- strive to reduce the environmental footprint of our products and operations as well as be an asset to the communities we work in.

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## Business Organization and Operations

Our products primarily compete based on performance, energy efficiency, integration, innovative design, features, price, quality, reliability, brand recognition, and availability. Unlike many semiconductor companies, we primarily manufacture our products in our own facilities. This in-house manufacturing capability enables us to optimize performance, shorten our time to market, and scale new products more rapidly. The combination of our network of manufacturing and assembly and test facilities with our global architecture design teams enables us to have more direct control over our processes, quality control, product cost, production timing, performance, power consumption, and manufacturing yield.

Intel is headquartered in Santa Clara, California and incorporated in the state of Delaware. We have over 300 facilities located in more than 60 countries. Our principal executive offices are located in the U.S. and a majority of our wafer fabrication activities are also located in the U.S. We completed construction of our new development fabrication facilities in Oregon during 2014 and expect that these new facilities will allow us to widen our process technology lead.

In 2014, 70% of our wafer fabrication, including microprocessors and chipsets, was conducted within the U.S. at our facilities in Arizona, New Mexico, Oregon, and Massachusetts. Our Massachusetts fabrication facility is our last manufacturing facility on 200 millimeter (mm) wafers and is expected to cease production in 2015. The remaining 30% of our wafer fabrication was conducted outside the U.S. at our facilities in Israel and China. Our fabrication facility in Ireland is currently transitioning to our 14nm process technology, with manufacturing expected to ramp in the second half of 2015.

We use third-party foundries to manufacture wafers for certain components, including communication and connectivity products. In addition, we primarily use subcontractors to manufacture board-level products and systems. We purchase certain communication and connectivity products from external vendors primarily in the Asia-Pacific region.

## Intel Business Organization and Operating Segments

**Client Computing Group**

**Data Center Group**

**Internet of Things Group**

**Software and Service Operating Segments**

**McAfee**

**Software and Services Group**

**All Other**

**Non-Volatile Memory Solutions Group**

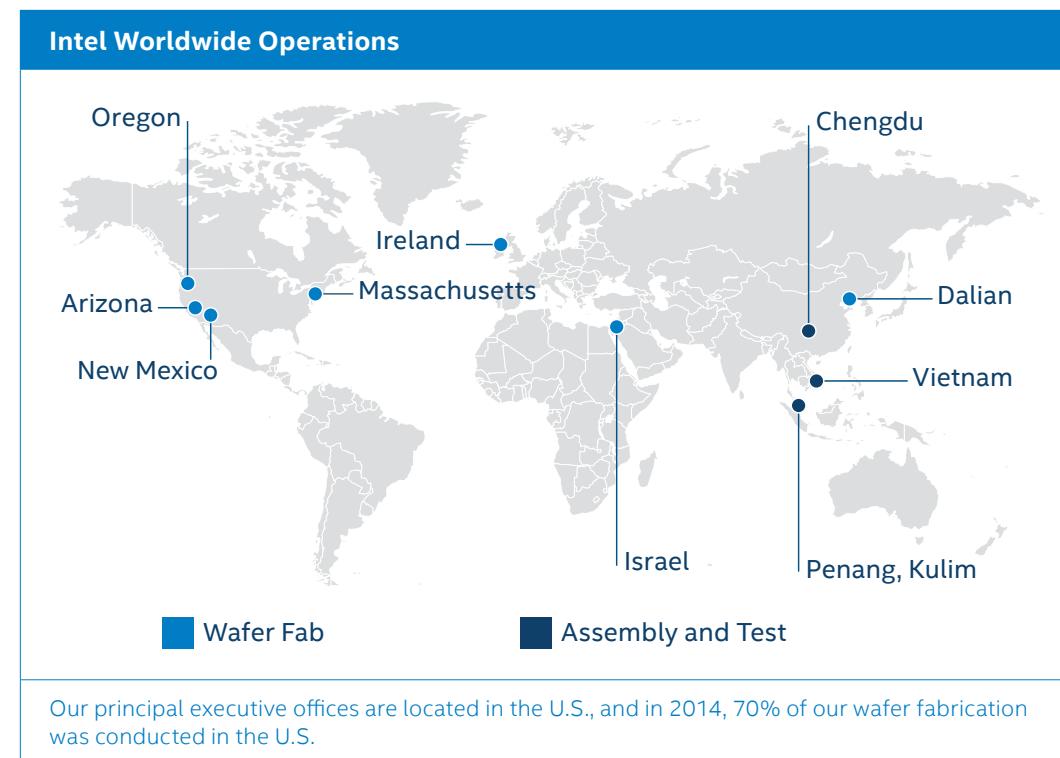
**New Devices Group**

**Corporate**

In April 2015, we announced a change to our financial reporting structure to reflect changes in our organizational model (shown above). Our financial results here and in our 2014 Form 10-K reflect our operating segments prior to this reorganization. For more information, read the [press release](#) or download our latest [financial filing](#).

Following the manufacturing process, the majority of our components are subject to assembly and test. We perform our components assembly and test at facilities in Malaysia, China, and Vietnam. Our assembly and test facility in Costa Rica ceased production in the fourth quarter of 2014. To augment capacity, we use subcontractors to perform assembly and test of certain products, primarily chipsets and communication and connectivity products. Our NAND flash memory products are manufactured by IMFT and Micron using 20nm or 25nm process technology, and assembly and test of these products is performed by Micron and other external subcontractors.

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We have thousands of suppliers, including subcontractors, providing our various materials, equipment, and service needs. We set expectations for supplier performance and reinforce those expectations with periodic assessments and audits. We communicate those expectations to our suppliers regularly and work with them to implement improvements when necessary. For more information about our supply chain, see the [Supply Chain Responsibility](#) section of this report.

## Products

**Platforms.** We offer platforms that incorporate various components and technologies, including a microprocessor and chipset, a stand-alone System-on-Chip (SoC), or a multichip package. A platform may be enhanced by additional hardware, software, and services. A microprocessor—the central processing unit (CPU) of a computer

system—processes system data and controls other devices in the system. A chipset sends data between the microprocessor and input, display, and storage devices, such as the keyboard, mouse, monitor, hard drive or solid-state drive, and optical disc drives.

We offer and continue to develop SoC products that integrate our CPUs with other system components, such as graphics, audio, imaging, communication and connectivity, and video, onto a single chip. We offer a multichip package that integrates the chipset on one die with the CPU and graphics on another die, connected via a lower-power, on-package interface. In 2014, we introduced our 5th generation Intel® Core™ processor, code-named "Broadwell."

We also offer features designed to improve our platform capabilities. For example, Intel® vPro™ technology is a solution for manageability, security, and business user experiences in the notebook, desktop, and 2 in 1 systems market segments. We also offer Intel® Iris™ technology, which provides enhanced integrated graphics for our 4th and 5th generation Intel Core processors. In 2014, we announced Intel® RealSense™ technology, which includes software and depth cameras that enable more natural and intuitive interaction with personal computing devices.

**Communication and Connectivity.** Our communication and connectivity offerings for tablets, smartphones, and other connected devices include baseband processors, radio frequency transceivers, and power management integrated circuits. We also offer comprehensive smartphone, tablet, and Internet of Things solutions, which include multimode Long Term Evolution (LTE\*) modems, Bluetooth\* and Global Positioning System (GPS) receivers, software solutions, customization, and essential interoperability tests.

**McAfee, Inc.** McAfee, Inc. offers software and hardware products that provide security solutions designed to protect systems in consumer, mobile, and corporate environments from malicious virus attacks and loss of data. McAfee's products include software solutions for end-point security, network and content security, risk and compliance, and consumer and mobile security and privacy.

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**Non-Volatile Memory Solutions.** We offer NAND flash memory products primarily used in solid-state drives. Our NAND flash memory products are manufactured by IM Flash Technologies, LLC and Micron Technology, Inc.

**Intel Custom Foundry.** We offer manufacturing technologies and design services for our customers. Our foundry offerings include full custom silicon, packaging, and manufacturing test services. We also provide semi-custom services to tailor Intel architecture-based solutions with customers' intellectual property blocks.

## Research and Development

We are committed to investing in world-class technology development, particularly in the design and manufacture of integrated circuits. R&D expenditures were \$11.5 billion in 2014, compared with \$10.6 billion in 2013. Our R&D activities are directed toward the delivery of solutions consisting of hardware and software platforms and supporting services across a wide range of computing devices. We are focused on developing the technology innovations that we believe will deliver our next generation of products, which will in turn enable new form factors and usage models for businesses and consumers.

Our R&D model is based on a global organization that emphasizes a collaborative approach to identifying and developing new technologies, leading standards initiatives, and influencing regulatory policies to accelerate the adoption of new technologies, including joint pathfinding conducted between researchers at Intel Labs and our business groups. We centrally manage key cross-business group product initiatives to align and prioritize our R&D activities across these groups. In addition, we may augment our R&D activities by investing in companies or entering into agreements with companies that have similar R&D focus areas, as well as directly purchasing or licensing technology applicable to our R&D initiatives. To drive innovation and gain efficiencies, we intend to utilize our investments in intellectual property and R&D across our market segments.

For more information, see the [Intel 2014 Annual Report and Form 10-K](#).

## Customers

We sell our products primarily to OEMs and ODMs. ODMs provide design and manufacturing services to branded and unbranded private-label resellers. Our customers also include those who buy PC components and our other products through distributor, reseller, retail, and OEM channels throughout the world. In 2014, Hewlett-Packard Company accounted for 18% of our net revenue (17% in 2013 and 18% in 2012), Dell Inc. accounted for 16% of our net revenue (15% in 2013 and 14% in 2012), and Lenovo Group Limited accounted for 12% of our net revenue (12% in 2013 and 11% in 2012). No other customer accounted for more than 10% of our net revenue during such periods. In 2013, 83% of our revenue from unaffiliated customers came from outside the U.S.

As part of our Customer Excellence Program (CEP), a third-party market research firm administers a web-based survey to obtain and prioritize customer feedback on the quality of Intel's products and services. In 2014, the company received a 90% "Delighted" score from customers. We have exceeded our 75% "Delighted" score goal since 2006. A portion of every employee's pay is tied to the survey results and the satisfaction of our customers. For more information, see "[Compensation and Benefits](#)" in the Caring for Our People section of this report.

## Competition

The computing industry continuously evolves with new and enhanced technologies and products from existing and new providers. Intel faces significant competition in the development and market acceptance of our products in this environment. In each market segment, we have competitors, including other companies that make and sell microprocessors, SoCs, other silicon components, and software and platforms to businesses that build and sell computing and communications devices to end users. We also face competition from OEMs that, to some degree, choose to vertically integrate their own proprietary semiconductor and software assets.

For more information about our products, customers, competitors, and operations, see the [Intel 2014 Annual Report and Form 10-K](#).

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## Risk Management and Business Continuity

Risk is inherent in business. Intel's Board of Directors and management consider "risk" for these purposes to be the possibility that an undesired event could occur that might adversely affect the achievement of our objectives.

Risks vary in many ways, including the ability of the company to anticipate and understand the risk, the types of adverse impacts that could occur if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the company to control the risk and the potential adverse impacts. The types of risks that Intel faces include:

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

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

Management is responsible for identifying risk and risk controls related to significant business activities; mapping the risks to company strategy; and developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward, and the appropriate manner in which to control risk. The Board implements its risk oversight responsibilities by having management provide

periodic briefing and informational sessions on the significant voluntary and involuntary risks that the company faces and how the company is seeking to control risk if and when appropriate. In some cases, as with risks of new technology and risks related to product acceptance, risk oversight is addressed as part of the full Board's engagement with the CEO and management. In other cases, a Board committee is responsible for oversight of specific risk topics and reports to the full Board.

Intel Crisis Management (ICM) handles our end-to-end response to crises and major business disruption events. ICM sets the standards and provides oversight for the emergency management and business continuity programs across Intel. Every mission and business critical function at Intel is required to embed business continuity into their core business practices. Through ICM, which is sponsored by the CEO, Intel maintains an "all hazards" response structure designed to respond to and address any disruption regardless of cause. This structure, along with individual business continuity and site-specific plans, are regularly tested across all aspects of the company.

As a global corporation with locations and suppliers all over the world, Intel must be prepared to respond to a wide range of disasters and keep the business running. Our programs are designed to provide quick response and help ensure the safety of our personnel, safeguard our facilities, and begin the return to "normal operations." In the event of a business disruption, our plans are designed to enable us to quickly recover critical business functions, such as handling customer orders, overseeing production and deliveries, and managing our supply chain.

Intel's mergers and acquisitions process incorporates a screen that assesses environmental, governance, "conflict minerals"<sup>1</sup>, and a number of other factors that could impact the company's acquisitions. Intel Capital, our global investment organization and Intel's mergers and acquisitions team, have integrated additional criteria into our due diligence process to identify potential environmental, governance, and social risks in new investments and acquisitions.

<sup>1</sup> "Conflict minerals," as defined by the U.S. Securities and Exchange Commission (SEC), is a broad term that means tin, tantalum, tungsten, and gold, regardless of whether these minerals finance conflict in the Democratic Republic of the Congo (DRC) or adjoining countries.

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## Strategy and Governance

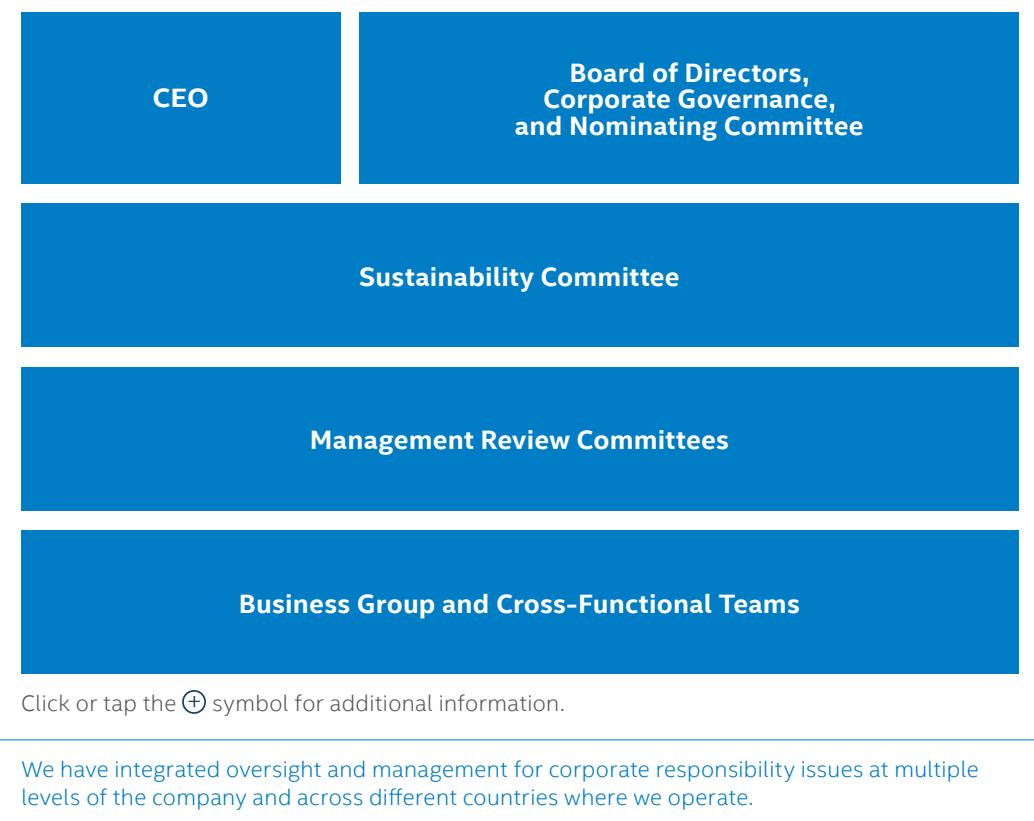
Corporate responsibility is part of our integrated management approach. We have taken steps to embed corporate responsibility into our corporate strategy, corporate objectives, governance and compensation systems, and value chain.

We believe that our focus on corporate responsibility creates value for Intel and our stakeholders. It helps us manage our business more effectively and identify ways to apply our technology and expertise to benefit the environment and society, which in turn helps us mitigate risks, reduce costs, protect brand value, and identify market opportunities. We believe that we can apply our technology and experience to help improve energy efficiency, address critical environmental challenges such as climate change, and improve education access and quality worldwide. Designing products with improved energy-efficient performance helps us meet customer needs and identify market expansion opportunities; improving energy efficiency in our operations helps us reduce our emissions and energy costs; and investing in training, diversity, benefits programs, and education helps us to attract and retain a talented workforce.

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

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

### Intel's Corporate Responsibility Oversight Structure



## Governance and Management Approach

Intel's Board of Directors oversees, counsels, and directs management in the long-term interests of the company and our stockholders. Matters in which the Board is actively engaged include business strategy, risk oversight, succession planning, and corporate responsibility and environmental stewardship. Since 2003, the Board's Corporate Governance and Nominating Committee has had formal responsibility for reviewing and reporting to the Board on corporate responsibility and sustainability issues at Intel. A number of directors have expertise in key corporate responsibility areas, including corporate governance, education, and environmental sustainability. Director biographies are available on our [Biographies](#) web site and in our [2015 Proxy Statement](#).

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

As part of our commitment to governance best practices, Intel pays for performance. We provide a majority of executive compensation through arrangements in which the amounts ultimately received vary to reflect Intel's performance. Our executive compensation programs evolve and are adjusted over time to support Intel's business goals and to promote both near- and long-term profitable growth of the company. In addition, since 2008, we have linked a portion of every executive's compensation to corporate responsibility factors, just as we do for all other employees. For more information on our governance systems and compensation approach, see the [Caring for Our People](#) and [Caring for the Planet](#) sections of this report, as well as our [2015 Proxy Statement](#).

## Creating and Measuring Shared Value

In recent years, investors have become increasingly interested in the connection between corporate responsibility performance and business value creation. As such, Intel is a supporting member of the Shared Value Initiative, created by the nonprofit consulting firm [FSG](#) and Harvard Business School professor Michael Porter to bring together leaders from companies, civil society, and governments to build a strong and engaged global community and further develop the concept of "shared value." Shared value is a framework that helps companies leverage the full range of their internal assets to address social and environmental impacts and identify opportunities, with the end goal of creating more value and increasing a firm's competitiveness.

<b>Integrated Value Framework</b>			
<b>Risk Management</b>	<b>Operations</b>	<b>Brand</b>	<b>Revenue</b>
<b>License to Operate and Governance</b> <ul style="list-style-type: none"> <li>Regulatory risk (i.e., environmental)</li> <li>Community engagement</li> <li>Supply chain</li> </ul>	<b>Cost Savings and Continuous Improvements</b> <ul style="list-style-type: none"> <li>Operational efficiency</li> <li>Management quality</li> <li>Employee engagement</li> </ul>	<b>Reputation and Goodwill</b> <ul style="list-style-type: none"> <li>Differentiation</li> <li>Trusted partner</li> <li>Goodwill</li> </ul>	<b>Growth and Innovation</b> <ul style="list-style-type: none"> <li>Market expansion</li> <li>Product innovation</li> <li>New customer needs</li> </ul>
Integrating corporate responsibility and sustainability into our business and decision-making creates value for Intel in four main ways. It helps us: reduce risk and protect our license to operate, improve the efficiency and effectiveness of our operations, protect and build brand value, and drive revenue growth through innovation and identification of market opportunities.			

The concept of shared value is consistent with how Intel has defined corporate responsibility for many years: a management approach that helps us better manage risks and identify opportunities in order to create business value for the company and for society. Intel has been recognized in a number of forums and publications as a leader in this area, and we helped develop a [white paper](#) on shared value measurements that provides companies with a step-by-step process and a pragmatic approach to measurement and implementation of the shared value concept.

In 2014, we continued to advance the concept of shared value, communicate best-practice examples, and identify opportunities to leverage the concept and measurement approaches for Intel initiatives. In early 2014, FSG highlighted Intel in a research paper, "The New Role of Business in Global Education," and Intel published two shared value case studies on the [Intel Education Service Corps](#) and our [Code for Good](#) programs. We are also applying the shared value framework to our [Intel® She Will Connect](#) program.

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## Ethics and Compliance

The Intel Code of Conduct guides the behavior of our employees, officers, non-employee directors, wholly owned subsidiaries, and suppliers, and is a cornerstone of our culture.

Through the [Code of Conduct](#), which we review annually, we seek to promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. The principles embodied in the Code reflect our policies related but not limited to conflicts of interest, nondiscrimination, antitrust, anti-bribery and anti-corruption, privacy, health and safety, and protecting our company's assets and reputation. The Code directs employees to consider both short- and long-term impacts on the environment and the community when they are making business decisions, and to report potential issues as soon as they arise.

All employees are expected to complete training on the Code of Conduct when they join the company and annually thereafter. The Code is available in 15 languages, and training sessions incorporate real case scenarios. Employees are encouraged to raise ethical questions and concerns, and have multiple channels to do so—anonimously, if they prefer, and as permitted by law. They assert adherence to the Code through an annual disclosure process for targeted populations across the company.

Depending on their roles and geographical locations, certain employees are assigned more in-depth ethics and compliance training courses, such as those covering anti-corruption, import-export compliance, insider trading, and antitrust. For example, in 2014 approximately 30,000 employees—about 30% of our workforce—received additional training on our anti-corruption policies and procedures. As part of our anti-corruption program, we conduct risk-based due diligence screening on selected suppliers and distributors. We also communicate our ethical expectations, including compliance with our Code of Conduct, to our suppliers and other third parties.

Intel has 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 of Code also references and covers our Human Rights Principles. For more information, see the [Respecting Human Rights](#) section of this report.

### Intel's Ethics and Compliance Oversight Structure



Click or tap the symbol for additional information.

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

Intel's CEO sets the tone for our ethical culture and holds managers accountable for communicating ethics and compliance expectations. Each year, our CEO communicates with employees and senior managers about the importance of ethics and legal compliance. This “tone from the top”—combined with our annual ethics and compliance training, regular communications throughout the year, and educational resources on our employee intranet site—helps to create an ethical and legally compliant culture. In 2014, we also conducted an ethics culture survey of employees that monitored their perception of manager tone and comfort level in raising concerns.

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Intel's Ethics & Compliance Oversight Committee (ECOC), which is chartered by and reports to the Audit Committee, is responsible for Intel's Code of Conduct. The ECOC includes senior representatives from across the company and is co-chaired by Intel's Chief Compliance Officer and Director of Internal Audit. Each year, Intel's ECOC invites various Intel organizations to assess and report on ethics and compliance in their respective businesses or sites, and reviews risk topics that span business groups. In 2014, four Intel business groups and two sites completed comprehensive risk assessment reviews with the ECOC. Business groups also monitor their performance (including training, management tone, risk assessment, and more) on a quarterly basis, and send results to the Ethics and Legal Compliance Group.

We regularly recognize teams and individual employees for their contributions to Intel's ethical and compliant environment through the Intel Ethics and Compliance Excellence Awards program, launched in 2010. In 2014, four teams and individuals received the award, and one team received the first-ever Achievement Award for ethics and compliance sustainability. We also have an internal Ethics and Legal Compliance Group speaker series and newsletter, which in 2014 covered themes such as privacy and security, antitrust, insider trading, product regulations and standards, and export compliance.

Intel maintains a robust process for reporting misconduct, including online channels, and has a clearly communicated non-retaliation policy. Processes for informing senior management and the Board about allegations of misconduct include periodic reports of overall misconduct statistics, as well as details about key investigations that are in progress or completed. Our Ethics and Compliance Business Champions review quarterly investigative packages with the leaders of their respective business groups. The largest categories of verified cases in 2014 were corporate travel card misuse, expense reporting misconduct, conflict of interest, falsification of documents, and misuse of assets. Consistent with our commitment to maintain the highest levels of ethics and compliance, we are addressing these concerns through senior management discussions, employee communications, and individual corrective action measures.

In 2015, as we expand into new markets and businesses, we will continue to assess risk and execute our programs globally for current and new employees to help ensure that we act with uncompromised integrity worldwide.

## Public Policy and Political Accountability

Intel works with governments, organizations, and industries around the world to advocate policies that encourage new ideas, promote fair commerce, and protect resources.

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

**Tax and Trade.** We support tax policies that enhance the ability of innovative companies to compete in the global marketplace and, in turn, produce economic prosperity. Intel engages in a highly capital-intensive business, and the location of our facilities can be substantially affected by the tax and economic development policies of potential host countries. Modernization of customs and trade procedures is important to major global supply chain participants. Intel depends on the ability to move products across international borders quickly, cost effectively, and with minimal burdens.

**Intellectual Property.** Intel owns over 40,000 patents worldwide. Innovation, and the intellectual property (IP) that underlines it, are central to our business. Intel believes that a balanced, fair approach to IP systems is the best way to incentivize innovation. Intel's objective is to achieve balanced protection and enforcement for intellectual property—including patents, copyrights, and trade secrets—globally.

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**Privacy and Security.** Intel recognizes that innovation, growth, and the continued success of its business and the high-tech industry depend upon individuals' trust in their use of technology and in the responsible, protected collection and processing of their data. Intel supports cybersecurity and privacy legislation and regulation that will promote trust in Intel products and technology and help governments, businesses, and individuals better secure their networks, intellectual property, and data. We have advocated against regulatory approaches to critical infrastructure or supply chains that could impact product design and development and set bad precedents globally.

**Environment and Energy.** As an environmentally responsible manufacturer of energy-efficient products, Intel works with governments worldwide to help shape progressive energy policy. Technology has made a significant impact on driving environmental efficiencies throughout the world. Intel believes that government policies should recognize and encourage a bigger role for the ICT industry in devising climate change mitigation and adaptation solutions.

**Workforce.** We want to create the best, most productive workplace environment that we can for our employees, so that our organizations can be as efficient, productive, and competitive as possible. 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. We support initiatives that enhance the science, technology, engineering, and math skills of students and workers worldwide.

We also believe in treating our employees equally, regardless of sexual orientation. In early 2014, along with 47 other organizations, we filed an amicus brief with the 10th Circuit Court of Appeals on the impact of bans on marriage equality. In 2015, we also signed onto an [industry letter](#) that asks state legislatures to add sexual orientation and gender identity as protected classes to their civil rights laws.

## Political Accountability

The [Intel Political Accountability Guidelines](#) outline our approach to making political contributions, including details about accountability at the senior management and Board of Directors levels. In early 2013, as a result of stakeholder dialogue, we also updated the Intel Political Accountability Guidelines to clarify certain aspects of our review processes and disclosure, including our processes to review the congruency of our political contributions with our corporate policies.

### Intel Political Accountability Practices at a Glance

**Guidelines and Oversight.** Intel Political Accountability Guidelines (which include information on executive management and Board oversight processes) are publicly disclosed on our [Corporate Governance and Ethics](#) web site.

**Direct Contributions.** We disclose our direct corporate contributions and IPAC contributions twice a year. Historical archived political contribution reports are also publicly disclosed on our [Report Builder](#) web site.

**Trade Association Dues.** Trade association membership dues and payments to other tax-exempt organizations such as 501(c)(4) organizations are disclosed annually, including the reported portion of dues used for political purposes for annual dues over \$50,000.

**Lobbying Expenses.** Intel files quarterly reports with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives that detail our lobbying activities. These reports can be found in the Senate's [Lobbying Disclosure Act Database](#). In 2014, our reported lobbying expenditures totaled \$3.8 million, compared to \$4.4 million in 2013.

**Independent Political Expenditures.** Intel has a policy of not making independent political expenditures or funding electioneering communications, as those terms are defined by applicable law.

[Corporate contributions, IPAC contributions, and trade association membership dues payment reports](#) are available on our [Report Builder](#) web site.

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Intel works to educate political candidates about the implications of public policy decisions for our business, and provides financial support to candidates who support or advance positions that are consistent with our business objectives. Intel makes relatively few direct political contributions using corporate funds. In 2014, our corporate contributions to state and local candidates, campaigns, and ballot propositions totaled \$65,000.

The Intel Political Action Committee (IPAC) accepts voluntary contributions from its members and uses those funds to contribute to political candidates' campaigns. No corporate funds are contributed to IPAC other than for administrative expenses, and employee participation in IPAC is voluntary. Donations are divided evenly between the two major political parties, and are part of Intel's efforts to enable employees to support candidates who understand our business concerns and will be open-minded to our views regarding our public policies. IPAC supports candidates who have an understanding of issues that are important to Intel, have demonstrated leadership, have a leadership role, or have Intel employees or facilities in their voting districts. In some instances, candidates that IPAC supports may vote against us on one issue and be our most active proponents on other issues; however, IPAC does not correlate contributions to any specific official government action. Our Vice President of Global Public Policy reviews the congruency of our political contributions with our corporate policies on an annual basis. The sum of political contributions from IPAC to candidates in 2014 was \$491,000.

Our memberships in industry and trade associations help us work collaboratively with other companies and groups to address key public policy issues. Intel is a member of these trade associations; however, the positions of these organizations do not always completely align with Intel's.

We annually evaluate our political spending for alignment and effectiveness, although we recognize that it is impractical and unrealistic to expect that we or our stockholders and stakeholders will agree with every issue that a politician or trade association may have supported.

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

We believe that the overall benefit of our memberships in these organizations outweighs our differences, although we continue to evaluate our memberships during the planning process each year. We have also taken proactive steps to educate associations on our positions and provide background information on key issues. For example, we signed a multi-stakeholder agreement to clearly articulate our position on "conflict minerals."

In recognition of our political accountability practices, Intel tied for fourth-place rank among 300 companies evaluated in the [2014 CPA-Zicklin Index of Corporate Political Accountability and Disclosure](#).

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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. When appropriate and relevant to our business, we incorporate their feedback into our thinking and planning.

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

We work with stakeholders to consider the impact of our operations on local communities at all phases: entering, operating, and exiting. When entering a community, we work with third parties to conduct needs assessment studies to prioritize our community engagement activities. During our operating phase, we work to build relationships with local stakeholders through informal meetings, community advisory panels (CAPs), working groups, and community perception surveys (CPSs). CAP members provide constructive input on a broad range of issues, such as education, environmental impact, health and safety, and emergency response and management. CPSs (usually administered by third parties) give us insight over time into a local community's expectations of our company and an external view of our performance. Before making the decision to exit a community, we evaluate potential alternatives, and when closing a facility is necessary, we work to minimize the impact on our employees and to properly dispose of the affected assets and operations.

In addition to face-to-face meetings, a number of web and social media channels provide us with valuable, ongoing feedback on our performance and strategy. Our corporate responsibility [e-mail account](#) 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, members of our corporate responsibility team and leaders across Intel discuss their views and opinions, and receive and respond to comments on our external [CSR@Intel blog](#), [Facebook](#) page, and [Twitter](#) account.

To leverage the power of technology for our stakeholder engagement efforts, our interactive [Explore Intel](#) web site provides real-time disclosure and information for communities surrounding our campuses in Arizona, China, Costa Rica, Ireland, Israel, New Mexico, Oregon, and Vietnam. Featuring a mix of videos from our senior leaders and environmental managers, site photos, real-time environmental data for manufacturing facilities, and contact information, the site makes it easy for community members to engage with our environmental managers and community relations managers.

For more than 10 years, we have also met with leading environmental, social, and governance research firms and socially responsible investors to review our Corporate Responsibility reports, gain a better understanding of emerging issues, help set priorities, and gather feedback on our performance. In 2014, representatives of more than 20 firms attended our annual outreach tour in three cities. Key discussion topics included transparency, corporate governance and board diversity, climate change and renewable energy, and privacy and security.

Using a variety of methods to engage with our stakeholders and obtain feedback on our performance helps us analyze and prioritize corporate responsibility issues as part of our corporate responsibility materiality assessment process. This information also informs the direct actions that we take to improve our performance at local and global levels. An overview of our key stakeholder engagement activities is provided on the next two pages.

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<b>Stakeholder Engagement Activities</b>		
<b>Stakeholders</b>	<b>Tools and Processes</b>	<b>Benefits and Results</b>
<b>EMPLOYEES</b>		
	Open-door policy designed to give employees access to management at all levels.	Multiple processes support direct communication up and down the organization. OHS and other survey results allow us to track our performance in key areas and identify gaps on a regular cadence. For more information, see the <a href="#">Caring for Our People</a> section of this report.
	Employee surveys, including our Organizational Health Survey (OHS).	
	Circuit News, our intranet web site, which includes direct feedback tools; and "Inside Blue," our internal employee social media platform.	
	Quarterly Business Update Meetings for all employees, and Executive Open Forums and webcasts that include Q&A sessions.	
<b>CUSTOMERS</b>		
	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 about the quality of Intel's products and services.	Objective customer feedback enables us to identify areas for improvement, and a portion of employees' annual variable compensation is tied to CEP results. In 2014, employees received an additional day of pay based on the customer satisfaction levels under the CEP. For more information, refer to the <a href="#">Intel Quality System Handbook</a> .
	<a href="#">Consumer Support</a> web site.	
	External blogs, such as <a href="#">Technology@Intel</a> , with discussions of interest to customers; and other social media channels, including <a href="#">Twitter</a> and <a href="#">Facebook</a> .	
<b>SUPPLIERS</b>		
	<a href="#">Intel's Supplier Site</a> .	Setting consistent expectations for our suppliers reduces risk and improves efficiency across our supply chain. Based on stakeholder feedback and benchmarking research, we have provided additional detail in the <a href="#">Supply Chain Responsibility</a> section of this report.
	Supplier capacity-building activities, including educational resources, webinars, and a Supplier Sustainability Leadership Summit.	
	Participation in industry working groups, including the <a href="#">Electronic Industry Citizenship Coalition</a> (EICC).	
<b>GOVERNMENTS AND POLICYMAKERS</b>		
	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 " <a href="#">Public Policy and Political Accountability</a> " in this section.
	Intel Global Public Policy and Intel Corporate Affairs staff engagement with policymakers.	
	<a href="#">Policy@Intel</a> web site and <a href="#">blog</a> .	

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<b>Stakeholder Engagement Activities</b>		
<b>Stakeholders</b>	<b>Tools and Processes</b>	<b>Benefits and Results</b>
<b>COMMUNITIES</b>		
	Community advisory panels and working groups, two-way forums where community members and Intel representatives collaborate to address community issues and concerns. Community perception surveys and needs assessments conducted as needed.	Maintaining an open dialogue with our communities has allowed us to build positive and constructive relationships at the local level. For more information on our community engagement activities, see the <a href="#">Inspiring the Next Generation</a> section of this report.
	<a href="#">Intel Community</a> and <a href="#">Explore Intel</a> web sites, which include feedback mechanisms.	
	Placement of Intel employees on local nonprofit boards and commissions, and employee volunteer activities in local schools and nonprofits.	
	Extensive working relationships with educators and educational institutions worldwide, and third-party evaluations of our education programs.	
<b>INVESTORS</b>		
	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.
	Timely interaction with investors and research firms through e-mail exchanges, conference calls, regular meetings with management, visits, Investor Day, and detailed investor surveys.	
	Online stockholder forum featuring investor surveys on a range of issues and information about corporate responsibility.	
	Intel Corporate Responsibility <a href="#">e-mail account</a> , Intel Investor Relations <a href="#">e-mail account</a> , and <a href="#">CSR@Intel</a> blog.	
<b>NON-GOVERNMENTAL ORGANIZATIONS (NGOs)</b>		
	Issues meetings, formal dialogues, joint projects, and multi-sector efforts.	Intel's interactions with NGOs promote mutual understanding on environmental issues, regional education priorities, technology options and solutions for developing countries, supply chain management issues, and other topics. Details on our collaborations with NGOs in our main corporate responsibility focus areas are covered in other sections of this report.

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# Corporate Responsibility Materiality Analysis

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

## Corporate Responsibility Materiality Analysis



### IDENTIFY

Identify issues from a wide range of stakeholders and sources.

#### Primary Sources

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



### 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.



### REVIEW

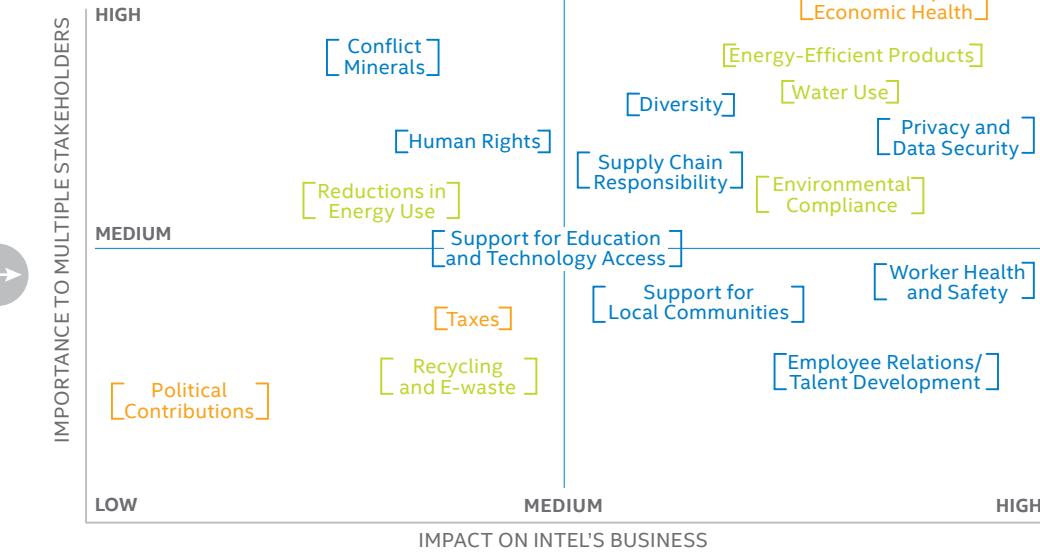
Embed the process in internal decision-making and external review.

#### Internal Review

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



### CORPORATE RESPONSIBILITY MATERIALITY MATRIX



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

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# Key Corporate Responsibility Challenges and Opportunities



**Energy-Efficient Products and Climate Change.** As impacts to climate and energy have become major focus areas for businesses and governments, we have taken steps to reduce absolute emissions from our operations and to address the climate change impact of our products. We have set goals to lower our normalized and absolute emissions and increase the energy-efficient performance of our products. Worldwide efforts to reduce emissions and address climate change also present potential market opportunities for Intel technologies, including those for smart grids, transportation, and sensing.



**Workforce Talent and Diversity.** Our ability to attract and retain top talent is key to our business success. We invest in cultivating a safe, respectful, and ethical work environment that enables employees to thrive both on the job and in their communities. We have set a goal to achieve full representation of women and under-represented minorities at Intel in the U.S. by 2020. We are investing in internal initiatives and targeted external programs aimed at building the talent pipeline in engineering and technical disciplines.



**Privacy and Data Security.** We recognize that the continued success of our business depends upon individuals' trust in their use of technology and in the responsible, protected collection and processing of their data. We have long been committed to respecting privacy, security, and human rights related to our products and business operations, from software to network equipment and consumer electronics devices. We also support the fundamental human rights of privacy and freedom of expression, and have policies, management oversight, accountability structures, and product design processes that address these issues.



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



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



**Human Rights, Labor Standards, and Supply Chain Responsibility.** In our industry and others, companies are taking a more active role in pushing for improvements in policies and processes for managing human rights issues, including human rights in the supply chain. Intel, for example, has taken a leadership role in helping to ensure that "conflict minerals"—those mined and sold under the control of armed groups who exploit low-paid mine workers—are eliminated from supply chains. We regularly review our policies, processes, and potential risk areas related to human rights. We are also assessing emerging stakeholder concerns surrounding the use of technology products by governments in ways that raise censorship and human rights concerns.



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## Financial Results and Economic Impact

For 2014, Intel reported record revenue of \$55.9 billion, up 6% from 2013. Net income rose 22% to \$11.7 billion, and earnings per share were \$2.31. Our operating income of \$15.3 billion was up 25% over 2013. We achieved record annual unit shipments for PCs, servers, tablets, phones, and the Internet of Things.

### 2014 Financial Results

Our strategy for growth is playing out well. We are driving our core businesses in personal computing and the enterprise, building on those assets to move into new areas such as the Internet of Things and wearables, strengthening Intel's position in mobile, and continuing our relentless pursuit of Moore's Law. The diversity and scale of Intel products today put us in a unique position to compete across the breadth of devices that compute and connect.

In 2014, we started growing again across a broad range of products and markets by introducing many new product technologies across all of our businesses. We began shipping the world's first processor on 14nm process technology. We introduced the Intel® Core™ M processor family, designed to enable superior compute and graphics performance and long battery life in razor-thin, fanless mobile devices. In the wireless business, we qualified our first SoC application processor and baseband 3G solution, code-named "SoFIA."

In PC clients, revenue of \$34.7 billion was up 4% over 2013. Operating income of \$14.6 billion was up 25%. In Chromebooks,\* Intel now leads in market segment share. In the mobile area, we exceeded our goal to ship 40 million units for tablets during 2014, and became one of the largest silicon providers for tablets. In 2015 we look to improve mobile profitability by further reducing costs through efficiencies and products such

as our SoFIA SoC targeted for the mobile market segment. In data center products, revenue was \$14.4 billion, up 18% over 2013, and operating income increased 31% as we capitalized on the growth of cloud computing and big data. We introduced next-generation Intel® Xeon® processors that enhance performance, efficiency, and security for compute, storage, and network workloads in cloud environments.

We have made investments and established positions in emerging growth sectors such as the Internet of Things and wearables before these segments become mainstream. Our Internet of Things revenue grew 19% in 2014, to more than \$2 billion. We announced our Basis Peak™ fitness and sleep tracker and Intel® Curie™ module, a button-sized computer designed for wearables, and have established a growing portfolio of wearable technology collaborations with several world-class fashion and fitness brands.

The cash generation from our business remained strong, with cash from operations of \$20.4 billion in 2014. We returned \$4.4 billion to stockholders through dividends and repurchased \$10.8 billion of common stock through our common stock repurchase program. Our Board of Directors authorized an increase of \$20 billion to the common stock repurchase program. Effective in Q1 2015, our annual dividend rate increased to \$0.96 per share.

For additional 2014 financial highlights, see "[Recognitions, Performance Summary, and Goals](#)" later in this section. For a more detailed discussion of our financial performance, see our [2014 Annual Report and Form 10-K](#).

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## Economic Impact

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

In 2013, we engaged PricewaterhouseCoopers to conduct an analysis of the direct, indirect, and induced effects of our operations and selected subsidiaries in the United States over a five-year period. The study, "Intel's Economic Impacts on the U.S. Economy, 2008–2012," found that total impact on the U.S. gross domestic product (GDP) from 2008–2012 was \$408 billion. The study also found that while Intel had 53,200 full- and part-time employees in the U.S. in 2012, each Intel job supported 13 additional U.S. jobs, resulting in total support of 774,600 U.S. jobs.

An IHS Global Insight study commissioned by Intel in 2008 measured direct, indirect, and induced effects of Intel's own operations, as well as productivity gains that stem from the use of Intel microprocessors. The study found that between 2001 and 2007, Intel contributed \$758 billion to the U.S. GDP and \$247 billion to the European Union GDP.

Periodically conducting local assessments helps us better understand Intel's direct and indirect economic impact on the communities where we operate. We have commissioned economic impact studies of our operations in Arizona, New Mexico, and Oregon, which have quantified the significant economic impact our sites generate. For example, the Oregon study, conducted in 2011, found that "total economic impacts attributed to Intel's operations, capital spending, contributions, and taxes amounted to almost \$14.6 billion in economic activity, including \$4.3 billion in personal income taxes and 59,990 jobs in Washington County, Oregon."

Assessments have also demonstrated Intel's economic impact on non-U.S. communities. For example, a 2012 economic impact study showed that Intel Israel directly employed approximately 8,500 employees and interns, and indirect employment exceeded 17,000 additional jobs. In addition, Intel Israel's direct and indirect reciprocal procurement in 2012 totaled \$737 million.

Communities around the world also derive significant economic benefits from Intel's global investment and mergers and acquisitions organization, [Intel Capital](#). One of the largest venture capital organizations in the world, Intel Capital seeks out and invests in promising technology companies. Since 1991, Intel Capital has invested over \$11.4 billion in more than 1,400 companies in 57 countries.

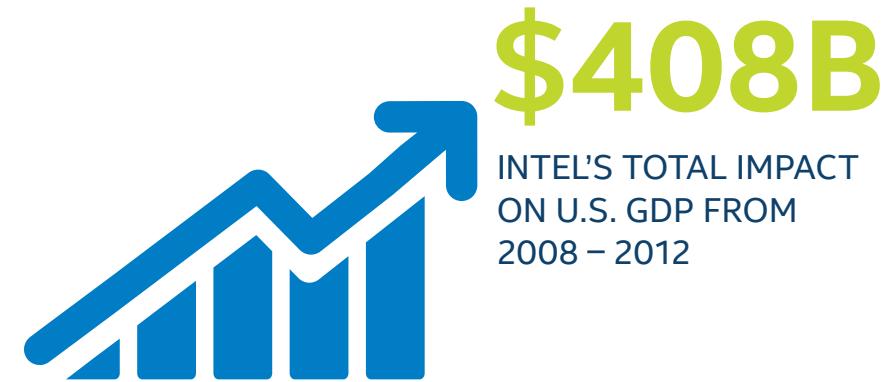


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# Recognitions, Performance Summary, and Goals

## Awards and Recognitions

Third-party recognition gives us valuable feedback on our programs and practices, and helps drive continuous improvement over time. Below is a selection of the corporate responsibility awards and recognitions that Intel received in 2014.

<b>2014 Selected Awards and Recognitions</b>	
<b>Overall Corporate Responsibility</b>	<b>Business/Workplace/Citizenship</b>
<b>Dow Jones Sustainability Indices.</b> Listed on North America and World indices (16th year) <b>FTSE Group.</b> Listed on the FTSE4Good Index (14th year) (global) <b>Fortune magazine.</b> World's Most Admired Companies (1st in our industry) <b>Corporate Responsibility magazine.</b> 100 Best Corporate Citizens (15th year) (U.S.) <b>STOXX Limited.</b> STOXX® Global ESG Leaders indices (3rd year) (global) <b>Ethisphere* Institute.</b> 2014 World's Most Ethical Companies <b>Corporate Secretary magazine.</b> Best CSR Disclosure, Corporate Governance Awards (U.S.) <b>Thomson Reuters.</b> Global Leadership in Corporate Responsibility	<b>Forbes.</b> Most Reputable Companies in the Americas (U.S.) <b>Barron's.</b> World's Most Respected Companies <b>Fortune magazine.</b> 100 Best Companies to Work For 2014 (U.S.) <b>Aon Hewitt.</b> Global Aon Hewitt Top Companies for Leaders (global) <b>Working Mother magazine.</b> 100 Best Companies for Working Mothers (U.S.) <b>Diversity MBA magazine.</b> Top 50 Out-Front Companies for Diversity Leadership (U.S.) <b>Human Rights Campaign.</b> Corporate Equality Index (12th year) (U.S.) <b>AMR Research.</b> Top 25 Supply Chains (8th overall) (global) <b>National Conference on Citizenship.</b> Included in Civic 50 Ranking (U.S.) <b>Forbes Korea.</b> 2014 CSR Grand Award (4th year) <b>GPTW Institute in partnership with The Economic Times.</b> India's Best Companies to Work For (2014)
<b>Environment</b>	
<b>Interbrand.</b> Best Global Green Brands 2014 <b>U.S. EPA.</b> Sustained Excellence in Green Power award <b>Newsweek.</b> 2014 Top 500 Green Companies in America <b>Greenbiz Group and Trucost.</b> Natural Capital Leaders Index (2014) <b>Vietnam Ministry of Natural Resources &amp; Environment.</b> Vietnam Environment Award	<b>Korea Ministry of Science, ICT and Future Planning.</b> Korea Prime Minister's Commendation, STEM Education <b>Center for Political Accountability.</b> 4th in CPA-Zicklin Index (U.S.) <b>Pax Ellevate.</b> The Pax Global Women's Leadership Index

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## Performance Summary

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

<b>Key Indicators</b>		2014	2013	2012	2011	2010
<b>FINANCIAL RESULTS AND ECONOMIC IMPACT</b>						
Net revenue (dollars in billions)		\$55.9	\$52.7	\$53.3	\$54.0	\$43.6
Net income (dollars in billions)		\$11.7	\$9.6	\$11.0	\$12.9	\$11.5
Provision for taxes (dollars in billions)		\$4.1	\$3.0	\$3.9	\$4.8	\$4.6
Research and development spending (dollars in billions)		\$11.5	\$10.6	\$10.1	\$8.4	\$6.6
Capital investments (dollars in billions)		\$10.1	\$10.7	\$11.0	\$10.8	\$5.2
Customer survey "Delighted" Score		90%	91%	92%	93%	91%
<b>CARING FOR THE PLANET</b>						
Greenhouse gas emissions (million metric tons of CO <sub>2</sub> equivalent) <sup>1</sup>		2.08	1.69	1.85	2.01	2.39
Energy use (billion kWh - includes electricity, gas, and diesel)		5.9	5.6	5.5	5.3	5.2
Total water withdrawn (billions of gallons)		8.4	8.7	9.0	8.3	8.2
Hazardous waste generated (thousand tons)/% to landfill		49.4/0%	41.3/1%	35.5/2%	25.1/3%	23.7/1%
Non-hazardous waste generated (thousand tons)/% recycled		94.7/86%	120.7/89%	150.6 <sup>2</sup> /88%	81.1/85%	58.4/84%
<b>CARING FOR OUR PEOPLE</b>						
Employees at year end (thousands)		106.7	107.6	104.7	100.1	82.6
Women in global workforce		25%	26%	26%	26%	28%
Women on our Board at year end		18%	20%	20%	27%	30%
Investments in training (dollars in millions)		\$265	\$300	\$299	\$299	\$254
Safety - recordable rate <sup>3</sup> /days away case rate <sup>3</sup>		0.66/0.11	0.69/0.13	0.62/0.12	0.66/0.12	0.59/0.11
Organizational Health Survey scores - "Proud to work for Intel" <sup>4</sup>		84%	—	88%	87%	85%
<b>INSPIRING THE NEXT GENERATION</b>						
Employee volunteerism rate		39%	43%	47%	50%	48%
Worldwide charitable giving (dollars in millions) <sup>5</sup>		\$102.3	\$109.5	\$105.5	\$92.9	\$125.7
Charitable giving as a percentage of pre-tax net income		0.6%	0.9%	0.7%	0.5%	0.8%
<b>SUPPLY CHAIN RESPONSIBILITY</b>						
On-site supplier audits (third-party and Intel-led audits)		123	142	106	49	8

<sup>1</sup> Including purchases of Renewable Energy Certificates. <sup>2</sup> An estimated 42% of this total was due to construction waste related to the building of two new fabrication facilities. <sup>3</sup> Rate based on 100 employees working full time for one year.

<sup>4</sup> We did not conduct an Organizational Health Survey in 2013. <sup>5</sup> Includes total giving (cash and in-kind) from Intel Corporation and the Intel Foundation.

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## Progress Toward Goals

Discussions of our performance to goals and future goals are integrated into each relevant section of this report. The following table provides a high-level summary of our company-wide goals in key corporate responsibility areas. Click or tap the report section names in the table for details on our goals and performance in other sections of this report.

Report Section	Goal	2014 Progress
<a href="#">Caring for Our People</a>	We set a goal to continue to drive improvements in the organizational health of the company in 2013, targeting at least 70% employee participation in our Organizational Health Survey (OHS), and maintaining or improving 95% of the survey scores. We also set a goal to drive key improvements in diversity and hiring of technical under-represented minorities and women. To maintain our world-class safety performance, we set an aggressive safety recordable rate goal of 0.40, as well as a goal to promote early reporting of ergonomic injuries.	While we achieved our OHS participation goal, we did not maintain or improve 95% of the survey scores. We continued to engage in good-faith efforts to meet our hiring goals, and in early 2015 set a new long-term goal to improve our performance in this space. We maintained our world-class safety levels compared to our peer companies and industry benchmarks, but did not meet our aggressive safety goals.
<a href="#">Caring for the Planet</a>	In 2012, we set 2020 environmental goals to drive reductions in greenhouse gas emissions, energy use, water use, and waste generation, as well as increases in recycling and product energy efficiency.	We made progress toward our 2020 goals through investments in energy conservation and renewable energy, and both our water consumption and non-hazardous waste generation decreased compared to 2013. However, hazardous waste generation continued to rise, due to the increased complexity of our manufacturing processes and product design.
<a href="#">Inspiring the Next Generation</a>	We set a goal to reduce the Internet gender gap by 50% in Sub-Saharan Africa by 2016 through the Intel® She Will Connect program, as well as a goal to provide ICT training to 1 million healthcare workers in developing countries by the end of 2015.	In 2014, we began to develop key foundational elements of the She Will Connect program including the partner ecosystem and digital literacy training activities, and began work on a new online learning platform. Based on learnings and stakeholder input during the first year of the program, we decided to redesign certain program components to drive greater social impact and to extend the timeline for reaching our goal to 2020. We achieved our goal to provide ICT training to 1 million healthcare workers.
<a href="#">Supply Chain Responsibility</a>	We set goals to complete or review 75 on-site supplier audits, complete a third-party audit of one of our assembly and test facilities, reach at least one-third of our Tier 1 suppliers through our capacity-building programs, and enable 100 of our Tier 1 suppliers to meet our Program to Accelerate Supplier Sustainability (PASS) requirements. We also set a goal to establish a 100% green Intel ground transportation fleet by 2016.	We achieved all of our 2014 supply chain goals related to auditing and capacity-building programs, including PASS. And while approximately 70% of our ground transportation fleet met our "green" requirements by the end of 2014, by our estimates, we will not be able to reach the 100% "green" goal by 2016 due to local technology availability, implementation, and adoption rates. As such, we have adjusted our goal to reach a ground transportation fleet that is 85% "green" by 2016.
<a href="#">Respecting Human Rights</a>	We set goals to conduct a targeted human rights impact assessment for our software business, work with our subsidiaries to further align our policies and management processes, and influence the electronics industry and our supply chain to improve human rights performance.	In 2014, we rolled out a number of new capacity-building programs for our suppliers that focus on human rights issues in the electronics supply chain, and continued to work with our subsidiaries on human rights issues. We elected not to conduct a human rights impact assessment for our software business.

Additional information about our progress towards our goals is available in "Performance Summary and Goals" in each section of the report.

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## Goal Summary for 2015 and Beyond

This table includes a summary of our corporate responsibility goals for 2015, as well as longer term goals. For more information on our performance and goals, click or tap the report section names in the table for details on our goals and performance in other sections of this report.

Report Section	Goal
<a href="#">Caring for Our People</a>	<ul style="list-style-type: none"> <li>Achieve full representation of women and under-represented minorities at Intel in the United States by 2020.</li> </ul>
<a href="#">Caring for the Planet</a>	<ul style="list-style-type: none"> <li>Reduce direct greenhouse gas (GHG) emissions by 10% on a per unit basis<sup>1</sup> by 2020 from 2010 levels.</li> <li>Reduce water use on a per unit basis below 2010 levels by 2020.</li> <li>Achieve cumulative energy savings of 4 billion kWh from 2012 to 2020.</li> <li>Achieve zero hazardous waste to landfill by 2020.</li> <li>Achieve 90% non-hazardous waste recycle rate by 2020.</li> <li>Implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020.</li> <li>Design all new buildings to a minimum LEED* Gold certification between 2015 and 2020.</li> <li>Increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels.<sup>2</sup></li> </ul>
<a href="#">Inspiring the Next Generation</a>	<ul style="list-style-type: none"> <li>Through the Intel® She Will Connect program, reach 5 million women in Sub-Saharan Africa by 2020.</li> </ul>
<a href="#">Supply Chain Responsibility</a>	<ul style="list-style-type: none"> <li>Complete or review an on-site audit for each of our Top 75 suppliers by the end of 2016.</li> <li>Establish an 85% "green" Intel ground transportation fleet by 2016.</li> <li>Validate all of our products are DRC conflict-free beginning in 2016.</li> <li>Increase our annual spending with certified diverse-owned suppliers to \$1 billion by 2020.</li> </ul>
<a href="#">Respecting Human Rights</a>	<ul style="list-style-type: none"> <li>Complete a third-party audit of one of our facilities in 2015.</li> </ul>

<sup>1</sup> Based on the number of die produced and made available for sale.

<sup>2</sup> Data center energy efficiency is determined by server energy efficiency (as measured by SPECpower\_ssj2008 or equivalent publications and using a 2010 baseline of an E56xx series processor-based server platform) as well as technology adoption that raises overall data center work output (such as virtualization technology). Notebook computer energy efficiency is determined by average battery life, battery capacity, and number of recharge cycles of volume notebook computers in that model year.

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# CARING FOR OUR PEOPLE

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



In 2014, Intel was once again named to *Fortune* magazine's annual "100 Best Companies to Work For" list.

\$ 265 MILLION

We invested \$265 million in employee training and development in 2014, or an average of approximately \$2,500 per employee.



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



We announced a goal to achieve full representation of women and under-represented minorities at Intel in the U.S. by 2020.



We plan to invest \$300 million to help build the pipeline and support the hiring and retention of more women and under-represented minorities in technology and gaming.

Access the [Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

## Key Section Links

[Performance Summary and Goals](#)

[Intel Values](#)

[Jobs at Intel](#)

[Life at Intel](#)

[Compensation and Benefits](#)

[Diversity at Intel](#)

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## Management Approach

Intel's success rests on our employees' ongoing passion for innovation. We cultivate a safe, collaborative, and ethical work environment that enables employees to thrive on the job and in their communities.

As of December 2014, Intel had 106,700 employees worldwide (including employees of our subsidiaries), nearly half of whom were located in the U.S. Intel's workforce is highly educated, with over 87,000 people in technical roles. Our employees hold more than 9,800 master of science, 6,000 PhD or equivalent, and 3,800 master of business administration degrees.

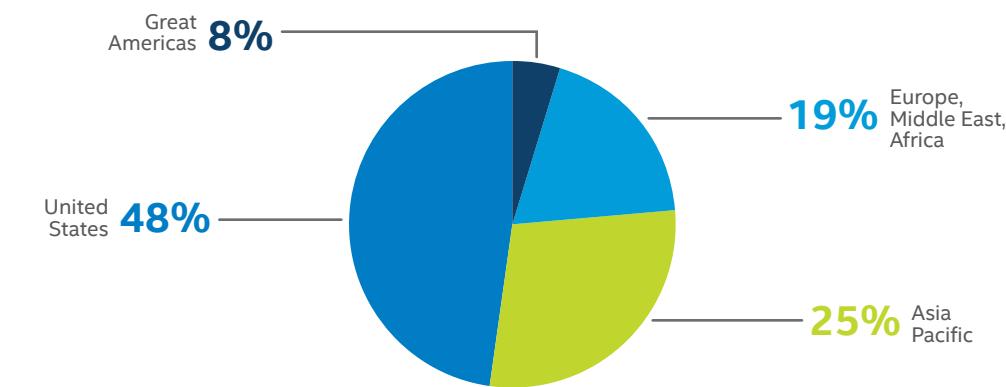
## Our Philosophy and Management Practices

Intel invests significant resources to develop the talent needed to keep the company at the forefront of innovation. We work to build a strong engineering pipeline and attract top performers, and we offer career development and work/life programs—from recruitment through retirement—that make Intel an employer of choice.

Our Human Resources (HR) organization has primary responsibility for the management of our workplace and talent development activities. Our senior vice president and director of HR oversees groups such as Talent Transformation and Diversity, Employee Communications, Compensation and Benefits, and Learning and Development. A dedicated research team is responsible for tracking and analyzing HR data to help managers and leaders improve our workplace performance. HR also collaborates closely with many other groups across Intel on issues such as organizational health, design, and capability. In addition, a number of Management Review Committees made up of senior leaders from across the company regularly review performance on HR topics such as diversity and culture.

We believe that a more inclusive workforce makes us a stronger company, and that our impact on people's lives around the world is a direct result of our diverse employees. Intel's goal is to become the technology industry leader in diversity.

### 2014 Employees by Region



Close to half of our employees reside in the United States.

Our "open door" policy enables employees to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with managers to address workplace issues. We cultivate a culture in which employees feel comfortable asking questions and sharing their views about our business directly with senior leaders. To foster this culture, we use a variety of open communications channels, including quarterly Business Update Meetings, open forums, and social media.

Our goal is to provide employees with a flexible work environment that allows them to manage their work responsibilities and their personal commitments with as much ease and as little stress as possible. Managers and employees have a shared responsibility to adopt the appropriate flexibility to accommodate the needs of both the employee and the organization. Flexible solutions may include adjusting work hours, location, or job structure to enable employees to meet their unique personal needs while ensuring that they meet their work deliverables.

People at Intel grow by continuously learning—on the job, in the classroom, and by working with others. Regular conversations between employees and their managers help identify development opportunities and objectives. Through our internal Learning and

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Development program, employees connect with one another, acquire new skills, and share their knowledge as volunteer instructors. We make significant investments in the development of strong leaders, recognizing that having skilled managers throughout the organization is critical to our success. We also work to set clear management and leadership expectations, and we conduct succession planning.

Celebrating the accomplishments of our employees is a top priority, from everyday thank-yous to formal reward programs. "Great Place to Work" volunteer teams at Intel sites worldwide plan social events for employees and their families, including parties and outings to local art and sporting events. Our goal is to empower our employees to build meaningful and rewarding careers throughout their years at Intel.

## Communication and Transparency

Open and direct communication has been a hallmark of Intel culture since the company's founding and gives employees access to all levels of management to address work-related concerns. Employees report that they appreciate being able to speak freely about issues that concern them, and employee surveys indicate that this philosophy contributes to organizational health, improves productivity, and decreases turnover.

Because Intel's success depends upon all employees understanding how their work contributes to the company's overall vision and business strategy, we use a broad range of electronic and interpersonal channels to keep employees aligned with our strategy. 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. It is accessible through a web browser or mobile phone application. We also reach employees through a network of digital video screens that broadcast news and information in our factories, lobbies, and cafeterias.

Employees are encouraged to use Intel's internal social media channels for 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

## Appreciation and Recognition

Intel fosters a culture of recognition and appreciation. Recognition includes corporate-wide programs as well as local programs created by individual business groups to acknowledge the achievement of critical business behaviors and the achievement of specific goals. We host company-wide events to celebrate major project milestones, product launches, and company anniversaries. We also have several corporate-wide recognition programs:

**Intel Achievement Award (IAA).** The IAA is the company's highest honor for individual and small-team accomplishments. Less than one-half of 1% of all employees receive an IAA each year. Winners are rewarded with company stock and an invitation to a banquet hosted by the CEO.

**Intel Quality Award (IQA).** IQAs are given annually to a few Intel organizations that have made long-term commitments to operational excellence and have demonstrated performance to Intel Values. Organizations complete applications that are presented to a panel of executive judges who select the winners. Winning organizations are expected to act as role models and mentors for groups that subsequently enter the IQA application process.

**Intel Inventor Award.** Launched in 2011, Inventor Awards recognize employees who file high-quality invention disclosures that result in issued patents. Winners receive a cash award.

**Division Recognition Award (DRA).** DRAs recognize employees for reaching critical milestones or completing projects that demonstrate a strong commitment to Intel Values. DRAs are presented to employees in front of their peers at quarterly Business Update Meetings.

**Spontaneous Recognition Award (SRA).** SRAs can be given by any employee at any time to show appreciation for a peer, subordinate, or manager, and may include cash, a gift card, or other reward.

**Other Awards.** Formal programs also recognize employees for performance to Intel Values, years of service, technology innovation, Intel Learning and Development instructor contributions, volunteerism (such as the Intel Involved Hero Award), and environmental excellence (such as the Intel Environmental Excellence Awards).

From simple and sincere personal thank-yous to formal banquets, Intel offers multiple types of recognition that reward employees for their accomplishments.

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issues, challenges, and opportunities. Employees have the opportunity to comment on news articles and features so they can add their valuable knowledge and perspectives to the corporate dialogue. We believe that employees are the best and most knowledgeable ambassadors for our company, so we also encourage them to participate in external social media channels.

## Measuring Our Progress

Managing a complex, geographically dispersed workforce is extremely challenging. 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.

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. The survey is conducted on a periodic basis, and results are openly shared with employees.

2013 was a year of significant change for Intel, with a new CEO and President, as well as organizational and strategic change, and we elected not to conduct an OHS. In late 2014 we conducted an updated OHS with a record 77% of our employees responding. Overall, scores showed a slight decline in most categories. We analyze the results by business group, and take the survey results very seriously. We have put a plan in place to address employee concerns and the decline in scores, and are committed to continued transparency around our organizational health.

In addition to our corporate-wide OHS, individual business groups also conduct their own surveys to measure progress; for example, our Corporate Ethics Program surveys employees on the state of ethics, and our Corporate Services organization measures satisfaction with cafeterias and other services.

### Selected Organizational Health Survey Results

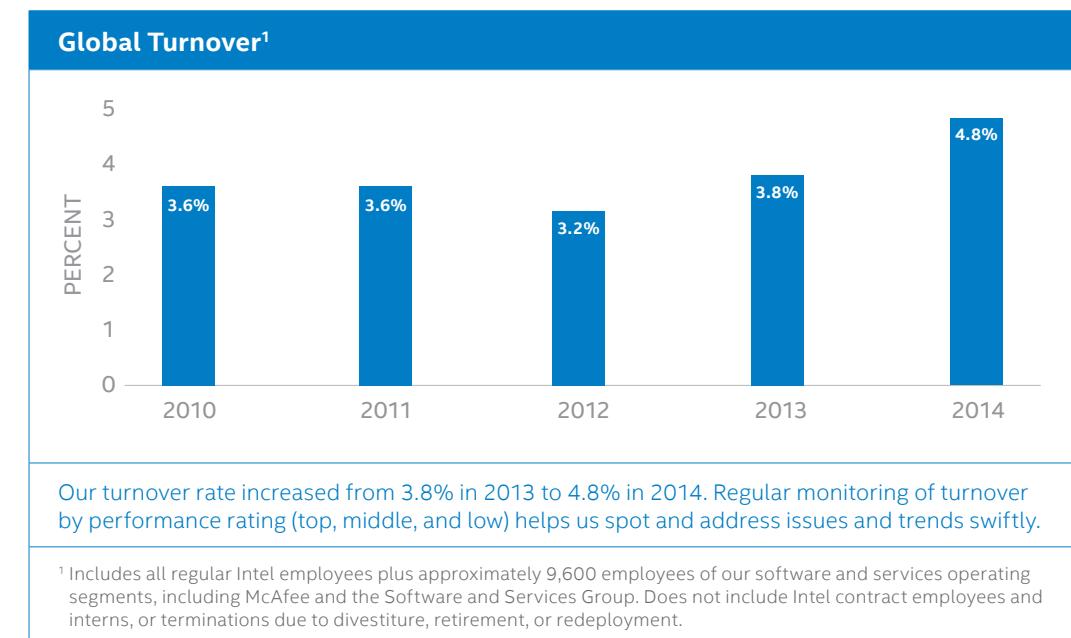
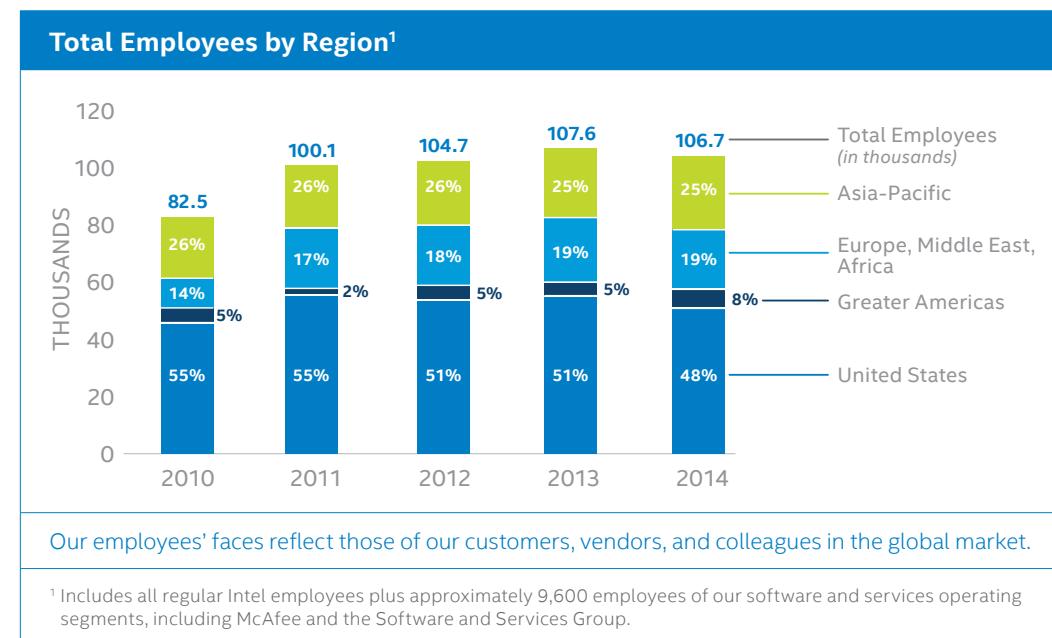
	2010	2011	2012	2013	2014
Overall OHS score.	74%	76%	77%	–	70%
I am proud to work for Intel.	85%	87%	88%	–	84%
I would recommend Intel as a great place to work.	80%	83%	84%	–	77%
My job makes good use of my skills/strengths.	76%	77%	78%	–	74%
I have the flexibility to balance the needs of my work and personal life.	79%	80%	81%	–	76%
I would like to be working at Intel one year from now.	–	–	–	–	82%
I feel comfortable talking about issues and concerns with management.	74%	77%	78%	–	73%
In my business group, innovation and creative thinking are actively encouraged.	76%	78%	79%	–	71%
In my work group, management proactively seeks out opportunities to promote diversity within the workforce.	68%	69%	70%	–	66%

In 2014, we revised several OHS questions. We have provided alternate data to provide additional context. In 2013, we did not conduct an Organizational Health Survey.

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## Workforce Data

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



**2014 Employee by Type**

Employee Category	U.S.	Greater Americas	EMEA	APAC	Total
<b>REGULAR<sup>1</sup></b>					
Exempt <sup>2</sup>	39,816	3,162	15,892	18,148	77,018
Non-Exempt <sup>3</sup>	10,582	467	3,651	5,427	20,127
<b>Regular Total</b>	<b>50,398</b>	<b>3,629</b>	<b>19,543</b>	<b>23,575</b>	<b>97,145</b>
<b>INTEL CONTRACT EMPLOYEES AND INTERNS</b>					
Exempt	378	231	1,931	1,014	3,554
Non-Exempt	342	26	892	217	1,477
<b>Contract/Intern Total</b>	<b>720</b>	<b>257</b>	<b>2,823</b>	<b>1,231</b>	<b>5,031</b>
<b>Grand Total</b>	<b>51,118</b>	<b>3,886</b>	<b>22,366</b>	<b>24,806</b>	<b>102,176</b>
Close to half of our employees are based in the United States.					
<sup>1</sup> Includes all regular employees only, not including approximately 9,600 employees of our software and services operating segments.					
<sup>2</sup> Exempt employees receive compensation through an annual salary and are "exempt" from overtime provisions of the Fair Labor Standards Act (FLSA).					
<sup>3</sup> Non-exempt employees are entitled to the minimum wage and/or overtime pay protections of the FLSA.					

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## Diversity and Inclusion

We respect, value, and celebrate the distinctive points of view and opportunities that come with the diverse backgrounds and unique experiences of our employees, communities, customers, suppliers, and other partners in the global marketplace.

The wide range of perspectives that we gain by hiring and developing a diverse workforce helps us advance our leadership in both technology and corporate responsibility. Through active employee resource groups, strategic initiatives, and alliances with external organizations, we demonstrate our sustained commitment to workforce diversity. We also develop a number of diversity action plans and reports focusing on recruitment, retention and employee development and progression. These plans and reports are reviewed and updated on a regular basis.

Intel provides equal employment opportunity for all applicants and employees without regard to race, color, religion, sex, national origin, ancestry, age, disability, medical condition, genetic information, military and veteran status, marital status, pregnancy, gender, gender expression, gender identity, sexual orientation, or any other characteristic protected by local law, regulation, or ordinance. Intel also makes reasonable accommodations for disabled employees and prohibits harassment of any individual on any basis. We strive to continuously advance a work environment that honors, values, and respects all of our employees.

## Investing in the Pipeline

Intel invests in a range of programs to build the pipeline of women and under-represented minorities (URMs) in science, engineering, math, and technology fields. Through strong alliances with active national organizations, we drive industry-wide recognition of issues surrounding, as well as support for, the advancement of women; underrepresented minorities; veterans; the lesbian, gay, bisexual, transgender, and queer/questioning (LGBTQ) community; and individuals with disabilities. In addition to sponsoring many of the events hosted by these organizations, we also serve as trusted advisors, host panel discussions, provide keynote addresses, and collaborate on the development of relevant content.



**\$ 300M  
INVESTMENT**

## SETTING A BOLD DIVERSITY GOAL

At the Consumer Electronics Show in early 2015, we announced a bold new hiring and retention goal to achieve full representation of women and under-represented minorities (URMs) at Intel in the U.S. by 2020. African Americans, Hispanics or Latinos, and Native Americans are included in our definition of URM. Our broader definition of diverse employees includes URM and also Asians and Pacific Islanders, as well as veterans and individuals with diverse abilities. As such, we are linking a portion of every employee's 2015 Annual Performance Bonus—from front-line staff to our CEO—to the hiring and retention of URM and women at Intel.

We also plan to invest \$300 million to help build a pipeline of female and under-represented technical talent; to actively support hiring and retaining more women and under-represented minorities; and to fund programs to support more positive representation of women within the technology and gaming industries. For more information, read the [press release](#).

Intel leaders serve as advisors, participate in benchmarking surveys, and sponsor targeted events via strategic relationships with major research, policy, and advisory organizations that are working on behalf of diversity. For a list of organizations we work with, see our [Global Diversity External Alliances](#) web site.

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We also collaborate on initiatives to improve basic access to education and technology for girls, women, and underserved populations around the world. For more information, see the [Inspiring the Next Generation](#) section of this report.

## Cultivating a Supportive Network

We provide managers with tools and resources for rewarding and recognizing diversity efforts within their groups. We also encourage members of our workforce—from college graduates to long-time employees—to join our 26 chartered [Intel employee resource groups](#).

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

In keeping with our goals, we have also developed a series of strategic initiatives to increase the diversity of our employee population. These focus on delivering programs to attract, develop, retain, and connect employees and leverage our leaders to mentor and sponsor diverse employees.

**Diverse Ethnicity Initiatives.** Programs to help develop and retain our ethnically diverse employees include leadership conferences, mentor programs, and the extremely successful Blueprint for Excellence program—a comprehensive nine-month leadership development series aimed at providing actionable tools for advancing the careers of African American, Hispanic, and Native American employees. The Network of Intel African American employees, Intel Latino Network, and Intel Native American Network are employee resource groups that play integral roles in our development and retention initiatives. Members of the Intel Black and Hispanic Leadership councils also play integral roles by serving as role models, sponsors, and advisers.

**Diverse Ability.** Our programs to attract and retain individuals with disabilities center on our Intel Diverse Abilities Network employee resource group. This group provides resources for its members and also drives educational events for Intel employees both locally and globally.

**LGBTQ.** Intel is committed to building awareness and inclusion around our LGBTQ community of employees. Intel's LGBTQ employee resource group provides allies and mentors for LGBTQ employees, educates employees and others on the unique experiences of members of this community, and brings visibility to Intel's diversity leadership externally.

**Women.** Intel strives to deliver programs that foster development and retention of women, and that leverage Intel's female executives as visible, proactive role models. The Women at Intel Network (WIN), an employee resource group with chapters located around the world, plays a key role in developing our women employees. Intel's Network of Executive Women (INEW) advances women's initiatives and champions efforts that are focused on identifying, mentoring, and developing talent. Other successful women's programs at Intel include the Command Presence Workshop, Women's Principal Engineer & Fellows Forum, and Act Now: Create Possibilities for Women and Girls/10x10.

**Veterans.** Intel recognizes that military service can give veterans critical, transferable skills that are highly valued in the technology industry, and seeks to be the tech employer of choice for veterans and their families. The real-world, practical experience that veterans bring to our workplace embodies the attributes that support our success as a company: leadership, dedication, and possibility thinking. We support veterans initiatives both inside and outside of Intel, including a nationwide mentoring program through America Corporate Partners that connects veterans with professionals from top corporations and select universities. Intel employs more than 4,300 U.S. military veterans—including active members of the National Guard and military reserves—across all segments of our business, from information technology (IT) and engineering to finance and high-tech manufacturing.

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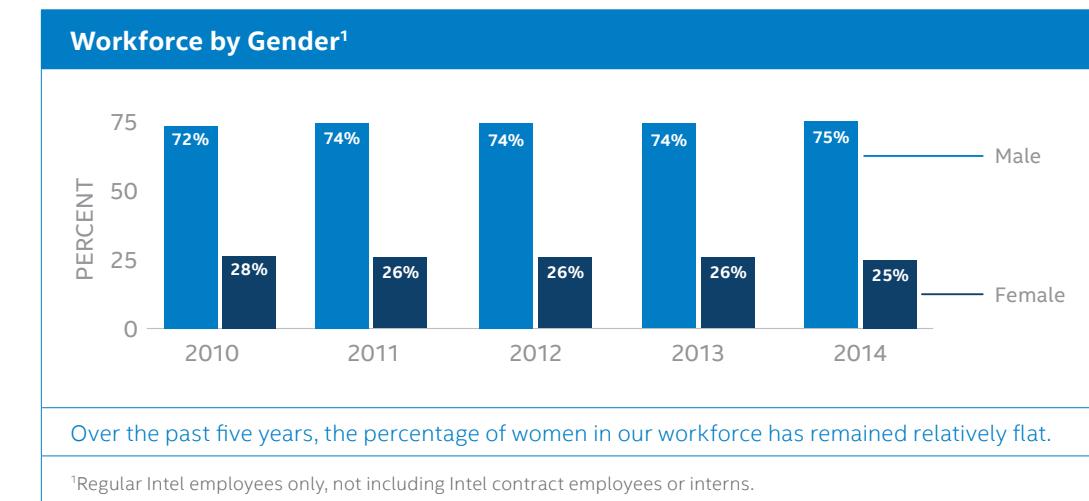
## Diversity Data

We continue to focus on efforts to increase the representation of women in our global workforce, including investing in the talent pipeline for women in engineering and technical disciplines. Additional diversity data for underrepresented minorities (URMs) is available on our [Report Builder](#) web site and our [Equal Employment Opportunity Employer Information Report](#). In our 2015 report next year, we expect to disclose additional diversity data demonstrating our progress towards our 2020 Diversity in Technology initiative and goal.

<b>U.S. Hiring Data<sup>1</sup></b>					
	2010	2011	2012	2013	2014
Under-represented Minorities as a Percentage of U.S. Hires <sup>2</sup>	13%	13%	14%	10%	9%
Females as a Percentage of U.S. Hires	25%	21%	22%	25%	25%
Over the past five years, diversity in our U.S. hiring has remained relatively flat.					

<sup>1</sup> Regular Intel employees only, not including Intel contract employees or interns.

<sup>2</sup> Includes African American, Hispanic, and Native American.



<sup>1</sup> Regular Intel employees only, not including Intel contract employees or interns.

<b>2014 Workforce by Reporting Category</b>										
	<b>U.S. Workforce</b>		<b>U.S. Officials and Managers</b>		<b>Corporate Officers and Appointed Vice Presidents (Global)</b>		<b>Top 50 in Total Compensation (Global)</b>		<b>Board of Directors</b>	
	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
African American	450	1,460	34	102	3	4	1	1	0	0
Asian/Pacific Islander	4,695	11,765	349	1,567	12	40	1	6	0	1
Caucasian	5,761	22,160	723	3,312	34	163	5	32	2	8
Hispanic or Latino	1,001	3,220	60	288	1	6	0	0	0	0
Native American	81	230	4	14	0	0	0	0	0	0
Other/Unidentified	64	189	25	107	8	35	0	4	0	0
<b>Total</b>	<b>12,052</b>	<b>39,024</b>	<b>1,195</b>	<b>5,390</b>	<b>58</b>	<b>248</b>	<b>7</b>	<b>43</b>	<b>2</b>	<b>9</b>

We have disclosed this summary of our U.S. workforce and governance bodies by reporting category since 2001.

<sup>1</sup> Regular Intel employees only, not including Intel contract employees or interns. <sup>2</sup> "Other" includes employees who reported as multi-racial and those who did not report race.

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## Employee Safety

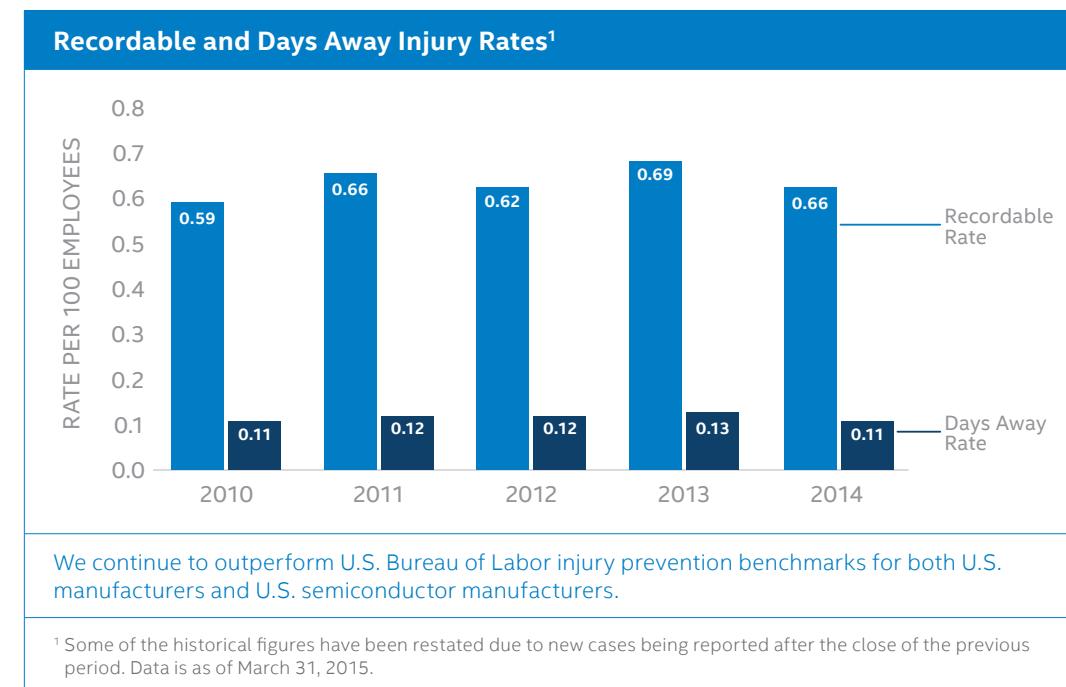
Our safety programs help employees enjoy a better quality of life and contribute to Intel's success, since employees who are physically and mentally fit can be more productive.

We are guided by the Intel Environmental Health and Safety (EHS) policy to "provide a safe and injury-free workplace" through our core safety programs and injury-reduction initiatives—not only for our employees, but also for contractors working at our sites. We maintain a fully integrated multi-site registration for both ISO 14001 and OHSAS 18001, the internationally recognized standards for occupational safety and health management systems.

Employees, contractors, and suppliers receive extensive safety training, starting with orientation sessions and continuing on the job. In 2014, Intel invested in more than 310,000 hours of EHS training for more than 275,000 attendees. Training helps employees understand their safety responsibilities, and covers materials needed for specific jobs (such as electrical safety, ergonomics, control of hazardous materials, and chemical safety). In 2014, nearly 50,000 employees participated in a proactive ergonomics risk reduction program designed to limit exposure to repetitive strain associated with computer use. Business groups share responsibility for driving safety awareness and programs throughout their organizations.

### 2014 Safety Update

Intel ended 2014 with an Occupational Safety and Health Administration (OSHA) recordable rate of 0.66, which is nearly two times better than the U.S. semiconductor industry average recordable rate of 1.2. Our recordable rate decreased by 4%, and our days away case rate was slightly down compared to 2013. We believe that all workplace injuries are preventable, and our ultimate goal is to achieve zero injuries through continued investment in and focus on our core safety programs; injury reduction initiatives; and our Everybody, Everywhere, Everyday! (E3!) safety culture strategy.



Ergonomic-related or "cumulative trauma disorders" (CTDs) remained the most prevalent type of injury experienced at Intel in 2014 and accounted for 54% of all injuries reported. Despite our emphasis on early reporting, our First Aid to Recordable Ratio for CTDs declined from 5.0:1 in 2013 to 4.1:1 in 2014. While our safety performance was again exceptional in 2014 compared to our peer companies, we continue to focus on opportunities for improvement each year and drive toward our aggressive safety goals.

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## Compensation and Benefits

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

We strive to provide tools and benefits that support the many varied needs of our diverse employees—from working parents and those with elder-care responsibilities to those in the military reserves. For additional information on compensation and benefits at Intel locations worldwide, visit our [Compensation and Benefits](#) web site or read our [2015 Proxy Statement](#).

### Compensation

Intel's comprehensive pay, stock, and benefits package approach aligns company, employee, and stockholder interests, and provides employees with incentives to focus on meeting or exceeding business objectives.

Our bonus programs are cornerstones of our pay strategy, linking employees' compensation directly to Intel's financial and operational performance metrics. Higher level employees, who have a wider job scope and greater ability to affect the company's performance, receive a higher percentage of their compensation through our bonus and variable compensation programs.

**Quarterly Profit Bonus Program and Customer Excellence Program.** The Quarterly Profit Bonus (QPB) program is a profit sharing program that pays cash awards to employees four times a year based on Intel's success. Employees may also receive an additional two days of pay each year based on the results in our Customer Excellence Program (CEP). CEP measures overall customer satisfaction and enables us to identify areas for improvement. In 2014, employees received an additional day of pay based on the customer satisfaction levels achieved under CEP which is explained in the [Intel Quality System Handbook](#). The 2014 QPB and CEP payouts provided Intel employees with a total of an additional 17.8 days of pay (equal to 6.9% of their annual compensation).

**Annual Performance Bonus Plan.** Intel rewards employees worldwide for their performance during the year with incentive cash payments through our Annual Performance Bonus (APB) plan, formerly called the Employee Bonus (EB) plan. The formula for determining APB payouts is based on financial growth and operational performance. Intel executive officers participate in a plan identical in all respects to the employee plan, with the added feature of an individual performance adjustment. Since 2008, we have included criteria related to environmental sustainability metrics, and in 2010 we added other metrics related to corporate responsibility, such as performance on the OHS and external reputation measures. For more information, see the [Caring for the Planet](#) section of this report. Instead of the APB program, eligible sales and marketing employees participate in our Commission program, which provides incentives linked to sales performance.

**Equity Programs.** Through Restricted Stock Units (RSUs), employees may receive an equity interest in the company, acquire a stake in Intel's long-term growth, and potentially benefit from capital appreciation. We grant equity to approximately 95% of our employees annually. Under our stock purchase plan, all regular full-time and part-time employees and interns can purchase stock through payroll deductions at 85% of Intel's stock price at the lower of the beginning or the end of a subscription period. Share-based compensation totaled \$1.1 billion in 2014.

### Health and Wellness Benefits

Intel is committed to helping our employees be healthy so they can be at their best at home and at work. Good health and wellness are an essential part of life and having a healthy workforce is essential to Intel's business. Intel provides access to a variety of innovative, flexible, and convenient health and wellness programs that work together to support the personal needs of our employees.

Intel's wellness program, Health for Life, includes on-site primary care (with convenient access to quality care at low cost), annual health assessments, fitness programs, wellness seminars, flu prevention, and personalized wellness coaching. These benefits 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. Intel also maintains on-site fitness centers at sites around the world.

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Intel's international wellness program, Health for Life Wellness Check, is available in more than 10 countries. It provides biometric screening, which includes cholesterol and glucose testing, basic measurements of blood pressure and body mass index, a health risk assessment, and wellness coaching. Intervention programs, such as weight management, fitness, stress management, and tobacco cessation, are available for lifestyle behavior modification.

The newest addition to Health for Life, which launched to U.S. employees in early 2015, is the Intel® Vitality Program, a proactive health and performance program put in place to get our employees thinking about their health in a different way. The program focuses on four essential areas to live a full life—mindset, nutrition, movement, and recovery. Employees complete a digital assessment, develop a personalized plan with the help of a coach, and access a suite of support tools, including fitness trainers and nutritionists, to help them improve their health in small and actionable ways.

Intel has also developed a new healthcare model aimed at creating a healthier workforce, improving the healthcare experience for employees, and controlling costs. Connected Care is a unique and innovative approach to healthcare that emphasizes the provider-patient relationship. Care is delivered through a Patient Centered Medical Home and is focused on prevention and managing existing conditions proactively. Employees in New Mexico and Oregon may choose from several Connected Care Plan options. Intel plans to extend Connected Care to other locations over the next few years.

## Special Leave Programs

In addition to taking time off through our vacation and personal absence programs, employees may take paid time off for special circumstances. Our robust employee leave program combines federal and state leave entitlements and Intel's leave guidelines. Programs include paid sabbaticals; personal leave; pregnancy leave; and bonding leave to care for a newborn, adopted child, or newly placed foster child. Intel supports employees who serve in the U.S. uniformed armed forces or National Guard, including providing Military Adjustment Pay. The U.S. government has publicly recognized Intel for its commitment and continuing efforts in this area.

**Intel's Sabbatical Program.** Full-time employees in the U.S. and Canada receive 8-week paid sabbaticals upon completion of each seven years of service. Annual vacation time may be added to sabbaticals, resulting in up to 12 weeks of paid time off. Employees may also apply to extend their sabbaticals for up to six months to teach, volunteer, or complete educational opportunities that significantly enhance our business or benefit the community. In 2014, we also began offering a 4-week paid sabbatical upon completion of each four years of service, an alternative to our existing 8-week sabbatical program. In 2014, more than 5,700 employees took sabbaticals, returning refreshed and revitalized. The program also provides career development opportunities for other employees who provide temporary coverage for those who are out on sabbatical.

**Paid Bonding Leave.** Our new U.S. paid bonding leave, announced in early 2015, enhances Intel's existing parental leave program by offering up to 8 weeks of pay during bonding leave, any time within 12 months of a child's birth, adoption, or foster care placement. This leave is offered in addition to pay and time off employees may be eligible for under our existing pregnancy leave program.

## Benefits that Support Employees' Lives

Intel strives to be a workplace that supports employee well-being and unlocks employee potential. Our goal is to foster and support workplace flexibility with resources, services, and conveniences that improve employees' lives. Flexible options could include adjusted work hours, location, or job structure, which enables employees to meet both personal needs and work deliverables.

We provide a wide variety of resources that support our employees' ability to manage their family and career responsibilities, including information on topics such as personal fitness, weight management, depression, identity theft, stress, elder care, and working parent strategies. Our Employee Assistance Program provides employees with online resources and articles on a variety of work/life topics, as well as 24/7 access to consultants.

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Several discount programs offer employees reduced pricing on products and services, such as computers, cars, cell phones, home mortgages, banking, home solar energy systems, and local restaurants and stores. We also have on-site cafeterias, fitness centers, dry-cleaning services, spas, car washes, full-service banking, tax preparation assistance, and private rooms for nursing mothers. More than 90% of our employees in the U.S. have access to commute reduction options, such as vanpool and transit subsidies and carpool matching services.

## Retirement

We support our employees' transition to retirement through savings plans, options for gradually reducing their workload, volunteer opportunities where they can apply their experience, and other programs. Our retirement benefits can include post-retirement medical benefits, 401(k) savings, Intel contributions to employee retirement plans, and defined benefit plans. Eligibility for these plans varies by country, legal requirements, and employee tenure. Intel considers market practice, retirement readiness, regulatory requirements, and company affordability when funding employee retirement plans. In the U.S., in 2014 we contributed 5% of eligible earnings to each employee's retirement account, irrespective of the employee's ability to save. For employees who retire from Intel in the U.S., we also provide funds based on tenure, which enable employees to purchase retirement medical coverage.

Intel offers expanded retirement benefits with Intel Encore Career Fellowships, through which U.S. employees who are eligible for retirement can take a subsidized, temporary position with a nonprofit organization upon retirement from Intel. Intel retirees use their practical experience in communications, process improvement, IT, operations, human resources, engineering, and other areas to help nonprofits build capacity, operate more efficiently, and ultimately have a broader impact on their communities. Intel supports participants with stipends and COBRA medical coverage during their assignments. In addition to helping employees transition to retirement, the program provides nonprofit organizations with experienced talent.

## Benefits that Support Employees' Lives at a Glance

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

- Paid sabbatical benefit every four or seven years for U.S. and Canadian employees, and the ability to "bank" vacation time in many European countries to create an extended leave every five years
- Comprehensive health benefits, including medical, dental, vision, and employee assistance programs
- Multiple retirement plan options, including 401(k), retirement contributions by Intel, defined benefit plans, and post-retirement medical benefits
- Multiple leave programs, including personal, pregnancy, bonding, and military service
- Near-site childcare centers and back-up childcare programs
- Comprehensive adoption assistance
- Elder-care programs, including on-site caregiver training, intranet site, and referral resources
- Voluntary benefits, including critical illness and group legal insurance
- Employee discount programs for online and local shopping, as well as Intel products
- On-site fitness classes and recreation facilities, healthcare clinics, and spas
- Free fruit and beverages at multiple locations, and healthy choices in our cafeterias
- Commute reduction options, including telecommuting and a pretax commuter benefit program
- Employee use of Intel facilities for book clubs, music events, birthday parties, baby showers, etc. Space for employee gardens at some locations
- Scholarships for dependents of Intel employees (\$1.4 million pledged by the Intel Foundation each year)
- "Live Homework Help" for employees' families, available 24 hours a day, 7 days a week
- Family fun events, which reached over 90% of employees and their families in 2014

For more information on these benefits, visit our [Benefits web site](#).

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## Career Growth and Development

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

We encourage employees to work with their managers to align their job assignments with their talents and passions, as well as the needs of the organization. Career development at Intel is viewed as a continuing conversation between employees and their managers—not something that is brought up only during annual reviews. Managers strive to meet with each employee at least quarterly to review the prior quarter's goals, the employee's development and performance against expectations, and the upcoming quarter's priorities and goals. These meetings provide opportunities to recognize excellence and discuss performance issues, thus contributing to individual development and improvement in a team's performance, execution, and business results.

When employees are ready to try new challenges, they can "test-drive" short-term assignments by providing coverage for employees on sabbatical leave, or by taking advantage of one of our rotation or temporary assignment programs. Our sabbatical program creates regular opportunities for 90-day rotations and has contributed to a culture that views rotations as a positive and standard practice.

More than 5,700 employees completed sabbatical coverage assignments in 2014, with many employees gaining valuable management experience by covering for their direct managers.

Intel also hosts a web-based development opportunity tool that enables employees to apply for part-time or temporary job opportunities across the company. More than 4,800 employees have completed development assignments posted on the tool to expand their networks and acquire new skills. Employees also use our internal global job-posting system to learn about and apply for new positions at Intel. Many employees pursue career growth by taking assignments in other countries, where they are exposed to unique cultural experiences while acquiring new business skills.

### Intel's Employee Development Approach

**Learn.** Provide employees with a robust range of resources and tools, including: courses focused on job skills, professional development, and managerial training; external professional certification programs; and access to world-class institutions via tuition reimbursement.

**Connect.** Encourage employees to connect with managers, senior leaders, and one another through open forums, quarterly events, mentoring and coaching relationships, employee groups, and online and social media channels.

**Experience.** Give employees opportunities to expand their skills through rotational, temporary, or sabbatical coverage assignments. These assignments can accelerate performance and career growth, and help employees share their expertise with others.

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

Our Career Development Workshop is designed to help employees at all levels think strategically about their career development plans, and to facilitate discussions with their managers. More than 51,000 employees have participated in the workshop since its launch in 2008.

### Management/Leadership Development

We set clear, consistent expectations for our managers and leaders, and give them opportunities to gain critical skills and knowledge by attending internal and external courses, connecting with other managers, and taking on new challenges. Throughout the year, they have a strong support network that enables them to lead highly engaged teams and achieve business results.

Through our Leadership Feedback Tool, employees are able to give actionable feedback on how well their managers are performing against Intel's Leadership Expectations. Managers can then use this feedback in conjunction with development resources that

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are aligned to the Leadership Expectations to create personal development plans. By taking this updated survey, employees play a direct role in making stronger and more effective managers with the leadership skills Intel needs to win. In 2014, more than 63,000 employees provided their managers and leaders with constructive feedback through this process.

To support the ongoing development of our seasoned managers and leaders, we offer 50 core instructor-led courses, as well as online performance training and support modules that provide “just-in-time” help. In addition, an online Manager Dashboard tool provides resources to help managers run the “people” side of their business.

Our senior leaders have access to courses that cover personal leadership, execution, strategy, and organizational leadership. All courses are offered globally, and Intel executives teach many of them. We offer action learning programs that blend strategic business needs with senior leader learning and growth. We invest in Executive Syncs at a regular cadence to ensure alignment to strategy, development and networking among our executive population. The impact has been far-reaching throughout the company, as leaders have committed to positive changes and started sharing newly learned behaviors with the next generation of leaders in their organizations.

These programs focus on current business challenges to ensure that real work is accomplished during leadership development. We also have an executive coaching program that links senior leaders with professional internal and external coaches.

## Intel Learning and Development

In 2014, Intel invested approximately \$265 million in employee training and development, including instructor-led and e-learning courses and tuition reimbursement. That amount translates to an investment of approximately \$2,500 and an average of 23.7 hours of training per employee. Our Tuition Assistance Program provides financial assistance to eligible U.S. employees who are completing job-related degree programs or coursework. In 2014, we invested \$6.8 million in the program, helping more than 1,000 employees pursue educational opportunities.

Intel 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. In 2014, *Training* magazine once again recognized our strong focus on employee development by including Intel in its list of the top 125 global training organizations.

### 2014 Intel Learning and Development Statistics

Total learning hours delivered <sup>1</sup>	2,419,000
Total number of trainings completed	1,089,000
Number of learners who received training <sup>2</sup>	141,000

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

<sup>1</sup> Includes a mix of training methods, such as instructor-led classroom, virtual classroom, and other (multimedia/on-the-job activity).

<sup>2</sup> Includes Intel employees, contractors, suppliers, and interns.

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## Performance Summary and Goals

In 2014, we continued to invest in the development of our workforce and made progress toward meeting our diversity objectives. In the area of health and safety, we continued to improve early reporting of ergonomic-related injuries and encouraged our employees to lead healthy lifestyles.

<b>Goals and Performance</b>			
	<b>2014 Goals</b>	<b>2014 Performance</b>	
	Drive key improvements and hire at full availability for technical under-represented minorities and women.	We continue to work towards achieving representation of URM and women at market availability, and in early 2015, set a goal to achieve full representation of women and URM at Intel in the United States by 2020.	
	Achieve at least 70% participation and maintain or improve scores in at least 95% of the questions on our annual Organizational Health Survey (OHS).	A total of 77% of eligible employees participated in our 2014 OHS. However, we did not maintain or improve scores in at least 95% of the survey questions.	
	Maintain our world-class safety performance, achieving a targeted safety recordable rate of 0.50.	We continued to perform at world-class safety levels compared to our peers and industry benchmarks. However, we did not meet our aggressive goal of a 0.50 recordable rate. Intel's 2014 recordable rate was 0.66, down from 0.69 in 2013.	
	Improve early reporting of ergonomic-related injuries, specifically CTDs, with a targeted First Aid to Recordable Ratio goal of 9:1.	With a First Aid to Recordable Ratio of 4.2:1, we did not meet our 2014 goal.	

Achieved    Partially Achieved or on Track    Not Met

In 2015, we will work towards achieving our ambitious diversity and inclusion goal, and continue to make improvements in career development, decision-making, and manager effectiveness.

### Goals for 2015 and Beyond

Achieve full representation of women and under-represented minorities at Intel in the United States by 2020.

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# CARING FOR THE PLANET

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



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



We have achieved Leadership in Energy and Environmental Design\* (LEED\*) certification for more than 40 buildings with over 12.5 million square feet of floor space.



Intel's Sustainability in Action Grant Program has provided funding for close to 70 employee-initiated environmental projects in communities around the world.

**\$249M  
SAVED SINCE 2008**

Our investments in energy conservation projects have saved Intel \$249 million since 2008.



Since 2008, we have recycled more than 75% of the total waste generated in our operations.

Access the [Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

## Key Section Links

[Performance Summary and Goals](#)  
[Intel Environment Site](#)

[Explore Intel](#)  
[Intel's Climate Change Policy](#)

[Intel's Environmental, Health, and Safety Policy](#)

[Intel's Water Policy](#)

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## Management Approach

We integrate environmental considerations across all facets of our business, including our governance and compensation practices, facilities design, manufacturing processes, and product design and development.

While many companies in the electronics industry outsource much of their production, we design and manufacture the majority of our component products in our own factories. We strongly emphasize environmental sustainability throughout our global manufacturing operations.

Our commitment to environmental sustainability is embodied in the [Intel Code of Conduct](#) and Intel's [Environmental, Health, and Safety Policy](#), as well as our [Climate Change Policy](#) and [Water Policy](#). We consider our environmental impact when we select sites, design buildings, set performance levels for manufacturing tools, and establish goals for new production processes. Intel supports a precautionary approach to the materials that we use in our products, and seeks alternatives for hazardous materials. When we must use them, we take steps to ensure that they are handled safely from the time they enter our operations until they are properly disposed of or recycled. Intel also establishes clear environmental expectations for our suppliers and has initiated a number of sustainable purchasing actions. To learn more, see the [Supply Chain Responsibility](#) section of this report.

Since product energy efficiency is exceedingly important in our industry, we also focus on reducing our environmental impact by increasing the energy-efficient performance of our products. In addition to improving computing-related energy efficiency, the information and communications technology (ICT) industry has an important role to play in reducing global emissions. We have joined forces with businesses, academic institutions, and governments worldwide to find and promote additional ways that technology can be used to improve energy and resource management across other sectors of the economy.

### Intel's Environmental Sustainability Oversight Structure



## Managing Environmental Performance

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

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For over a decade, Intel has maintained a multi-site, third-party-verified ISO 14001 registration, which evaluates the effectiveness of our environmental management system. We also maintain a multi-site certification for OHSAS 18001, the internationally recognized standard for occupational health and safety management systems. All audits are conducted by the National Standards Authority of Ireland, an independent registrar. Intel's fully integrated [multi-site registration](#) extends through December 31, 2016.

We establish environmental goals for each new generation of process technology, including targets for air emissions, water usage, and water quality. The goals are set based on evaluations of potential environmental impacts of these new process technologies as they are transferred to our manufacturing facilities around the world. These environmental goals are tracked during technology development on an equal footing with cost, quality, yield, and other technical indicators. When new process technologies are complete, they are "copied exactly" to our manufacturing sites. Environmental improvements and controls are similarly "copied exactly" so that we operate to the same high environmental standards worldwide.

This approach has enabled us to reduce key environmental impacts such as greenhouse gas emissions while increasing our manufacturing output. In 2014, we made progress toward achieving our 2020 environmental goals, but continued to face challenges in reducing hazardous waste and air emissions due to the increasing complexity of our manufacturing processes. For more information, see "[Performance Summary and Goals](#)" at the end of this section.

Many of the major trends in semiconductor manufacturing have helped reduce environmental impact over time. For example, the industry's move from 200-millimeter (mm) to 300 mm wafers increased manufacturing energy efficiency by about 20%, primarily because more chips could be produced at a time. When the industry moves to 450 mm wafers, we expect to achieve additional increases in manufacturing efficiency.

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.

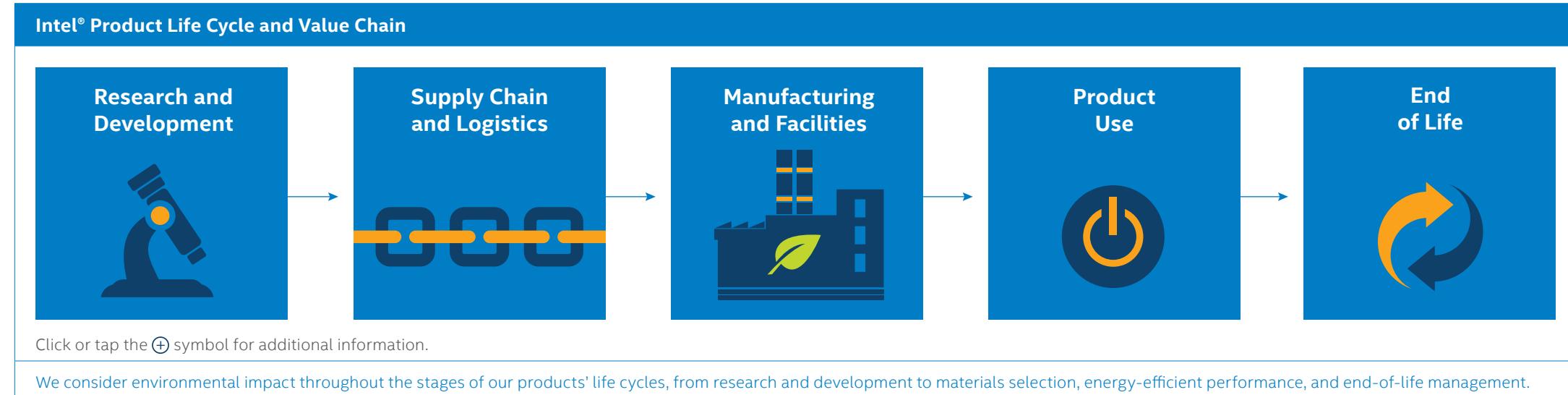


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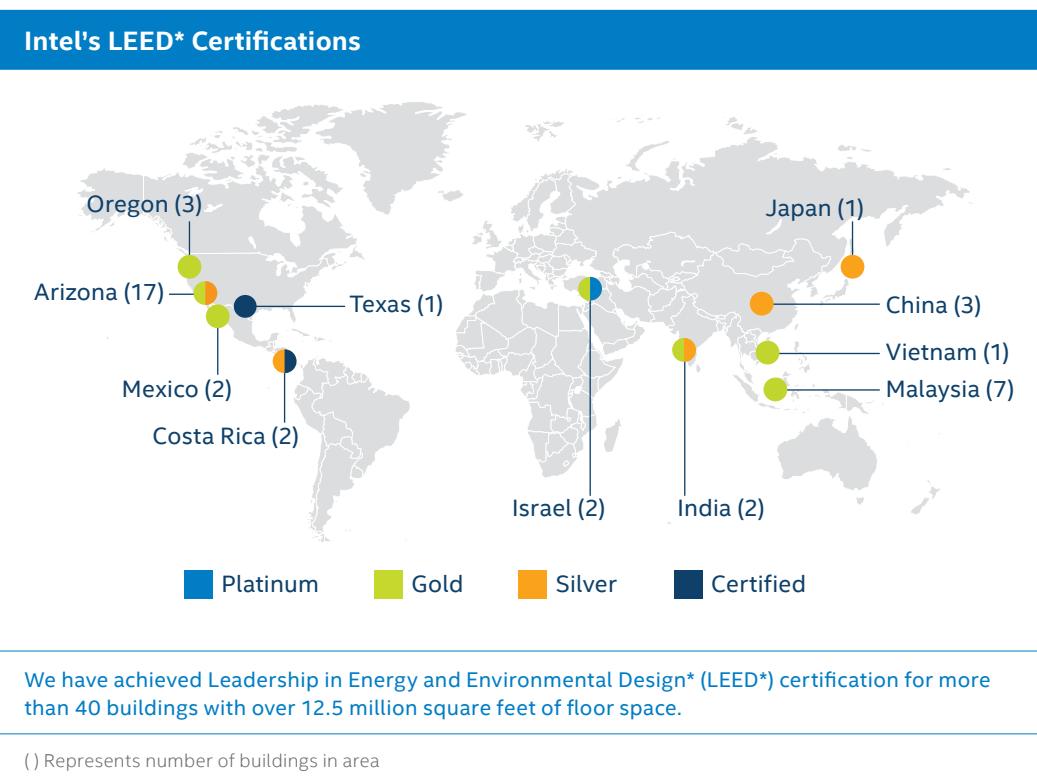
The challenges we face in the areas of water conservation and hazardous waste reduction are due in part to the additional manufacturing steps needed to create our newer microprocessors. These challenges can be understood by comparing our manufacturing process to building a city. We used to be able to build outward, the way that cities expand into suburban areas. We are now also “building up,” as cities do by constructing skyscrapers. The multi-layered, vertical nature of our newer technologies creates more powerful and energy-efficient products, but it also requires more chemicals and water rinses.

We have been driving chemical and water use reductions for well over two decades. As such, we have already realized many available efficiencies, making it difficult to achieve additional large reductions. However, we remain committed to finding innovative ways to further reduce our operational environmental impact and to applying our energy-efficient technology and expertise to help improve sustainability for customers, communities, and countries around the world.

## Green Buildings and LEED\* Certification

For many years, our engineers have incorporated green design standards and building concepts into the construction of our facilities. Since 2011, Intel's policy has been to design all new buildings to a minimum [Leadership in Energy and Environmental Design\\*](#) (LEED\*) silver certification level, and in 2014, we revised our policy to design all new buildings to a minimum LEED gold certification level. Many of our existing manufacturing facilities have also been LEED certified, including our first Platinum certified building, located in Israel. We have certified over 12.5 million square feet of space in more than 40 buildings.

Intel has been working with the [U.S. Green Building Council](#) and other companies to share our learnings and provide input on criteria changes that would make it easier to pursue LEED certification for manufacturing sites, with the goal of expanding the number of manufacturers implementing green building practices.



## Assessing Potential Biodiversity Impacts

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

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Based on analysis and mapping, we do not believe that any of our manufacturing or assembly and test operations have direct impact on the protected areas on the [United Nations List of Protected Areas](#). A few of our operations are located in areas considered by some to be rich in biodiversity, but we know of no major negative impacts from our operations on threatened species or protected areas.

We have also undertaken voluntary biodiversity projects at several of our sites. For example, our 530-acre Ronler Acres campus in Oregon includes 22 acres of wetlands that provide wildlife habitat and storm water retention. We monitor non-native species in the wetlands and have taken action to control invasive plant growth. For over a decade, we have worked with a wetlands specialist and used bio-control methods to successfully stop the growth of the purple loosestrife, an invasive species that crowds out native grasses and other plants.

## Community Impact and Engagement

We are committed to collecting input from local communities about our environmental performance. Transparency and open communication guide our approach. For example, regular reports from our Arizona and [New Mexico](#) community environmental groups are posted online. Interactive [Explore Intel](#) web sites for our campuses in Oregon, New Mexico, China, Costa Rica, Ireland, and Israel also provide local communities with real-time information and resources related to our environmental performance.

## Employee Engagement

We believe that engaging employees is key to achieving our environmental strategies and goals. Our employees participate in environmentally focused community volunteer projects and education programs that encourage study and innovation in environmental sustainability. Our “Learn, Act, Share” model helps employees understand sustainability issues, priorities, and goals; work together to take action; and share information about our priorities with others. Descriptions of a few of our environmental employee engagement initiatives follow:

**Linking Compensation to Corporate Responsibility.** Since 2008, we have linked a portion of every employee's variable compensation—from front-line staff to our CEO—to the achievement of corporate responsibility goals, primarily related to environmental areas. We believe that including a corporate responsibility component in the overall Annual Performance Bonus (APB) calculation helps focus executives and employees on the importance of achieving our objectives. In 2014, employees earned an incremental bonus tied to support of our 2020 environmental goal related to improving energy efficiency in our operations. Previous APB metrics have focused on areas such as recycling and carbon emission reduction in our operations. In 2015, with the announcement of our ambitious [Diversity in Technology Initiative](#), the APB corporate responsibility metric will focus on diversity. For more information, see the [Caring for Our People](#) section in this report and our [2015 Proxy Statement](#).

**Sustainability in Action Grant Program.** Through this program, employees can apply for funding for innovative environmental projects. Employees are encouraged to include external stakeholders in their projects, and many focus on addressing environmental issues in their local communities. In 2014, Intel provided funding for 10 employee projects related to ecosystem monitoring, aquaponics, environmental education, and more. From 2006 through the end of 2014, the Sustainability in Action Grant Program provided funding for 68 projects around the world.

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**Intel Environmental Excellence Awards.** Since 2000, Intel has presented these awards to employees who have helped reduce Intel's environmental impact. In 2014, 38 teams from around the world were nominated for their work to increase wastewater reuse, reduce waste generation, and educate others on sustainability topics. Contributors to the nine winning projects from 15 Intel sites in six countries received monetary awards. Additionally, the 2014 winning projects saved 53,000 metric tons of CO<sub>2</sub> emissions, 29 million kWh of energy, 100 million gallons of water, and over 5,000 tons of waste.

In addition to yielding environmental benefits, these employee projects frequently save money for Intel. Estimated annual cost savings from the 2014 winning projects exceeded \$50 million, bringing the total estimated savings generated by Environmental Excellence Award projects to more than \$282 million over the past five years.

## INTEL EMPLOYEE SUSTAINABILITY ACTIONS



**Eliminating shipping waste.** A team of employees won an EEA for proving that unpackaged silicon chips (die) are not sensitive to moisture in transportation environments. As a result, Intel was able to replace desiccant pouches and moisture barrier bags previously used to ship die with a more biodegradable alternative.



**Saving water.** Four Intel factory buildings in Vietnam and Malaysia do not discharge industrial wastewater, thanks to a team of EEA-winning Intel employees. Working with local government, the team designed systems that save an estimated 43 million gallons of fresh water annually by reusing industrial wastewater for cooling towers and irrigation.



**Sleeping to cut resource use.** A cross-functional group of employees captured an EEA for developing an automated "sleep" mode system for semiconductor manufacturing tools. With the system, tools that previously remained on—even when not processing chips—now power down automatically when not in active use, reducing power and water consumption.

**Green Teams and Employee Groups.** Intel supports grassroots sustainability efforts and employee "green" teams around the world, including the Intel Employee Sustainability Network (IESN). Formed in 2004, IESN provides employee networking, volunteering, and educational opportunities that align with our corporate environmental focus areas. The group's activities have included [Northwest Earth Institute](#) discussion group courses delivered at several Intel sites.

The Green Initiative Troupe (GREENit), another employee sustainability group, focuses on actions that employees can take to be more sustainable at work and at home. Every April, GREENit members and other employees organize numerous volunteer projects, presentations, and educational events across the company in support of Earth Day.



**Raising fish and vegetables.** Students in Maricopa, Arizona are learning firsthand about aquaponics—a highly sustainable way to raise both fish and produce in a symbiotic system—thanks to a team of Intel Arizona employees. An Intel SIA grant helped fund the system, and sales of fish and produce raised by the students will help sustain the project in the future.



**Protecting wetlands.** Through an SIA-funded project run by Intel New Mexico volunteers, middle and high school students are learning to code and deploy Intel® Galileo-based development boards to help protect the health of the Rio Grande River bosque ecosystem. The boards gather humidity, temperature, wind speed, and other data that local agencies use to manage water levels in the ecosystem.

Each year, employees complete innovative projects that reduce environmental impact, support local communities, and generate bottom-line results. These are a few of the 2014 winning projects in our Sustainability in Action (SIA) Grant and Environmental Excellence Award (EEA) programs.



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## Climate Change and Energy Efficiency

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

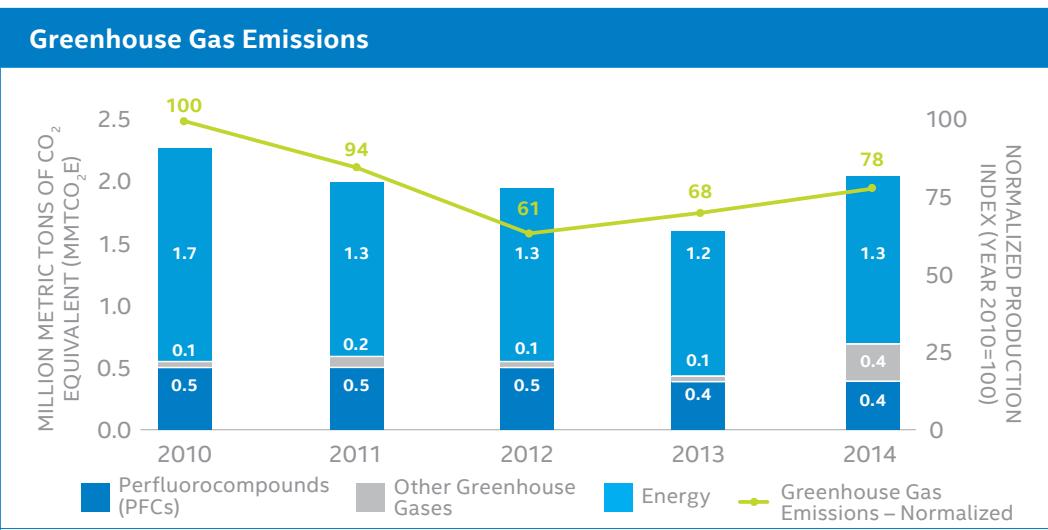
Intel believes in a portfolio approach to reducing our carbon footprint. Through a wide variety of efforts—including but not limited to conservation, energy efficiency, solar installations, green power purchases, and efficient building designs—Intel has built a strong and sustainable approach to buying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

As part of our commitment to transparency, since 2003 we have disclosed our greenhouse gas emissions and climate change risk through the [CDP](#). In addition, the Intel Annual Report and Form 10-K includes a discussion of climate risk, and our [Climate Change Policy](#), updated in early 2014, outlines our formal position on global climate change and our history of action in this space.

### Reducing Greenhouse Gas Emissions

For close to two decades, Intel has been setting aggressive greenhouse gas (GHG) reduction goals and working with others to drive industry-wide improvements. Our 2020 environmental goals include a commitment to further reduce our direct GHG emissions 10% on a per unit basis from 2010 levels, while we continue to expand our manufacturing capacity.

In 2014, Intel's absolute Scope 1 and Scope 2 emissions increased 23%, and emissions on a per unit basis increased 15% compared to 2013. Since 2010, our absolute emissions decreased 13%, and decreased 22% on a normalized per unit basis. In 2014, the U.S. EPA introduced new global warming potentials (GWPs) for many fluorinated liquids that previously had no GWPs. As a result, our "Other Greenhouse Gases" emissions increased significantly in 2014 from 2013. Our annual purchase of Renewable Energy Certificates



Our goal is to reduce our direct greenhouse gas emissions by 10% on a per unit basis by 2020 from 2010 levels. In 2014, The U.S. EPA introduced new global warming potentials (GWPs) for many fluorinated liquids that previously had no GWPs. As a result, our "Other Greenhouse Gases" emissions increased significantly in 2014 from 2013.

### 2014 Greenhouse Gas Emissions Reported by Type (metric tons of CO<sub>2</sub>e)

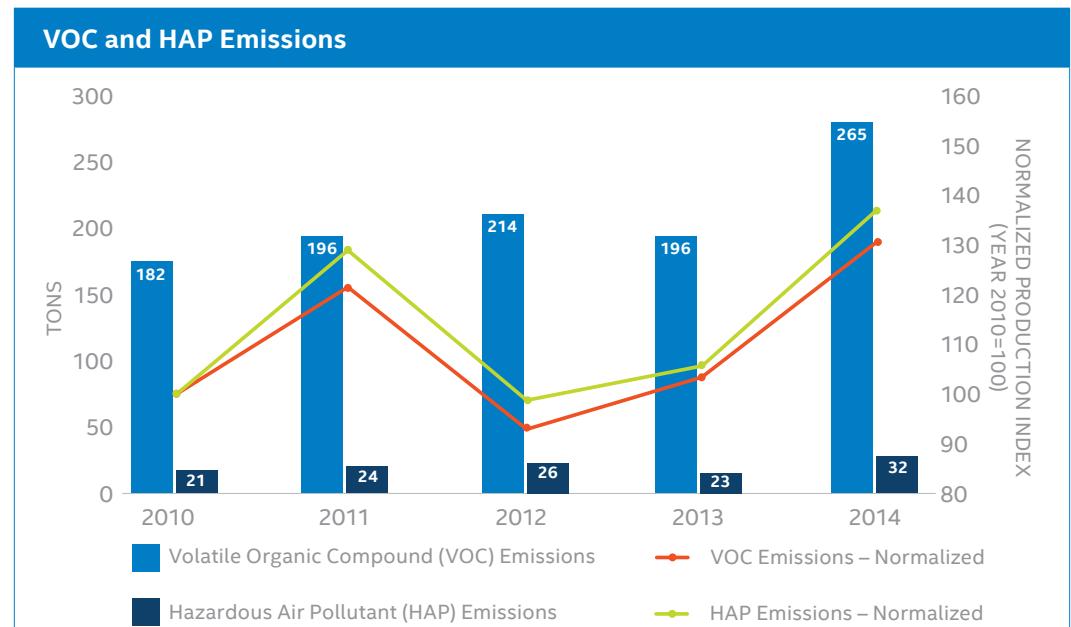
Scope	Emissions	Notes
Scope 1 Emissions	1,041,000	
Scope 2 Emissions	1,039,000	
Total Scope 1 and 2 Emissions (including RECs)	2,080,000	
Scope 3 Emissions (estimated)		
• Direct materials supplier emissions	1,000,000	
• Transportation and distribution of inputs and waste generated in operations	274,000	
• Business air travel	110,000	

Click or tap the symbol for additional information.

Additional GHG emissions reporting is publicly available in our CDP questionnaire response on the [CDP](#) web site. In addition to the summary data provided above, we have completed an estimate of emissions associated with the consumer use of our products. For more information, see ["Product Energy Efficiency and Product Ecology"](#) later in this section.

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(RECs) has contributed to decreases in our absolute emissions. The RECs resulted in a reduction of 1.3 MMtCO<sub>2</sub>e in 2014, approximately 100% of our U.S. electricity use. In addition to the summary data provided below, we have completed an estimate of emissions associated with the consumer use of our products. For more information, see "[Product Energy Efficiency and Product Ecology](#)" later in this section. A more detailed breakdown and discussion of our emissions by country and by type are publicly available in our CDP questionnaire response on the [CDP web site](#). Slight variations between the data in this report and our final CDP filing may occur due to additional data being received following publication of this report, differences in the treatment of RECs under the CDP methodology, and the timing of certain changes in the GHG Protocol.

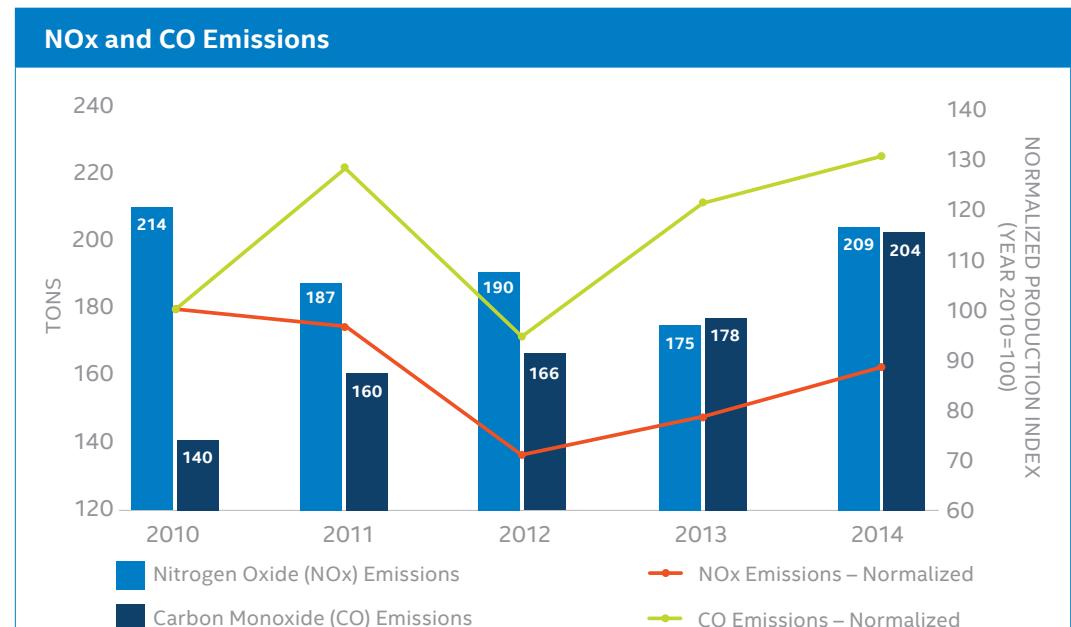


Absolute VOC emissions were up 35% and per unit VOC emissions were up 27% in 2014 compared to 2013. Absolute HAP emissions were up 38% and per unit HAP emissions were up 30% in 2014 compared to 2013. In 2014, we revised our data to include fugitive VOC emissions, which are emissions associated with VOCs used for preventative maintenance or cleaning activities.

## Minimizing Air Emissions

We work to minimize our emissions of volatile organic compounds (VOCs), hazardous air pollutants (HAPs), nitrogen oxide (NOx), and carbon monoxide (CO) emissions. We use thermal oxidizers and wet scrubbers to neutralize and absorb gases and vapors. Thermal oxidizers concentrate VOCs and then oxidize them into carbon dioxide and water vapor. A heat exchanger warms the incoming air for this process to boost the fuel efficiency of the unit. Wet scrubbers recirculate water that contains a neutralizing agent to remove acidic gases and other contaminants.

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



Absolute NOx emissions were up 19% and per unit NOx emissions were up 12% in 2014 compared to 2013. Absolute CO emissions were up 15% and per unit CO emissions were up 7% in 2014 compared to 2013.

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## Energy-Efficient Operations

In 2014, a portion of our employees' Annual Performance Bonus (APB) was tied to energy conservation in our operations. As such, we allocated approximately \$30 million for resource conservation and efficiency projects to reduce operational energy. Projects included implementation of free cooling in labs and data centers, retro-commissioning of HVAC systems, controls upgrades, heat recovery, and the installation of LED lighting. Our Chengdu and Vietnam sites are also certified to the ISO 50001:2011 Energy Management System standard. Intel Ireland is also accredited to the IS 393 Energy Management Standard certification. Since 2008, Intel has invested more than \$118 million and completed over 2,300 projects, saving more than 2.44 billion kWh of energy, or the equivalent approximate CO<sub>2</sub> emissions from the electricity use of more than 153,000 average U.S. homes for one year.<sup>1</sup> These investments also generated cumulative energy cost savings for Intel of \$249 million through the end of 2014.

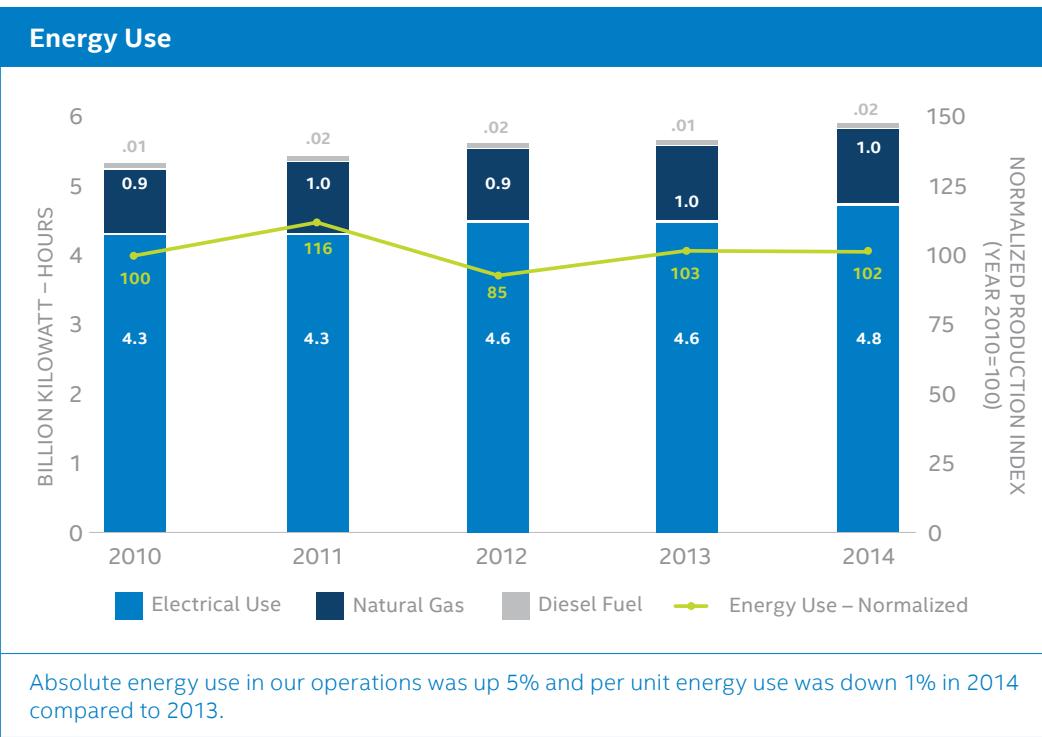
Videoconferencing continues to enable our employees to eliminate millions of travel miles—and the associated emissions—each year. As of year-end 2014, we had more than 250 video collaboration rooms at Intel facilities in 30 countries around the world. We also save electricity and reduce emissions by implementing cloud, virtualization strategies, and energy conservation projects.

### Energy Conservation Project Savings

Year	Energy Savings Per Year (Million kWh)	Cumulative Energy Savings Since 2010 (Million kWh)	Cumulative Cost Savings Since 2010 (Millions of \$)
2010	223	223	20
2011	325	548	48
2012	442	990	91
2013	531	1,521	149
2014	683	2,204	228

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

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



## Investing in Renewable Power and Alternative Energy

Intel's renewable energy efforts are intended to provide leadership, help spur the market, make renewables less expensive and more accessible over the long term, and reduce the overall carbon emissions from electricity generation. We increased our investment levels over the past seven years—even during the economic downturn—because of the projected long-term benefits. Descriptions of a few of our initiatives in this space follow:

**Renewable Energy Certificates (RECs).** In early 2015, Intel was recognized for the seventh consecutive year as the largest voluntary purchaser of green power in the U.S., according to the U.S. EPA's Green Power Partnership rankings. We purchased 3.1 billion kWh of green power in 2014, enough to meet 100% of our U.S. electricity use for the year. Our 2014 purchase had the equivalent environmental impact of eliminating the CO<sub>2</sub> emissions from the annual electricity use of more than 320,000 U.S. homes. Intel's purchase of approximately 15.5 billion kWh of green power from 2008 through

<sup>1</sup> Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.

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2014 had a greenhouse gas emissions impact equivalent to taking 1.8 million cars off the road for one year.<sup>2</sup> All purchases are certified by the nonprofit [Center for Resource Solutions' Green-e\\*](#) program, which certifies and verifies green power products to meet the requirements of the U.S. EPA's Green Power Purchasing Program. We purchase RECs from all five Green-e certified sources of generation, including wind, solar, low-impact hydro power, biogas, and geothermal. We plan to continue purchasing RECs in 2015.

**Solar and Wind Installations.** As of April 2015, we had facilitated the construction of 20 solar electric installations on 12 Intel campuses in Arizona, California, Colorado, New Mexico, Oregon, India, Israel, and Vietnam. They collectively generate more than 12 million kWh per year of clean solar energy. We partnered with third parties to complete the installations, which include a 1-megawatt solar field that spans nearly 6 acres of land on Intel's Folsom, California campus; rooftop installations; and solar support structures in Intel parking lots. Our installation in Vietnam is the largest solar project in that country. The RECs generated by these installations are often transferred to local utilities to support their regulatory obligations and programs. We have also installed solar hot water systems in India, Israel, and Costa Rica. The India installation supplies nearly 100% of the hot water used at our two largest campuses in that country, saving approximately 70,000 kWh annually.

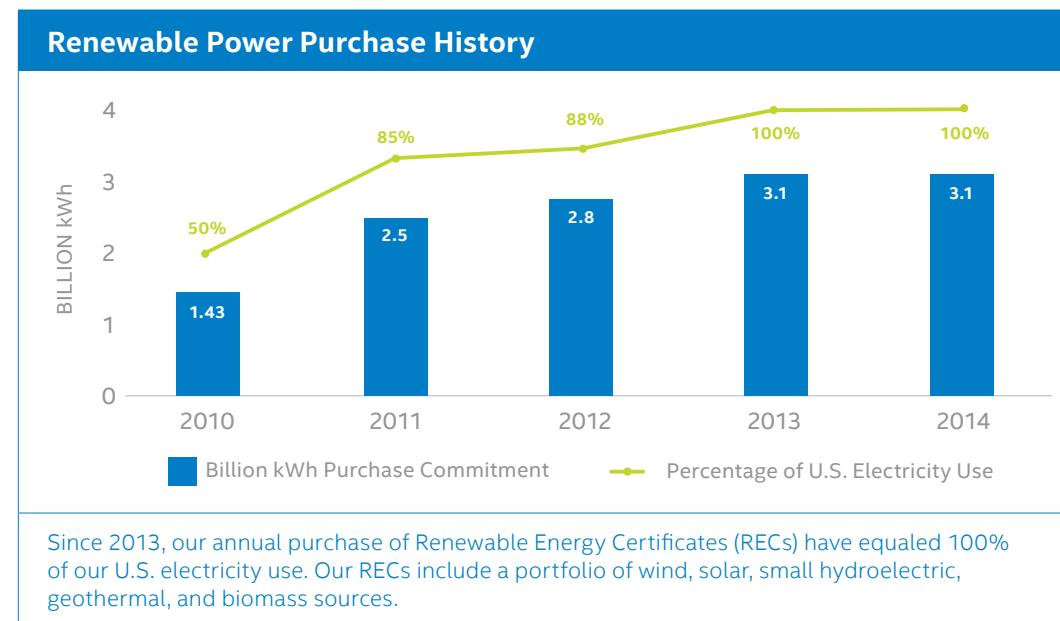
We have also piloted on-site wind micro-turbines and ground-source heat pumps at our site in Guadalajara, Mexico, and installed 2 megawatts of fuel cells in California.

**Electric Vehicle Charging Stations.** To support our employees who drive electric vehicles to work, we have approximately 75 electric vehicle charging stations at eight of our U.S. campuses.

75 CHARGING STATIONS  
8 U.S. CAMPUSES



<sup>2</sup> Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.



## Climate Leadership Activities and Advocacy

We believe that global climate change is a serious environmental, economic, and social challenge that warrants an equally serious response by governments and the private sector. Intel is fully engaged in shaping of public policy responses to climate change, both at the international level and in the countries and regions where we operate. Our engagement includes both unilateral activities as well as participation in several climate-focused organizations. We believe that climate policy should focus on waste emissions of greenhouse gases and that regulations should be designed to promote cost-effectiveness and technological innovation.

Intel focuses on reducing its own direct climate "footprint"—the emissions resulting from its own operations and its supply chain. We also focus on increasing our "handprint"—the ways in which our technologies and those of the ICT sector can help other sectors reduce their own footprints. On both the footprint and handprint sides of our climate equation, we collaborate with multiple stakeholders to address this serious challenge. Descriptions of some of these collaborations follow:

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**Code for Good.** In early 2014, in support of the President's Climate Data Initiative, Intel announced that it would join with local partners to sponsor several "hackathon" events focused on improving climate resilience. At the events, teams of engineering and computer science students, and others, were challenged to develop new software applications and tools related to climate change in the event host communities of Norfolk, Virginia and New Orleans, Louisiana.

**The Green Grid.** Intel serves on the board of [The Green Grid](#), a global consortium of companies dedicated to resource efficiency in business computing ecosystems. The Green Grid, founded in 2007, provides industry-wide recommendations on best practices, metrics, and technologies to improve overall data center resource efficiency. In 2014, we worked with the organization to define a [new framework](#) for measuring data center efficiency.

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

DESSC believes that governments can take many actions to encourage ICT-enabled energy efficiency, clean energy innovation, and sustainable growth. While policies will vary depending on national circumstances and cultures, the organization is focused on advancing policies that help drive sustainable economic growth through technology-enabled energy efficiency and clean energy innovation across every sector of the economy.

In addition to DESSC, Intel is an active participant in several other climate change-and energy efficiency-focused organizations. These include the International Climate Change Partnership, the [Center for Climate and Energy Solutions](#), and [Advanced Energy Economy](#). Our participation in these organizations is focused on helping to build a supportive policy environment for private sector leadership on climate change.

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

## Responsible Water Management

Focusing on responsible water management at our sites worldwide helps us meet our business needs as well as those of our communities.

Our commitment to water conservation and responsible water management is outlined in our [Water Policy](#), and we have drawn on external frameworks and research to complete detailed water footprint assessments for our operations. Our assessments show that the largest portion of our water use is from our direct operations and factories. As such, these are the areas where we have historically focused our water conservation investments and where we have achieved significant savings to date. The water associated with our energy use—referred to as the "energy-water nexus"—represents our second largest use of water. Estimated water use related to direct materials suppliers that provide the raw materials (such as chemicals, wafers, and gases) used in our manufacturing process represent the smallest portion of our operational water use.

Water and energy experts at our locations around the world help us research and manage opportunities to reduce consumption, such as incorporating water conservation elements into the design of our facilities and establishing specific water goals for new process technologies. In 2014, our absolute water use decreased by 4%, and our water use on a per unit basis decreased by 9%.

In 2014...

### ABSOLUTE WATER USE

DECREASED BY

4%

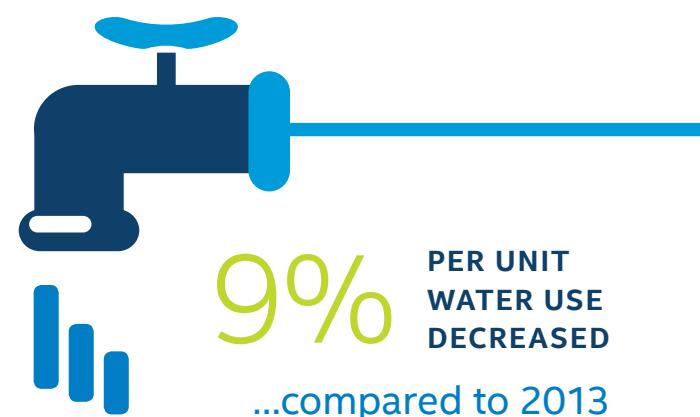


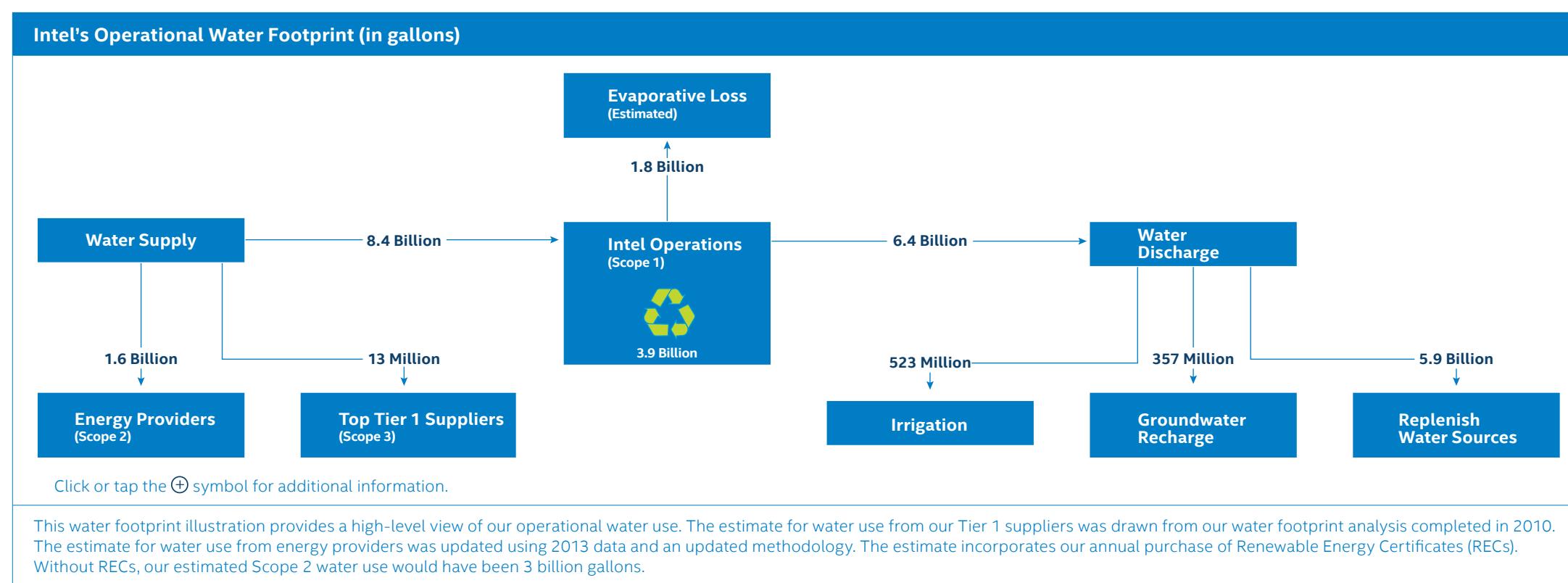
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## Conservation in Our Operations

Since 1998, we have invested more than \$220 million in water conservation programs at our global facilities. To date, our comprehensive and aggressive efforts have saved over 48 billion gallons of water—enough for roughly 470,000 U.S. homes for an entire year.<sup>3</sup>

Over time, we have been able to decrease the amount of water required to create the ultra-pure water (UPW) used to clean silicon wafers during fabrication. 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 2014, we internally recycled approximately 3.9 billion gallons of water, equivalent to about 47% of our total water withdrawals for the year.



<sup>3</sup> Equivalency estimate based on information from the U.S. Environmental Protection Agency Office of Water.

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## Water Discharge and Water Quality

Although our ultimate vision is to continuously reuse water in semiconductor manufacturing, we currently discharge water from our operations in compliance with local permits. Our water discharge methods vary by site, based on the needs of individual communities. At our facility in Chandler, Arizona, our wastewater is treated using a reverse osmosis process, and then used to replenish a local aquifer.

While we work with local water management agencies to determine appropriate solutions for each manufacturing location, our wastewater goals are based on the site with the most stringent standards. We complete comprehensive reviews for wastewater discharge based on a number of aspects, including but not limited to permit limits for our sites and municipal treatment plants, activated sludge inhibition criteria, and

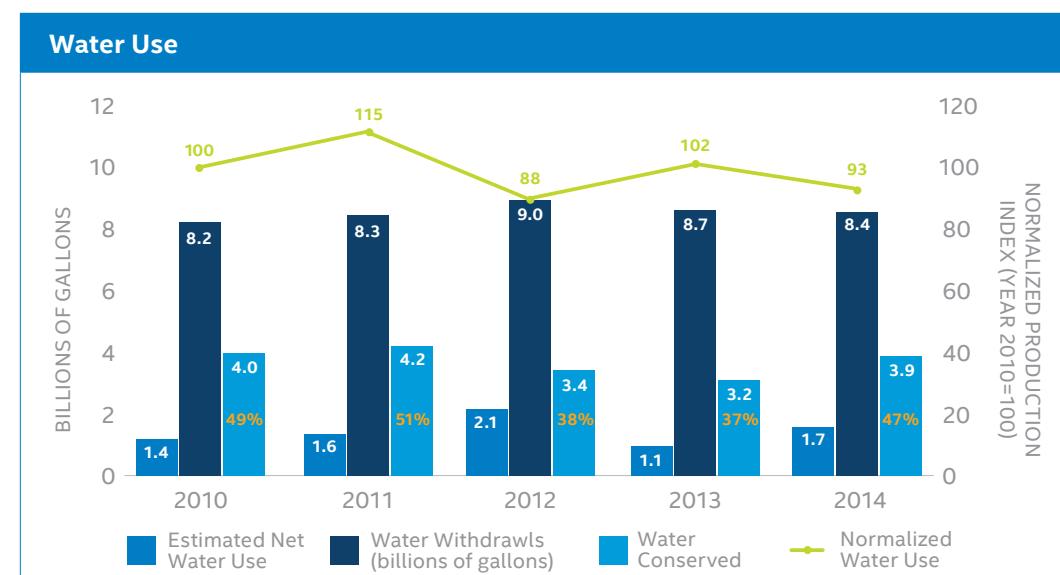
receiving-stream water quality. We use a number of key tenets derived from the U.S. Clean Water Act to guide our actions globally, including never causing pass-through or interference at local municipal treatment plants or impacting their ability to reuse their wastewater or sludge.

In 2014, we sent an estimated 6.4 billion gallons (or 77% of the water withdrawals at our sites) back to municipal water treatment operations, where it could be treated for reuse for irrigation or other purposes in the community or returned to the water source. The balance (roughly 20% of incoming supply, or 1.8 billion gallons) was lost to evaporation.

## Collaboration and Opportunity

To identify and share best practices, we regularly benchmark our performance on water use and reuse with other semiconductor companies. We have participated in environmental performance benchmarking activities with other members of the [World Semiconductor Council](#), the [Semiconductor Industry Association](#), and [SEMATECH](#). Benchmarking enables us to better understand how Intel compares to others in the semiconductor industry on water use. Over the past several years, we have also partnered with organizations such as the [Global Environmental Management Initiative](#) and [Project WET](#) on water-related tools and education.

In addition, we have partnered with [Quantis](#), an environmental life cycle assessment consultant, to analyze our water use, quality, and discharges. We expect that additional studies will help us prioritize future investments in water conservation and management systems.



The majority of the water we withdraw is returned to the local water system. Our net water use is much lower, as indicated above. Our absolute water withdrawals were down 4% and per unit water withdrawals were down 9% in 2014 compared to 2013. In 2014, we revised our water conservation data to include our water that is directly reused for purposes such as agriculture and irrigation.

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## Local Water Use Data

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

2014 Water Use by Manufacturing Location (Millions of Gallons)						
Location		Water Withdrawn	Water Discharged	Water Conserved	Evaporation Loss	Primary Water Source <sup>1</sup>
<b>China</b>	Chengdu	99	80	29	20	Fuhe River
	Dalian	265	236	97	29	Biliu and Yingna Rivers
<b>Costa Rica</b>	San Jose	97	82	0	15	Colima Superior Aquifer
<b>India</b>	Bangalore	20	8	5	12	Kabini River
<b>Ireland</b>	Leixlip	858	790	111	68	River Liffey
<b>Israel</b>	Jerusalem	24	16	16	9	Lake Kinneret, Coastal Aquifer, Mountain Aquifer (Yarkon-Tinim), and local desalination plant
	Qiryat Gat	606	507	717	99	
<b>Malaysia</b>	Kulim	207	114	37	93	Muda River
	Penang	191	100	1	91	
<b>United States</b>	Chandler	370	193	60	178	Salt and Verde Rivers, local aquifer <sup>2</sup>
	Ocotillo	1,988	1,366	1,801	499	
	Folsom	87	27	0	60	
	Santa Clara	48	25	7	23	
	Hudson	154	128	82	26	Assabet River Basin Aquifer
	Rio Rancho	911	795	422	116	Santa Fe Aquifer
	Aloha	255	186	7	69	Tualatin River
	Ronler Acres	2,087	1,739	518	348	
<b>Vietnam</b>	Ho Chi Minh City	67	20	10	47	Dong Nai River

<sup>1</sup> For each water source, our 2014 water use did not exceed 5% of that source. All water sources are provided by municipal water providers, with the exception of our New Mexico facility, which uses on-site well water.

<sup>2</sup> In addition to fresh water used at the site, we used gray water from the local municipal water treatment facility, further reducing our use of fresh water.

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## Waste: Reduce, Reuse, Recycle

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

In 2014, we began reporting our waste generation in terms of non-hazardous waste and hazardous waste, a shift from prior reporting on solid and chemical waste. Hazardous waste includes waste with certain attributes defined as hazardous by country-level regulations; other waste—such as plastics, metal, organics, and paper—falls into the non-hazardous waste category. This reporting is consistent with how other technology and semiconductor manufacturers report their waste generation and disposal. We have revised our historical data and 2020 environmental goals to reflect this reporting change.

### Non-Hazardous Waste

We believe that we are on track to achieve our 2020 goal to recycle 90% of our non-hazardous waste worldwide. We have implemented several programs to reduce, reuse, and recycle this waste resulting from construction activities and other Intel operations, including donating materials to schools and nonprofits.

In 2014, non-hazardous waste generated decreased 22% compared to 2013 levels, due primarily to the completion of the construction of manufacturing facilities. In 2014, our global non-hazardous waste recycle rate was 86%, down from 89% in 2013. Several sites, including our facilities in Ireland; Bangalore, India; and Shanghai, China achieved recycling rates of 95-100%. We are working to share best practices among sites to raise our recycling rates worldwide.

### Hazardous Waste

In 2014, we continued to recycle a high percentage of our hazardous waste. However, hazardous waste generated has risen both on an absolute and per unit basis due to the increasing complexity of our manufacturing processes.

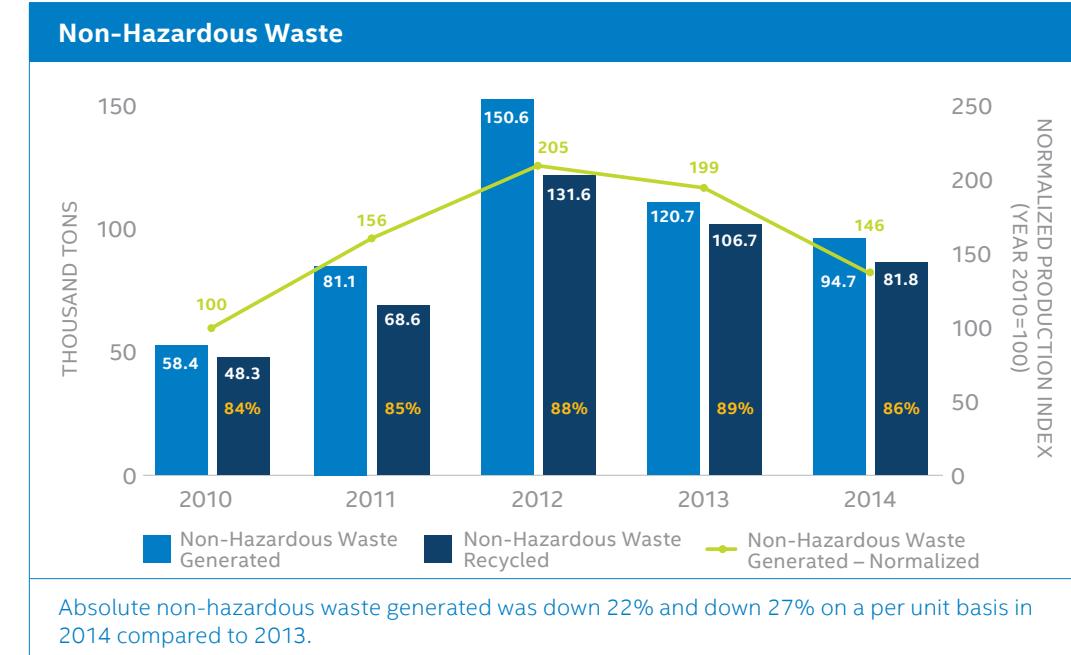
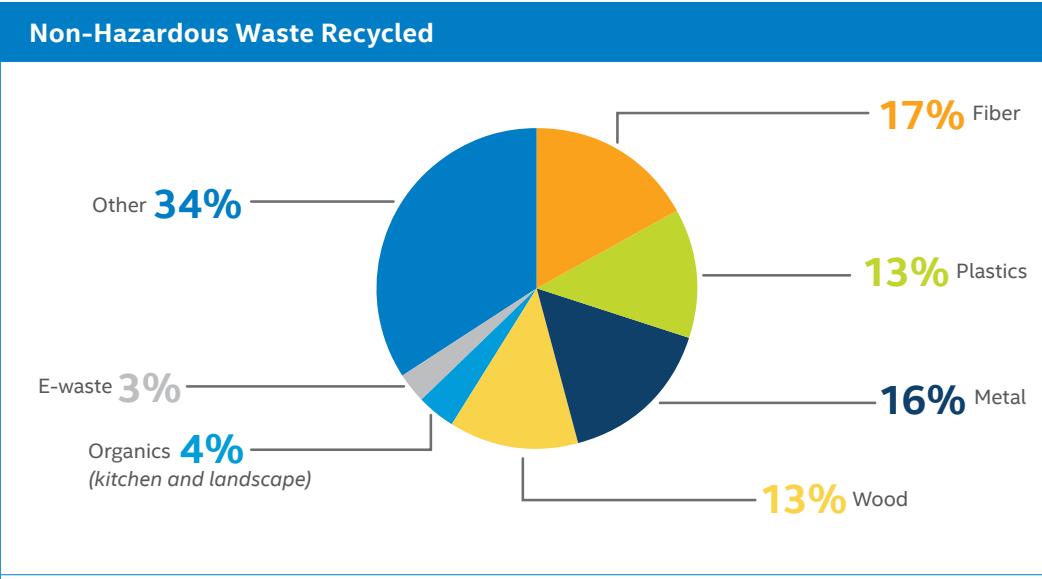


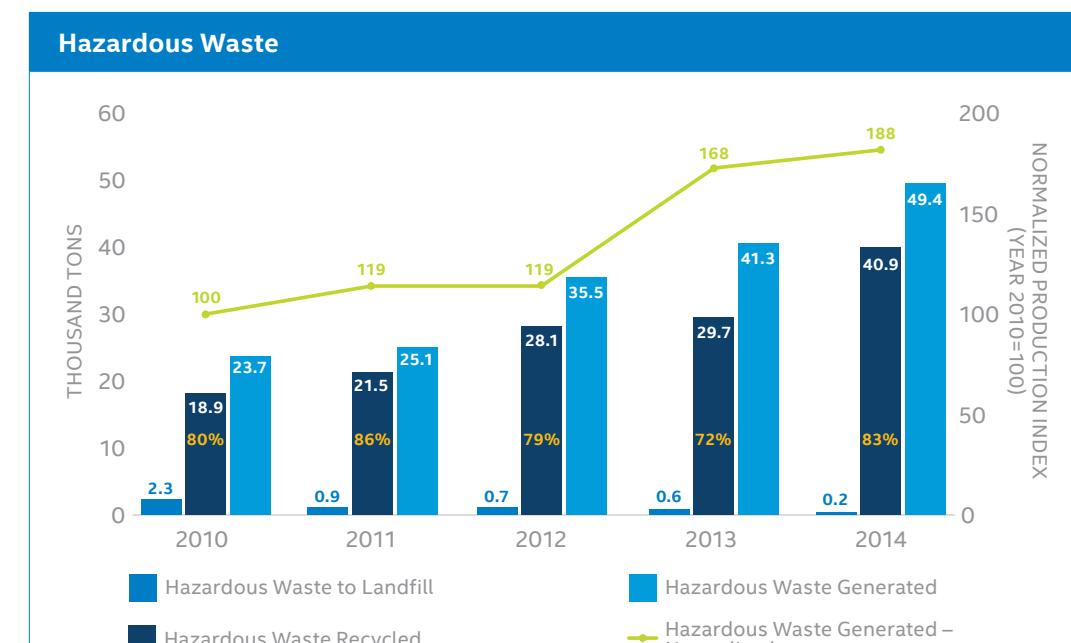
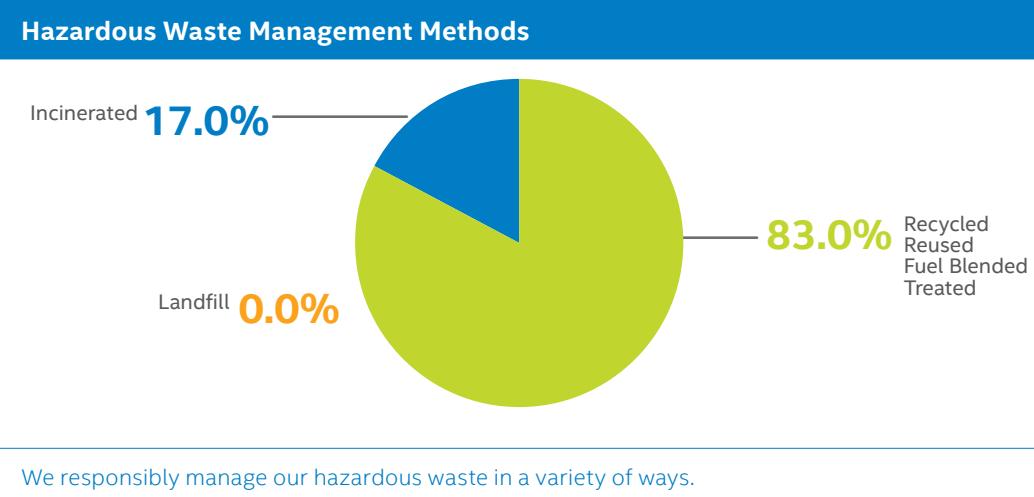
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One of our goals has been to reduce hazardous waste generation by 10% on a per unit basis by 2020 from 2010 levels and to achieve zero hazardous waste to landfill by 2020. Multiple groups across Intel are working to identify innovative ways to treat or eliminate waste streams. For example, in 2013, an internal team identified an opportunity to convert one of our largest waste streams, an ammonia-based waste byproduct, into a reusable product for the fertilizer industry. In 2014, the initiative was fully implemented at all of our domestic sites that produce the waste stream. Currently, 98% of the ammonia-based waste stream is being reused, resulting in an estimated cost savings of more than \$2 million per year. The team is looking into expanding the initiative worldwide this year, as well as finding reuse opportunities for other waste streams.

Our leading-edge technology development continues to drive increasing complexity in our manufacturing processes. As such, based on our future projections of chemical use, it is unlikely that we will be able to meet our goal of reducing hazardous waste generation by 10% on a per unit basis by 2020. We therefore have decided to eliminate that goal. We will, however, continue to responsibly manage the hazardous waste we do generate, and minimize the amount sent to landfill.

"Green chemistry" involves designing chemical products and processes in ways that avoid the creation of toxics and waste. We have a goal to implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020. In 2014, we completed a green chemistry benchmarking effort, and developed the scope of pilot studies aimed at determining effective strategies for implementing green chemistry with our suppliers and into our existing processes and systems.

In 2015, engagement with our suppliers will focus on increasing awareness of how green chemistry concepts can be integrated into their businesses. At a broader cross-industry level, Intel is co-leading a project through the [International Electronics Manufacturing Initiative](#) (iNEMI) to evaluate chemical alternative assessment frameworks, methodologies, and tools in the electronics and semiconductor industries. In late 2015, iNEMI plans to release a reference document that offers guidance to electronics manufacturers around green chemistry best practices, assessments, and regulation. We believe that this initiative will help to drive a standard industry approach for green chemistry.



Absolute hazardous waste generated was up 20% and up 12% on a per unit basis in 2014 compared to 2013. In 2014, we sent 200 tons of hazardous waste to landfill.

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## Product Energy Efficiency and Product Ecology

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

### Improving Product Energy Efficiency

Transistors are the building blocks of the electronics industry, so the creation of more energy-efficient transistors leads to more energy-efficient computers. With each new generation of process technology, we can fit more transistors onto Intel processors, while also reducing the energy required to power them.

Moore's Law describes the pace of these trends, which—when combined with Intel® architecture and circuit design innovations—have enabled us to reduce the amount of energy consumed per transistor by a factor of approximately 1 million over the past 30 years. Our goal is to drive energy-efficient performance across all of our major product lines—from smartphone, tablet, and embedded processors to those used in laptops, desktops, and servers.

Using voltage regulators, deposition methods and conductor materials, and Advanced Encryption Standard algorithms, our researchers and engineers work from the bottom up to build energy efficiency into our products, and their results are impressive. In 2014, we unveiled details of the next-generation Intel® Xeon Phi™ processor, codenamed "Knights Landing," which will deliver up to three times the performance of the prior generation while using less energy. Similarly, the Intel® Core™ M processor and platform, launched in September 2014, boast reductions to a power-sipping 4.5 watts for up to 20% longer battery life on active workloads and double the battery life versus a 4-year-old PC.<sup>4</sup>

Compared to our nearest competitor, we estimate that we have about a 2-year process technology lead and about a 3.5-year lead in introducing revolutionary transistor technologies such as strained silicon, High-K Metal Gate, and Tri-Gate into high-volume manufacturing. This technology lead allows us to build products that are faster, better, and in many cases, more energy-efficient than previous generations. Visit our [Performance Benchmark Library](#) web site for details on specific products.

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

We are committed to helping our customers lower the energy costs associated with their computing and data center needs. Intel has pioneered a diverse set of hardware and software technologies that help measure and optimize energy use in computers and data centers. The [Intel® Node Manager](#) and [Intel® Datacenter Manager: Energy Director](#) allow IT managers to monitor the energy consumption of their servers, potentially resulting in increased rack density and lower power consumption.

We have also committed to increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels. We are working closely with industry partners to achieve this goal, which is dependent on battery life and capacity, and other hardware components for notebook computers. In data center products, we are working to increase performance while reducing overall energy needs of our Intel® Server products.

<sup>4</sup> Intel Core M battery life tested vs. 4th generation Intel® Core™ processor-based platforms – 11.6" panel; 19x10; 200 nits; 35 W·h battery; SSD; 4 GB memory. Results have been estimated based on internal Intel analysis and are provided for informational purposes only. Any difference in system hardware or software design or configuration may affect actual performance.

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## Product Ecology

We evaluate the environmental impact of the materials used in our processes and work with others on responsible management of electronic waste (e-waste).

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

We also have a goal to implement an enhanced "green" chemistry screening and selection process for 100% of new chemicals and gases by 2020. For information on our progress toward this goal, see "[Hazardous Waste](#)" earlier in this section.

The Electronic Product Environmental Assessment Tool (EPEAT\*) is a rating system designed to help purchasers in the public and private sector evaluate, compare, and select laptops, desktops, and monitors based on environmental attributes. We provide information to channel partners and customers about EPEAT through our [Intel® Reseller Center](#) web site.

## Electronic Waste

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

Many regulations govern the management of e-waste globally. For example, the EU Waste Electrical and Electronic Equipment ([WEEE](#)) Directive requires producers of certain electrical and electronic equipment to develop programs that allow consumers



## CALCULATING SCOPE 3 EMISSIONS: USE OF PRODUCTS AND SERVICES SOLD

As part of our carbon footprinting efforts, Intel has estimated that the total energy used in a year by average Intel® processors in servers and desktop and notebook computers sold in 2014 was 2,884,000 metric tons of CO<sub>2</sub> equivalent. This figure represents 2014 emissions from products sold in 2014, calculated using the U.S. Energy Star® typical energy consumption model for computing products, and the Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard. The lifetime emissions associated with these processors is 10,652,000 metric tons of CO<sub>2</sub> equivalent. For detailed information on our Scope 3 emissions, download our most recent CDP disclosure from the [CDP web site](#).

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to return products for recycling. Many of our products—including motherboards, microprocessors, and other components—are usually within the scope of e-waste laws only when they are incorporated into a final product, generally by an OEM. In some countries, our distributors provide recycling options for products covered by these e-waste laws.

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

We also provide a simple, environmentally friendly, and complimentary way for our customers to return aged and unwanted Intel product samples on our [Samples Recycling](#) web site.

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## Applying Technology to Environmental Challenges

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.

Nearly all segments of industry are in the process of transforming their energy management and IT practices to achieve new levels of energy efficiency and sustainability. Intel continues to explore opportunities to design and deliver new technologies to address environmental challenges, including developing more energy-efficient production and transportation systems, and applying IT to help measure (sense), model (analyze), and manage (control) energy and natural resources more efficiently.

Intel Labs has a number of programs underway that are focused on improving energy efficiency and reducing climate emissions, including researching and developing future Intel products that are even more energy efficient. For example, a focus on sustainable cities has led to the development of “living labs” in London, U.K. and Dublin, Ireland.

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

**Intel Energy and Sustainability Lab (Intel ESL).** Based at our Ireland site, Intel ESL drives our research agenda in the application of IT to enable a high-tech, low-carbon economy with strong alignment to the European Union’s 2020 sustainability goals.

The Intel ESL launched the [Intel Collaborative Research Institute](#) for Sustainable Connected Cities in 2012 in partnership with researchers from Imperial College London and University College London to drive the application of computing technologies to advance the social, economic, and environmental well-being of cities. In early 2014, Intel announced a collaboration with the City of Dublin, Ireland to test 200 smart-sensored “gateways” around the city. The sensors, which are based on Intel® Quark™ technology, will gather and monitor data on the environment, including air quality and noise. The data that is collected will be openly available.

**Next-Generation Factories.** Intel and Mitsubishi Electric are collaborating to advance factory automation using Internet of Things (IoT) connectivity and big data analytics. A pilot project at an Intel manufacturing site in Malaysia resulted in cost reductions, improved operational performance, and energy savings for a more sustainable society. The two companies expect to announce commercialization of the solution for use by other manufacturers in 2015.

**Smarter Cities.** Intel is collaborating with the city of San Jose, California, on a pilot project aimed at improving air quality, noise pollution, traffic flow, environmental sustainability, energy efficiency, and health for local residents. A network of sensors throughout the city will give San Jose citizens real-time, local data that can inform their personal decisions. The joint project was showcased in 2014 as part of the White House [SmartAmerica Challenge](#).

**Pecan Street.** Intel has also been working with Pecan Street Inc., a nonprofit consortium of universities, technology companies, and utility providers collaborating on testing, piloting, and commercializing smart grid technologies. One of the primary goals of Pecan Street is to drive new products, services, and economic opportunities in the area of consumer energy management. Intel® Galileo maker kits are being used to develop advanced sensors and data collection devices, and a proof of concept to deploy Intel® Distribution for Apache Hadoop\* software is helping speed the data analytics, processing, and visualization capabilities for the Pecan Street researchers. For more information, visit the Pecan Street web site, or [watch this video](#).

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## Performance Summary and Goals

In 2014, we took additional steps toward meeting our 2020 goals. We remained the largest voluntary purchaser of green power in the U.S., according to the U.S. EPA, made new investments in energy-saving projects in our operations, and continued to encourage our employees to take action around sustainability. We made progress on product energy efficiency and collaborated with others in our industry to drive more efficient computing and applications of technology to address the world's energy and sustainability challenges.

<b>Goals and Performance</b>		
<b>2020 Environmental Goals</b>		<b>2014 Performance</b>
Reduce direct greenhouse gas (GHG) emissions by 10% on a per unit basis <sup>1</sup> by 2020 from 2010 levels.		In 2014, our GHG emissions were down 22% on a per unit basis compared to 2010 levels, and with continued investment in emissions reducing initiatives, we believe we are on track to reach this goal. 
Reduce water use on a per unit basis below 2010 levels by 2020.		Our per unit water usage decreased by 9% in 2014 compared to 2013 levels, and with continued investments in water conservation, we believe we will be able to meet our 2020 goal. 
Achieve cumulative energy savings of 4 billion kWh from 2012 to 2020.		We continued to invest in energy conservation projects during 2014, investing \$30 million and achieving energy savings of 211 million kWh for a total cumulative energy savings of 1.6 billion kWh. Taking into account other planned investments, we are on track to reach our goal. 
Achieve zero hazardous waste to landfill by 2020.		In 2014, we sent 0% of our hazardous waste generated to landfill, and are on track toward achieving our 2020 goal. 
Achieve 90% non-hazardous waste recycle rate by 2020.		We recycled 86% of our non-hazardous waste generated in 2014, and are on track to meet our 2020 goal. 
Reduce hazardous waste generation by 10% on a per unit basis <sup>1</sup> by 2020 from 2010 levels.		Based on our calculations and projections, we do not believe we will be able to achieve our 2020 goal. We have decided to eliminate this goal, and focus on reducing the amount of hazardous waste we send to landfill. 
Implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020.		We continue to make progress toward our green chemistry screening and selection process for 100% of new chemicals and gases, and believe we will be able to achieve our 2020 goal. 
Design all new buildings to a minimum LEED* Silver certification between 2010 and 2020.		We successfully designed all new buildings to a minimum LEED* Silver certification, and have revised the goal to design all new buildings to a minimum LEED* Gold certification level between 2015 and 2020. 
Increase the energy efficiency of notebook computers and data center products 25x by 2020 from 2010 levels. <sup>2</sup>		We are working with industry partners to accomplish this aggressive goal, and believe we are on track to achieve it. 

 Achieved

 Partially Achieved or on Track

 Not Met

<sup>1</sup> Based on the number of die produced and made available for sale. <sup>2</sup> Data center energy efficiency is determined by server energy efficiency (as measured by SPECpower\_ssj2008 or equivalent publications and using a 2010 baseline of an E56xx series processor-based server platform) as well as technology adoption that raises overall data center work output (such as virtualization technology). Notebook computer energy efficiency is determined by average battery life, battery capacity, and number of recharge cycles of volume notebook computers in that model year.

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## Looking Ahead

In 2015, we will continue to work toward attaining our 2020 goals, placing a strong emphasis on reducing hazardous waste and driving higher levels of energy-efficient performance in our products. We will also continue our collaborations with external organizations on sustainability issues, particularly in identifying the role that ICT can play in addressing global environmental challenges.

## Compliance Information and Reporting

In 2014, we continued to maintain our comprehensive, corporate-wide environmental, health, and safety (EHS) compliance assurance program. In addition to third-party audits completed to maintain our ISO 14001 and OHSAS 18001 multi-site certifications, our site operations conducted EHS program self-assessments to validate site-level EHS compliance.

The self-assessments form the backbone of our site-driven compliance checks and improvements. They cover compliance points in all EHS functions across a broad range of regulations and standards. Self-assessments include reviews of environmental performance, site health and safety performance, ergonomics, and health and well-being programs.

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

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

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

EHS officials from various regulatory agencies regularly visit our sites. In 2014, officials made 108 visits (including audits and inspections) to Intel sites across the globe. Intel received two environmental-related Notices of Violation (NOVs) and two health and safety-related NOVs in 2014. Details on these NOVs are provided on the next page. Three of these four NOVs did not have any fines or penalties associated with them. Corrective actions were put in place and tracked to completion for all identified concerns.

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

	2010	2011	2012	2013	2014
Number of NOVs	2	5	5	7	4
Fines or Fees	\$27,400	\$675	\$500	\$2,500	\$143,000

Details on these NOVs are available in our previous Corporate Responsibility Reports, which are posted on our [Corporate Responsibility Report](#) web site.

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<b>2014 Environmental Inspections and Compliance</b>			
<b>Location</b>	<b>Violation</b>	<b>Fine</b>	<b>Intel's Corrective Action</b>
<b>Hillsboro, Oregon</b>	As new greenhouse gas regulations took effect in the U.S. requiring us to re-permit our manufacturing site in Oregon, we identified that we had inadvertently made permitting mistakes in our emissions reporting. We promptly self-reported the information to the local regulatory agency, the Oregon Department of Environmental Quality (ODEQ). The ODEQ issued an NOV for failure to notify ODEQ of fluorides emissions, failure to incorporate fluorides in the existing permit, and beginning construction at the Ronler Acres campus without proper approval.	\$143,000	We cooperated fully with the ODEQ to correct the matter; we paid the \$143,000 civil penalty, tested and measured fluoride emissions, submitted the proper construction permit application, and posted fluoride emission information on our <a href="#">ExploreIntel.com</a> web site. We are also working with community members to share updates in a timely and transparent manner.
<b>Santa Clara, California</b>	The Santa Clara non-point source inspector issued an NOV for findings related to storm water monitoring and discharge during an annual inspection.	None	We addressed the findings and the case was closed.
<b>Santa Clara, California</b>	The California Deputy Fire Marshal inspector issued a safety-related NOV for missing fire system inspection elements.	None	We addressed the findings with the fire marshal and are also working with our on-site suppliers to ensure that the correct processes are in place for proper inspection and maintenance of all fire systems. The fire marshal has closed the NOV.
<b>Zizhu, China</b>	The local police bureau inspector issued a safety-related NOV for findings related to evacuation route management.	None	We addressed the findings and the case was closed.
Intel received two environmental-related Notice of Violation (NOVs) and two health and safety-related NOVs in 2014.			

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# INSPIRING THE NEXT GENERATION

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



Over the past decade, Intel and the Intel Foundation have invested more than \$1 billion in programs to improve education around the world.

The Intel® She Will Connect program, launched in Sub-Saharan Africa, aims to connect millions of women to new opportunities by closing the Internet gender gap.

To help inspire students to become innovators, in 2014 Intel donated 43,000 Intel® Galileo development boards to 1,900 universities worldwide.

Through the Intel® 1Mx15 Health Program, we have helped provide training to 1 million healthcare workers across China, Ghana, Kenya, Nigeria, Sri Lanka, Tanzania, and other countries.

In 2014, 39% of our employees volunteered 1.25 million hours in 38 countries around the world, at an estimated value of \$28.8 million.

Access the [Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

## Key Section Links

[Performance Summary and Goals](#)

[Intel® Education](#)

[Intel Foundation](#)

[Intel in Your Community](#)

[Intel Programs for Girls and Women](#)

[Intel Across Healthcare](#)

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## Management Approach

Harnessing technology expertise and the talents of our employees, we partner with like-minded organizations on social initiatives that improve lives around the world.

### Social Impact and Business Value

Our investments and engagement around social issues generate significant value for Intel<sup>1</sup> and our stakeholders. The constructive relationships and trust that we build with governments, neighbors, schools, and other community members help create a positive business environment for Intel. In addition, engaging our employees in meaningful volunteer experiences positively impacts their satisfaction and pride, and helps us attract and retain talented people.

Intel's investments in education expand opportunities for young people while also benefiting the company. Our 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. Applications of technology in education also create market opportunities for Intel.

Our education programs support our long-term corporate diversity objectives by encouraging girls, women, and students in underserved communities to pursue careers in science, technology, engineering, and math. Closing the gender gaps in education and technology has important benefits for our business, as it expands our talent pipeline and creates educated consumers.

We also recognize that entrepreneurship is a core driver of a country's sustainable growth. Our initiatives in this area seek to increase individual employability, drive innovation, and accelerate economic growth with a focus on computing technology.

Intel's financial and in-kind support—as well as volunteerism by our employees—enables governments, non-governmental organizations (NGOs), and educators to reach their goals more effectively. The net result is shared social value that ranges

<sup>1</sup> References to "Intel" throughout this section refer to Intel Corporation, not the Intel Foundation.

2014 Total Contributions (in millions)				
	Corporate Cash	Foundation Cash	In-Kind Giving	Total
United States	\$31.2	\$28.0	\$1.2	\$60.4
International	\$22.8	\$11.1	\$8.0	\$41.9
<b>Total</b>	<b>\$54.0</b>	<b>\$39.1</b>	<b>\$9.2</b>	<b>\$102.3</b>
<b>Total Giving as a Percentage of Pre-Tax Net Income</b>		<b>0.65%</b>		
Over the past five years, charitable giving by Intel and the Intel Foundation totaled \$535.9 million, representing on average 0.7% of annual pre-tax net income.				

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.

Funding for our social impact activities comes from both Intel and the Intel Foundation<sup>2</sup> and is aligned with our strategic focus areas of education and supporting local community needs. Strategic giving includes charitable giving (cash and in-kind) as well as investments in other initiatives, such as programs that empower employee giving and service, and applications of technology to create positive impact. We collaborate with external organizations, leveraging additional giving and resources to further scale our initiatives. We are committed to harnessing drivers of our own corporate success to advance economic empowerment worldwide, while also benefiting our business.

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

<sup>2</sup> Through local and national grants, the Intel Foundation—funded solely with Intel Corporation donations—works to fuel classroom innovation and student interest in math, science, engineering, and entrepreneurship; empower women and underserved youth; and enable university education and research. The Foundation also supports Intel employees' generosity and passion for volunteerism by matching grants for service, community giving, and disaster relief programs. For more information, visit the [Intel Foundation](#) web site.

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## Stories of Impact from Around the Globe:



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## Education Transformation

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

As a technology innovator and manufacturer of some of the most complex products in the world, Intel has developed decision-making practices and problem-solving capabilities that are helping improve education worldwide. To maximize impact, we leverage our core competencies in collaborations with universities, other companies, development agencies, multilateral organizations, governments, nonprofits, and others who share our vision. Intel has led over 300 programs in more than 100 countries to provide professional development for teachers; support student achievements in science, technology, engineering, and math (STEM); enable access to relevant, local digitized content; and more. Visit the [Intel® Education](#) web site for additional information.

## Teacher Professional Learning

Intel firmly believes that teachers play a central role in moving education forward. We are committed to enabling and strengthening professional development and teacher readiness—critical success factors for education reform and transformation. By using technology to help teachers cultivate skills needed in the global economy, Intel seeks to benefit students, companies, and society at large. We deliver professional learning resources that help educators improve learning outcomes, prepare students for today's world, and become better teachers.

Since 1999, the Intel® Teach Program has helped more than 15 million teachers in over 70 countries integrate technology and create active learning environments in their classrooms. Through face-to-face instruction and [Intel® Teach Elements](#) online lessons, K-12 educators learn to develop materials and activities designed to engage their students with self-directed, project-based learning. The program's free online resources,

tools, and course offerings on topics such as critical thinking and collaboration in the digital classroom are available in 24 languages. To view survey results, evaluations, reports, and case studies about Intel Teach, visit the [Intel Education-Evaluations](#) web site.

In addition, the [Intel Teachers Engage](#) online global community enables educators to connect with each other and share ideas and strategies to transform K-12 classrooms through the effective use of technology. More than 170,000 members from nine Intel local language communities represent over 50 countries.

Intel also hosts the Intel International Science and Engineering Fair 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. At the academy, participants create action plans to address strategic education challenges, combining desired outcomes with timelines, measurable goals, and success criteria.

[Intel® Education Software](#) offers a comprehensive suite of applications that help teachers facilitate learning and efficiently manage their classrooms, while also enabling Information Technology departments to protect students and manage infrastructure. The applications encourage students to explore and interpret as they develop key skills such as critical thinking and problem-solving, creativity and innovation, communication, and collaboration.

## Science, Technology, Engineering, and Mathematics

As key drivers of innovation, STEM disciplines are critical in the complex and competitive knowledge economy. Unfortunately, it is widely acknowledged that many countries around the world suffer from low achievement and low interest in STEM subjects and STEM-related careers.

Intel has a vested interest in strengthening the STEM talent pipeline to improve the current trends in STEM education. Finding enough qualified candidates for Intel job openings remains a daunting challenge, underscoring the economic imperative to resolve the STEM skills gap in the U.S. and other parts of the world. On the next page are a few of the ways Intel is addressing the problem.

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**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](#), which are both programs of [Society for Science & the Public](#). In 2014, Intel ISEF, the world's largest pre-college science competition, brought together more than 1,600 young scientists from 70 countries, regions, and territories. Nathan Han, a 15-year-old from Boston, won the top Intel ISEF \$75,000 Gordon E. Moore Award for creating a machine learning software tool to detect cancer-causing gene mutations.

The Intel Science Talent Search (Intel STS), the oldest and most prestigious pre-college science competition in the U.S., provides an opportunity for high school seniors to complete an original research project and have it judged by highly regarded scientists. Eric Chen, a 17-year-old from San Diego, won the top award of \$100,000 at the 2014 Intel STS for his interdisciplinary research on potential new drugs to treat influenza. Top award money for Intel STS will triple starting with the 2015 competition, from one \$100,000 top prize, to three Medal of Distinction awards of \$150,000 each. Since assuming title sponsorship of the contest in 1998, Intel has increased the competition's annual awards and scholarships from \$205,000 to more than \$1.6 million to acknowledge and encourage science and math achievements.

In addition, Intel and the Intel Foundation support local and regional science competitions like the [China Adolescents Science and Technology Innovation Contest](#), the largest science competition in China for grades 1-12 youth and science teachers. For more information on our education competitions, visit the [Intel® Education—Science, Math, and Technology Competitions](#) web site.

**Intel Computer Clubhouse Network.** The [Intel Computer Clubhouse Network](#) is a community-based, after-school education program operated by the Boston Museum of Science in collaboration with the MIT Media Lab. Computer Clubhouses offer an environment of trust and respect where young people can develop technological fluency and collaborative work skills. The community of 100 clubhouses in 20 countries around the world reaches 25,000 youth each year.

## Higher Education

Intel and the Intel Foundation support university programs that advance research and education in microprocessor technology, high-volume manufacturing, computer science, and other disciplines critical to our industry. Intel® Higher Education Programs, funded by Intel, interact with more than 80 universities around the world through curricula, student support programs, and research projects.

Our support of universities includes grants, [curriculum gifts](#), equipment donations, fellowships, scholarships, and internships. Intel's support also includes funding for larger scale [university research labs](#), such as Intel Science and Technology Centers at several universities in the U.S., as well as Intel Collaborative Research Institutes in the U.K., Germany, and Israel.

To further spur innovation across the entire computing spectrum, in 2013 we announced that we would provide 50,000 Intel® Galileo development boards featuring Intel® Quark™ technology to universities worldwide. The development boards, in the Arduino form factor favored by the maker community, enable university students to innovate at the lower end of the spectrum with inventions that will be compatible with other Intel® architecture-based devices in the Internet of Things. By the end of 2014, we had shipped more than 43,000 boards to over 1,900 universities globally. For more information, visit the [Intel Galileo Development Board Opportunity](#) web site.

Nathan Han shares the experience of winning top honors at Intel ISEF 2014.

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## Empowering Girls and Women

We believe that education and Internet access are fundamental rights. Connecting to technology can open doors to a wealth of financial, health, and education resources that can dramatically expand opportunities and improve lives.

Today, millions of girls and women do not have educational opportunities or access to the Internet and technology. Through a collection of programs and partnerships, we are working to close the gender gap in education, inspiring more girls and women to become creators of technology, and connecting girls and women to opportunity through technology. Closing the gender gaps in education and technology also has important impacts for our business, as it expands our talent pipeline and creates educated consumers.

We are also committed to increasing the representation of women in technical and leadership roles in our own workforce and supply chain. For more information about our programs in these areas, see the [Caring for Our People](#) section of this report and "Supplier Diversity" in the [Supply Chain Responsibility](#) section of this report.

## Expanding Education Access

To help drive increased awareness and investment to expand education access for girls, in 2013 Intel became a founding strategic partner of Girl Rising, a film and global social action campaign. The Girl Rising campaign has cumulatively reached over 200 million people across the globe, with more than 10,000 film screenings, 5 billion media impressions, and 500 major articles. As part of the campaign, Intel employees have participated in more than 100 volunteer and screening events in over 30 countries.

In partnership with Girl Rising and UNESCO, Intel also released a new gender policy brief and toolkit in 2014 with materials that guide policymakers in workshops on gender equality in education and ICT. Intel has also helped bring the film to leading

policy forums, such as the World Bank, UNESCO, and the U.S. State Department. Intel is also part of Girl Rising: ENGAGE, a collaboration between Girl Rising, USAID, and other organizations working to deepen the impact of the campaign at a grassroots level in three countries through 2016. To learn more, visit the [Girl Rising](#) web site.

In early 2015, Intel supported the launch of the documentary series, "A Path Appears: Transforming Lives, Creating Opportunity," the follow-up to the powerful [Half the Sky](#) documentary. The new series examines difficult challenges faced by girls and women and highlights the need to expand education access for girls and the power of individuals to make a difference.

## Inspiring Girls and Women to Become Creators of Technology

For many years, Intel's education programs have been helping to improve educational opportunity for girls and women in STEM fields. In addition to providing scholarships and research fellowships, Intel and the Intel Foundation invest in many other programs and partnerships to inspire, engage, and retain more girls and women in technology and engineering fields. Such programs include competitions such as the Intel International Science and Engineering Fair and the Intel Science Talent Search, which attract significant numbers of female competitors, as well as programs specifically for girls, such as [Girls Who Code](#) and the [National Center for Women and Information Technology Aspire IT](#) program.

In 2014, Intel released a new report, "[MakeHers: Engaging Girls and Women in Technology through Making, Creating and Inventing](#)," which looks at the role of girls and women in the maker movement. Report findings suggest that girls involved with making, designing, and creating things with electronic tools may develop stronger interest and skills in computer science and engineering. As such, Intel supports maker programs aimed at building creative confidence in children through hands-on learning activities. For more information, visit the [Intel Maker](#) web site.

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## Connecting Women to Opportunity Through Technology

In response to the [Women and the Web Report](#) published by Intel in 2013 to provide greater insights into the Internet gender gap, Intel created the [Intel® She Will Connect program](#). Using an innovative combination of digital literacy training, online peer networks, and gender-relevant content, the program will help young women acquire or improve digital literacy skills and expand their understanding of the benefits of the Internet so that they can connect to new information and opportunities. The program is beginning in Sub-Saharan Africa, where the Internet gender gap is the greatest, with the goal of reaching 5 million women in the region.

During 2014, Intel worked to put in place foundational program elements, including the creation of a partner ecosystem of global and local NGOs and governments to support implementation and scaling. This included the launch of the Women and the Web Alliance which brings together Intel, USAID, NetHope, World Pulse, World Vision, UN Women, and Women in Technology in Nigeria to support activities to close the gender Internet gap in Kenya and Nigeria. Intel also began developing new technology training tools, including a first-of-its kind online learning platform to be launched in 2015, which innovates around the delivery of digital literacy training and skills application.

The Intel Foundation is also working with [Ashoka](#) to sponsor eight Ashoka Fellows who are using technology to solve social challenges faced by women. The fellows are working on social entrepreneurship programs in Brazil, India, Turkey, the U.S., Nigeria, Ireland, and Kenya on topics such as expanding banking access and mobile banking, connecting rural farmers to e-commerce opportunities, expanding technology skills for students through coding and hackathons, and increasing the number of women in STEM careers.

.....

Through the Intel® She Will Connect program and other digital empowerment initiatives, Intel is empowering millions of women to connect to a range of new opportunities through technology.

## Social Innovation and Entrepreneurship

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

We are passionate about fostering entrepreneurship in communities around the world and advancing innovation to address global challenges. To do so, we collaborate with governments, educators, NGOs, and industry to invest in programs and initiatives aimed at inspiring and providing education and critical skills for young entrepreneurs, so that they can address community issues and create sustainable enterprises. Descriptions of a few of these programs follow.

**Entrepreneurship curricula and university seminars.** Intel partners with educators and governments to develop curricula, training, workshops, and leadership seminars that encourage entrepreneurship teaching, culture, and learning. For example, the Intel® Learn Program provides opportunities for children in underserved communities to acquire technology literacy, problem-solving, critical thinking, collaboration, and entrepreneurship skills. The program extends learning beyond classrooms to informal environments in community centers. Intel Learn includes over 90 hours of project-based curricula designed to tap into children's interest in their communities. Since its launch in 2003, the program has reached more than 2 million learners in 20 countries.

The Intel Learn Easy Steps digital literacy course is designed for youth and adults in developing countries who have little or no computer experience. Participants learn basic skills that can prepare them to participate in the digital world and increase economic opportunities. The course is deployed through partnerships with NGOs and governments, and has reached more than 3.4 million learners in 35 countries over the past three years. For more information, visit the [Intel Learn](#) web site.

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**Entrepreneurship and business plan competitions.** Intel invests in local and regional business plan competitions to support entrepreneurship education and encourage young people to develop the skills they need to enter the workforce. The Intel Business Challenge Europe, for example, helps young people bring their business ideas to life through professional and entrepreneurial skills development. With the support of over 50 institutional partners, the 2014 program reached 2 million young people in 37 European countries.

The Intel® Global Challenge (IGC) technology entrepreneurship competition has also supported and promoted entrepreneurship in countries around the world for 10 years. The program, a collaborative effort between Intel and UC Berkeley, has given participants peer support, practical resources, and a means to gain exposure to venture capitalists, governments, NGOs, universities, and others. Although we continue to fund other entrepreneurship and business plan competitions, 2014 was the last year of the IGC program. For more information, visit the [Intel® Global Challenge](#) web site.

**Ideation workshops.** The Intel® Youth Enterprise Program helps high school and undergraduate students develop ideation and innovation skills by giving them opportunities to work on solving social problems. For more information, visit the [Intel Youth Enterprise Program](#) web site.

**Maker initiatives.** Intel is a founding sponsor of the [Maker Education Initiative](#) along with Maker Media, Pixar, and Cognizant. The initiative aims to create more opportunities for young people to develop confidence, creativity, and interest in STEM subjects, art, and learning as a whole through making.

Intel also drives its own [Start Making!](#) STEM initiative, which aims to build creative confidence and excitement in children through education around circuits, coding, and making. Through the program, deployed in conjunction with the Intel Computer Clubhouse Network, Intel introduces hands-on learning activities that can be replicated at home or in the classroom using readily available electronics kits, software tools, and everyday household materials. For more information, visit the [Intel Maker](#) web site.



As young scientists in training, the founders of Lab4U—winners of the 2014 Intel® Global Challenge—experienced firsthand the impact on learning when their classrooms lacked enough equipment for all students to gain hands-on experience. As a result, this Chilean startup develops technologies to turn cell phones into pocket-sized labs. Their design uses built-in mobile sensors to enable students to conduct experiments and a crowd-learning Web platform to prepare, analyze and share lab results. The goal: to improve science education and democratize science by delivering low-cost educational solutions.

**Make it wearable.** Intel launched the global [Make It Wearable](#) challenge in early 2014 to fuel innovation around wearable technologies. The contest featured expert mentorship, business development, and \$1.3 million in cash prizes, and was aimed at spurring young people to become entrepreneurs and inventors. The 2014 grand prize winner, Nixie, was awarded \$500,000 for developing the first wearable camera that can fly. The second prize winner, Open Bionics, won \$200,000 for using low-cost, high-efficiency 3-D printing and scanning to bring customized products to amputees. For more information, read the [press release](#).

Based on the success of the challenge, Intel will premier an expanded Make it Wearable program in late 2015.

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## Health and Life Sciences

With innovative thinking and people-centered research, Intel leads the industry to deliver better experiences for patients and those who care for them.

Intel technology provides a computing foundation to help move healthcare into a new era of improved quality, affordability, and access for billions of people worldwide. Our life sciences team works with leading global institutions to accelerate the benefits of precision medicine by enabling secure and more rapid sequencing and analysis of massive amounts of genetic data.

### Healthcare Technology Solutions and Collaborations

Intel® architecture delivers performance, security, and seamless experiences that allow people to collaborate for better health. Our range of hardware-assisted security technologies helps protect personal health information and enables healthcare organizations to maximize data sharing via public, private, and hybrid clouds.

Working with leading research centers such as the [Broad Institute](#), the [Francis Crick Institute](#), and the [Oregon Health & Science University](#), Intel has innovated next-generation software to speed up human genome sequencing and analysis to give researchers and doctors faster access to information that can be used for precision medicine treatments for people battling aggressive forms of cancer. So far, these collaborations have led to performance improvements of as much as 970x.<sup>3</sup> We envision that by 2020, we'll be able to enable a technology solution that can sequence a cancer patient's genome, identify the specific genes behind his or her cancer, and prescribe a personalized treatment regimen designed to block the spread of cancer cells, all in one day. Currently, this process can take a month or more at leading cancer centers.

Intel has also worked with the [Michael J. Fox Foundation](#) on innovative studies using wearable sensors and big data analytics to study Parkinson's disease. The

technology captures 300 measurements per second to help researchers better understand how symptoms such as tremors may be associated with other factors such as medication changes.

As computing technology increasingly enables treatments individualized for patients, it becomes more essential to rethink some of the laws and regulations governing genetic information. Intel has partnered with the [Biotechnology Industry Organization](#), the [European Alliance for Personalised Medicine](#), and the [Bipartisan Policy Center](#) to identify and address issues of data sharing, privacy, consent, reimbursement, and technology standards that must be resolved to accelerate the use of genomics for diagnosis and treatment.

### Global Initiatives and Alliances

The Intel® 1Mx15 Health Program is a multi-year commitment Intel made to the United Nations to enable technology access to 1 million healthcare workers in developing countries by 2015. This goal was achieved in 2014, with workers receiving health training via PCs and tablets across China, Ghana, Kenya, Nigeria, Sri Lanka, Tanzania, and other countries.

In Ghana, Intel provided technical support for a Ministry of Health-sponsored eLearning platform in midwifery schools. Nine eLearning course modules, funded by the [UN Population Fund](#), were developed by [Jhpiego](#), a non-profit affiliated with Johns Hopkins University. As a result, Jhpiego was authorized to extend technology capability across all 55 midwifery schools in the country.

In 2015, we are partnering with [Futures Group International](#), a key USAID and U.K. Department for International Development implementing partner, as well as [Ebix A.D.A.M.](#), a pioneering healthcare software and content provider, to strengthen and extend the use of this platform into the future.

Intel has also continued to invest in consumer wellness ecosystem development, including the Continua Health Alliance for health device interoperability and the Dossia Health Management System, a holistic wellness solution for health records management. For more information, visit the [Intel Health and Life Sciences](#) web site.

<sup>3</sup> Optimization on the pairHMM kernel within the Broad Institute's Genome Analysis Tool Kit\* HaplotypeCaller\* using 24 cores. Visit our [Genome Analysis Tool Kit\\*](#) web site for more information.

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## Empowering Our People

One of Intel's strategic focuses is to cultivate a workplace where employees can thrive on the job and in their communities.

Our employees give generously of their time, skills, and technology expertise, donating more than 5.85 million hours of service over the past five years. Read about some of our employees' 2014 volunteer efforts in the "[Stories of Impact From Across the Globe map](#)" earlier in this section.

### Employee Giving

Every year, we are inspired by the generosity of our employees, who, in addition to volunteering their time, contribute to food, clothing, school supplies, 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 \$7.5 million) with Intel Foundation funds to the United Way. The 2014 campaign generated close to \$15.9 million in employee and retiree donations. With the Intel Foundation match, the total contribution was more than \$23.4 million. Intel's is one of the largest United Way corporate campaigns in the U.S., and we have received numerous recognitions from local United Way organizations for our commitment.

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

### Intel Involved and Skills-Based Volunteering

Our global corporate volunteer program, Intel Involved, identifies opportunities for individual volunteers and organizes team projects. Our employees generously donate their energy and professional skills to tackle environmental challenges, improve education, and help meet other community needs. In recent years, our employees

### 2014 Volunteerism by the Numbers

Number of hours	1.25
Number of countries	38
Percentage of employees who volunteered	39%
Schools or nonprofits benefiting from the program	5,400
Total dollar match under Intel Involved Matching Grant Program	\$8.5 million
Estimated in-kind value of volunteer hours <sup>1</sup>	\$28.8 million

For historical volunteer data and goals, download the [Report Data File](#) on the [Report Builder](#) web site.

<sup>1</sup>Based on the 2014 Value of Volunteer Time rate of \$23.07 per hour, published by Independent Sector.

have increasingly found opportunities to donate the skills that they have honed at Intel—providing legal, human resources, marketing, finance, and IT expertise to schools, nonprofits, and NGOs. During 2014, employees logged an estimated 234,000 hours of skills-based volunteerism. We believe that the impact of these hours is particularly significant, in part because the services provided are those for which schools and nonprofits would have to pay higher rates in the marketplace. Our Legal team, for example, donated over 6,300 hours in 2014, estimated to be valued at \$1.5 million.<sup>4</sup>

Our internal research also demonstrates the business value of employees who are engaged in our Intel Involved volunteer program. In 2014, we aligned several questions in our annual volunteer impact survey with our company-wide Organizational Health Survey, and compared the responses of those who volunteered with those who did not. After controlling for the effects of employee age, length of service, gender, ethnicity, employment status, job type, and employees' most recent performance review, we found that employees who volunteered through Intel Involved reported higher levels of commitment to Intel than those who did not volunteer.

<sup>4</sup> Based on a \$250 per-hour rate from CECP and the Taproot Foundation.

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Through the Intel Involved Matching Grant Program (IIMGP), the Intel Foundation extends the impact of volunteerism by donating cash to qualified nonprofits and schools where Intel employees and retirees donate at least 20 hours of service in a year. In 2014, the Intel Foundation paid out more than \$8.2 million in matching grants for schools and nonprofits, bringing total contributions to \$42.2 million over the past five years.

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

**Intel Education Service Corps (IESC).** The IESC program harnesses our employees' enthusiasm for volunteerism while advancing Intel's commitment to connect people to their potential through technology solutions in education, health, agriculture, and other applications. IESC volunteers train for at least a month, and then travel to developing countries to help deploy Intel-based technology, train end users, support ecosystems, and bring back insights from the field. In the process, they help Intel build loyalty with ministries of education and other customers and partners.

Since 2009, IESC volunteers have donated skilled labor worth \$8.1 million to 79 projects in 21 countries.<sup>5</sup> They have helped deploy more than 3,800 devices at 400 schools, orphanages, community centers, mobile labs, and other locations, and have directly trained 1,500 teachers and 12,800 students. We estimate that another 2,400 teachers and 89,000 students have benefited indirectly from their support.

**Intel Involved Matching Seed Grants Program.** Employees can apply for funding from the Intel Foundation to launch their own creative volunteer initiatives. The Intel Foundation awards grants of up to \$5,000 to underwrite selected employee-initiated community service projects. Projects are selected based on their originality, potential impact, and expected outcomes. In 2014, 22 grants were awarded to projects in 12 countries. Employee projects included launching an after-school Young Makers Club in Oregon, planting an urban forest in India, and creating a mobile science education lab in Russia.

**Intel Involved Hero Award Program.** We extend the impact of Intel volunteers' efforts and recognize their extraordinary achievements and impact through this award. The annual overall winner of this honor earns a \$10,000 Intel Foundation grant for his or her favorite school or nonprofit and is recognized at Intel's highest level recognition event, the Intel Achievement Award banquet. The 2014 winner was Greg Lewis, who has spent every Saturday for eight years leading a STEM program for middle-school kids from underprivileged backgrounds. He also coordinates a scholars program that guides high school students through the college admission and financial aid process. His commitment and guidance have enabled hundreds of students to develop the skills and confidence to excel in school and pursue their dreams of going to college.

**Intel Mentoring and Planning Services (MAPS).** Employees leverage their fine-tuned professional skills in process improvement, strategic planning, marketing, Lean\* principles, and risk management to help nonprofits and government agencies achieve operational excellence. In 2014, for example, the MAPS team built a new mobile-friendly, easy-to-use web site for a children's mental health center in Austin, Texas, saving the organization thousands of dollars in web developer fees.

**Sustainability in Action Grant Program.** This program provides funding and support for multidisciplinary teams of employees who initiate and carry out environmentally-focused service projects. In 2014, grants were awarded for employee projects related to solar power, water conservation, raising honeybees, promoting bike sharing, and more. For more information, see the [Caring for the Planet](#) section of this report.

**Intel Code for Good.** This program aims to tackle society's most pressing problems by connecting nonprofit organizations with software expertise. Code for Good volunteers—including students, Intel employees, and other software developers—work with nonprofit organizations to define and develop applications or web tools that otherwise might be challenging for a nonprofit to afford. For more information, visit the [Code for Good](#) web site.

<sup>5</sup> Based on a senior IT professional per-hour rate from the Taproot Foundation.

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## Performance Summary and Goals

In 2014, we continued to demonstrate our commitment to education transformation, inclusion and empowerment, entrepreneurship, and social innovation through our targeted programs and initiatives. We also continued to encourage our employees to give back to have a positive impact on the communities where we live and work.

<b>Goals and Performance</b>		
<b>2014 Goals</b>	<b>2014 Performance</b>	
Through the Intel® She Will Connect program, reduce the Internet gender gap by 50% in Sub-Saharan Africa by 2016.	In 2014, we began to develop key foundational elements of the program including the partner ecosystem and digital literacy training activities, and began work on a new online learning platform. Based on learnings and stakeholder input during the first year of the program, we decided to redesign certain program components to drive greater social impact and to extend the timeline for reaching our goal to 2020.	
Provide ICT training to 1 million healthcare workers in developing countries by the end of 2015 through the Intel World Ahead 1Mx15 Health Program.	We achieved our goal in 2014, reaching 1 million healthcare workers in China, Ghana, Kenya, Nigeria, Sri Lanka, and Tanzania.	

Achieved    Partially Achieved or on Track    Not Met

In 2015, we will work toward our ambitious Intel She Will Connect goal of reaching 5 million in Sub-Saharan Africa by 2020.

### Goals for 2015 and Beyond

Through the Intel® She Will Connect program, reach 5 million women in Sub-Saharan Africa by 2020.

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



## PASS

In 2014, we completed 123 on-site supplier audits covering ethics, labor, and environmental, health, and safety factors.

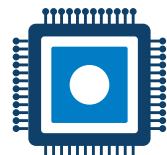
We successfully introduced our PASS program to over 100 of our suppliers in 2014 and will expand our reach to a broader segment of our supply chain in the coming year.



Through collaboration with our logistics suppliers, we have reduced our transportation-related carbon footprint by approximately 66 million tons since 2011.



We are working with WEConnect International to increase spending with women-owned businesses in countries around the world.



In 2014, we set a goal to validate that all of our products are DRC conflict-free for tin, tantalum, tungsten, and gold beginning in 2016.

Access the [Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

### Key Section Links

[Performance Summary and Goals](#)  
[Intel Supplier Site](#)

[Intel Supply Chain Responsibility](#)  
[Intel Code of Conduct](#)

[Intel Human Rights Principles](#)  
[Electronic Industry Citizenship Coalition](#)

[Intel Statement on Human Trafficking and Slavery](#)  
[Intel and Conflict-Free Products](#)

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## Management Approach

We strive to reduce Intel's supplier-related environmental and social footprint while maintaining a technologically advanced, cost-effective, resilient, and reliable supply chain.

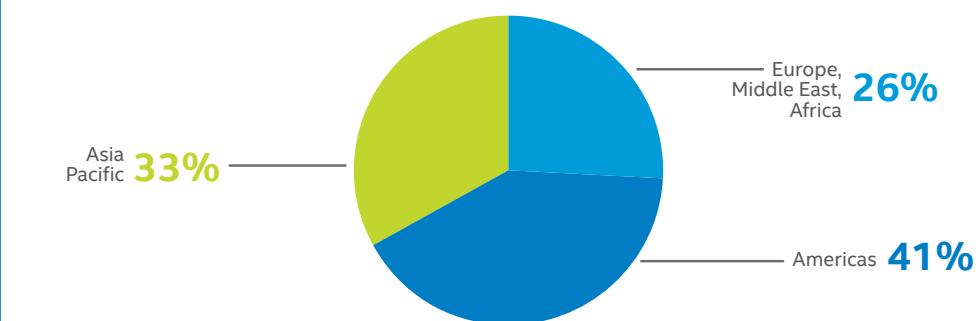
Our multi-tiered supply chain comprises more than 16,000 suppliers in over 100 countries. Suppliers provide direct materials for our production processes, tools and machines for our factories, logistics and packaging services, and non-production office materials and travel services. We focused our initial supplier management efforts on our "Tier 1" suppliers<sup>1</sup> to drive maximum impact, while continuing to advance accountability and improve performance across our entire supply chain. A list of our top 75 production materials, capital, and logistics suppliers is available in the [Appendix](#) of this report.

## Our Philosophy and Management Practices

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

**Resiliency and Reliability.** With sites and suppliers all over the world, Intel must be prepared to respond quickly to a wide range of disasters, while also working proactively with suppliers to optimize risk. A combination of assessments, audits, and capability-building programs help to ensure that our supply chain is both resilient and responsible. Where appropriate, we also enlist the help of others to effect broader change throughout the industry.

### 2014 Supplier Spends by Region



The geographic breakdown of our supplier spends in 2014 was similar to that of 2013; in 2013, 46% were in the Americas, 34% in the Asia-Pacific region, and 20% in Europe, Middle East, and Africa.

### Intel's Supply Chain Responsibility Oversight Structure



We maintain an integrated and horizontal approach to managing sustainability issues in our supply chain. Our crisis management function is embedded across all levels of our supply chain management structure.

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

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Intel Crisis Management (ICM) handles our end-to-end response to crises and major business disruption events. ICM sets the standards and provides oversight for our emergency management and business continuity programs across Intel. Every mission and business critical function at Intel is required to embed business continuity into their core business practices. We also expect that our suppliers develop, manage, and regularly test their own business continuity plans. For more information, see the [Our Business and Integrated Value Approach](#) section of this report.

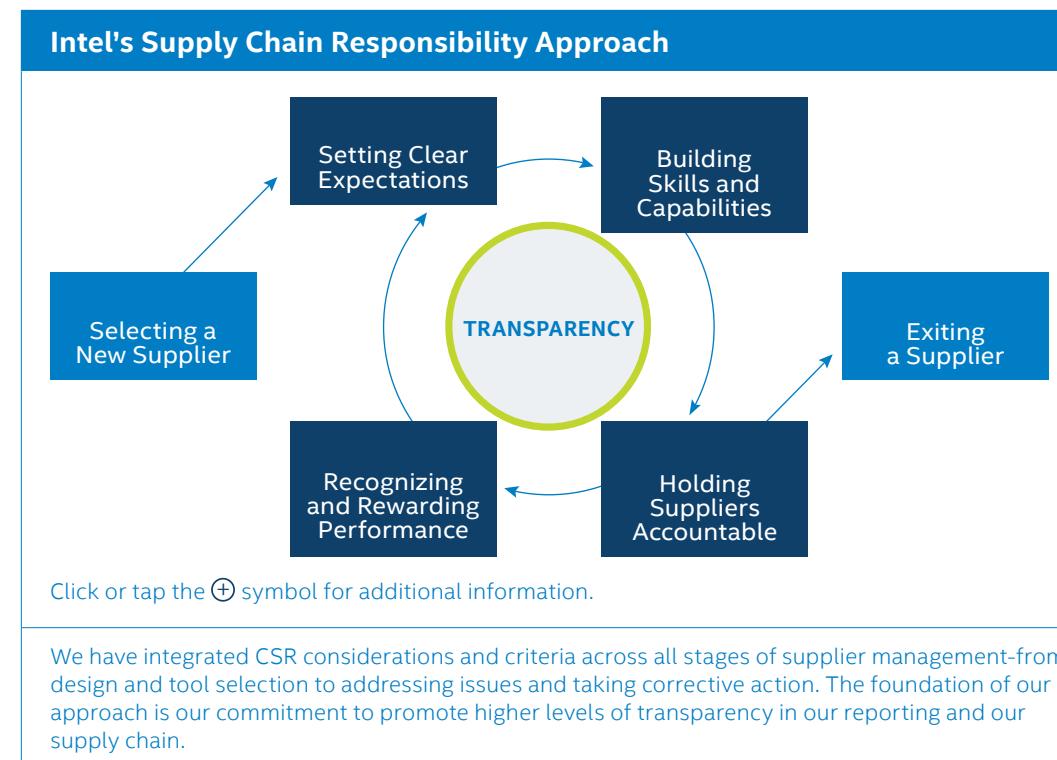
**Industry Collaboration.** We actively participate in a number of external supply chain-related organizations, including the [Electronic Industry Citizenship Coalition](#) (EICC). Intel representatives serve on the EICC board and various committees that work to advance improvements throughout the industry, including the development of audit processes, third-party anti-corruption due diligence questions, membership compliance, and tools to track assessment data and emissions information.

We have also worked with [SEMATECH](#), Semiconductor Equipment and Materials International ([SEMI](#)), and other industry organizations to help set environmental, health, and safety standards and drive improvements across the sector.

## Setting Clear Expectations

In 1998, Intel first codified its expectations of suppliers regarding human resources, environmental management, worker safety, and business ethics. 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.

In 2004, we helped form the EICC and adopted the [Electronic Industry Code of Conduct](#) (EICC Code), which is consistent with Intel's own Code of Conduct and Human Rights Principles. 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. Intel's EICC Commitment Letter, Code of Conduct,



Human Rights Principles, Conflict Minerals Sourcing Policy, and other corporate governance and business ethics documents are available on our [Governance and Ethics](#) web site. For more information, see the [Respecting Human Rights](#) section of this report.

We communicate our supplier legal compliance and business ethics expectations throughout the year in meetings, training events, and our supplier Annual Expectations letter, as well as on our [Supplier Site](#). Each year, our senior executives send letters to our suppliers to reinforce our expectations. We provide ethics training materials in multiple languages, including Chinese, English, Japanese, Russian, Spanish, and Vietnamese.

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Suppliers are expected to conduct their business in compliance with anti-corruption legal requirements, including written acknowledgment of anti-corruption due diligence and training, as required. Suppliers are also expected to maintain robust internal reporting channels and to report any legal compliance or business ethics concerns to Intel, so that we can investigate and take appropriate action. Reporting can be done through several channels, in English or a local language.

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

## Holding Suppliers Accountable

We use a variety of tools and processes to manage supplier performance, including the Supplier Report Card (SRC). The SRC includes metrics for sustainability, as well as for cost, quality, technology, and customer satisfaction. Within the sustainability category, suppliers are evaluated according to the EICC Code of Conduct risk assessment, financial sustainability, and public transparency of their own environmental, labor, or human rights performance. In 2014, 76% of our top 75 suppliers that were evaluated received a perfect score on the corporate responsibility criteria in the SRC, up from 55% in 2013.

Assessments and audits are also an integral part of our overall supplier management process. They help us identify compliance gaps where immediate action is needed, and root causes that enable development of systemic solutions and improvements. Environmental, social, and governance criteria are incorporated in Intel's Quality Assessment audits to drive closer integration with other supplier management processes and achieve broader reach. For more information, see "[Assessment and Audit Summary](#)" later in this section.

Our Program to Accelerate Supplier Sustainability (PASS) focuses on improving supplier systems through more stringent requirements related to compliance, transparency, and capability-building. It builds on our existing accountability tools and processes, as well as

industry standards. In the spirit of transparency, we have begun integrating several GRI indicators into our PASS program requirements for our Tier 1 suppliers. To date, more than 75% of the program participants are meeting all of the PASS requirements, and we will continue to expand the reach of this program to our strategic suppliers.

Intel's PASS program is transforming our supplier engagement strategy to one that includes more collaborative two-way discussion on the proactive steps suppliers can take to build internal capacity and significantly improve their performance over time.

We also hold ourselves accountable to meet or exceed the same standards that we set for our suppliers, and audit ourselves to the same standards. For more information, read the [Respecting Human Rights](#) section of the report.

## Building Skills and Capabilities

We recognize that many supplier issues are symptoms of larger systemic problems that may require significant upgrades to management systems, improved role modeling by senior management, and changes in business and company culture.

We provide infrastructure, direction, and tools to measure results and help suppliers improve their performance and reduce our environmental impact. We also provide training, manpower, and other learning and improvement opportunities for our suppliers. A description of a few of these programs follows.

**Supplier Sustainability Leadership Summit.** In September 2014, we held our third Supplier Sustainability Leadership Summit in Shanghai, China, bringing together nearly 200 senior executives from more than 75 of our strategic suppliers, as well as government officials, academia, leading non-governmental organizations (NGOs), press, and representatives from other industries. In addition to reinforcing and clarifying our supplier expectations, the summit allows our suppliers to collaborate and share their challenges and best practices through interactive small-group breakout sessions and panels on issues such as better working hours management, sustainability reporting, environmental management, and health and safety.

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Our analysis shows that the sustainability performance of our Chinese suppliers who attended the summit was better than the sustainability performance of those who did not attend; overall, summit attendees had 26% fewer EICC audit priority and major findings.

**Online Learning and Development.** In 2014, we launched an interactive online learning environment for our suppliers. Nearly 500 registered users, 75% of which are based in Asia, from more than 200 of our strategic suppliers, attended 16 webinars in both English and Mandarin. The webinars, which are also available on demand for replay, covered topics such as: preventing forced labor in the supply chain, transparency expectations and best practices, environmental management, and successful working hours case studies.

**Improving Factory Performance Through Better Working Hours Management.** We engaged supply chain sustainability consultant [ELEVATE](#) to work closely with 15 of our suppliers in China as part of a year-long engagement to holistically address working hours management. The engagement is a mix of assessment, face-to-face collaboration in a workshop environment, and additional interaction at the supplier factory sites with human resources, planning, and operations managers.

The process evaluates the topic of working hours management holistically and drives deep root-cause analysis, which enables factories to define and implement changes that result in positive business value, not simply working hours compliance. The results to date have been positive and the program continues into 2015.

**Preventing Forced Labor.** In 2014, we worked with the non-profit organization [Verité](#) to deliver two different face-to-face workshops in Malaysia on preventing forced labor in the supply chain. Suppliers and their labor agents learned about EICC Code requirements, best practices for ensuring strong compliance, and closing process gaps in the way foreign workers are hired and managed.

“Now I know about foreign workers’ risk, and hence I can focus on doing the self-check and work on the controls and corrective actions.”

—*Preventing Forced Labor Workshop Attendee*

## CASE STUDY: NIDEC CORPORATION



*“Nidec has been the model for factory improvement initiatives. The factory has demonstrated a willingness to look beyond compliance and that first step is all important.”*

—Steve Warren,  
*ELEVATE Project Lead*

*“Our collaboration with Intel and ELEVATE has helped us make improvements in working hours as well as overall factory performance and employee work environment and satisfaction. We value this opportunity to learn more and create positive changes within our factory.”*

— Kazuya Shigemori,  
*Vice President, Nidec Shaoguan*

In 2014, Nidec Corporation, one of our Top 75 suppliers, worked with ELEVATE to address working hours management challenges at its 1,600 worker factory in Shaoguan, China. ELEVATE and Nidec conducted a root cause analysis that revealed three primary drivers for overtime: a shortage of workers, seasonal employee turnover, and fluctuation of customer demand.

To address these issues, Nidec set strict working hours policies, deployed more stringent controls in its production plans, increased factory automation, improved production plan accuracy, implemented longer lead times, and communicated the importance of these policies and changes to employees and managers. As a result, Nidec increased its compliance level from 79% to 100%, and has been able to maintain a 100% working hours compliance level over time.

Nidec’s strong commitment to a holistic approach to managing working hours has also resulted in additional business benefits. Increasing open dialogue and collecting employee feedback, simplifying complex production processes, and hosting social events for employees and their families have led to higher productivity, increased worker satisfaction, and improved retention rates.

The progress that Nidec and ELEVATE have made working together clearly demonstrates the importance of factory leadership commitment and comprehensive management of labor issues in the electronics supply chain.

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## Recognizing and Rewarding Performance

We provide regular feedback to suppliers on their achievements and progress. To reinforce our expectations, we also integrate corporate responsibility considerations into our supplier awards and [Supplier Continuous Quality Improvement](#) (SCQI) Program.

Started in 1987, the SCQI Program uses Intel's supplier management tools and processes to drive improvements in our suppliers' performance. Our suppliers receive regular feedback through the supplier assessment process and supplier site visits. Suppliers that have demonstrated outstanding performance are awarded either SCQI, Preferred Quality Supplier (PQS) status, or the Supplier Achievement Award based on SRC results. To be eligible for the awards, suppliers must meet PASS requirements related to overall sustainability compliance, transparency, and capability-building, as well as cost, quality, availability, delivery, and technology.

For more information about the awards and a list of recent SCQI and PQS winners, visit our [Supplier Quality Portal](#).

## Assessment and Audit Summary

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

Our assessments and audits cover more than 400 ethics; labor; and environmental, health, and safety factors. We use an industry-standard, risk-based approach to prioritize our audits. When serious concerns are identified through an audit, we work with the supplier to drive improvements in its management systems and controls. Audit results and corrective action plans are reviewed with senior management on a quarterly basis to assess progress. If suppliers do not make adequate progress on identified areas of concern, we take remedial actions up to and including termination of their contracts.

### Risk-Based Approach to Supplier Assessments

**1**

**Self-Assessment:** Intel requests feedback on a set of 20-50 questions for new suppliers to determine whether a supplier or a specific supplier facility is of potential high-risk.

**2**

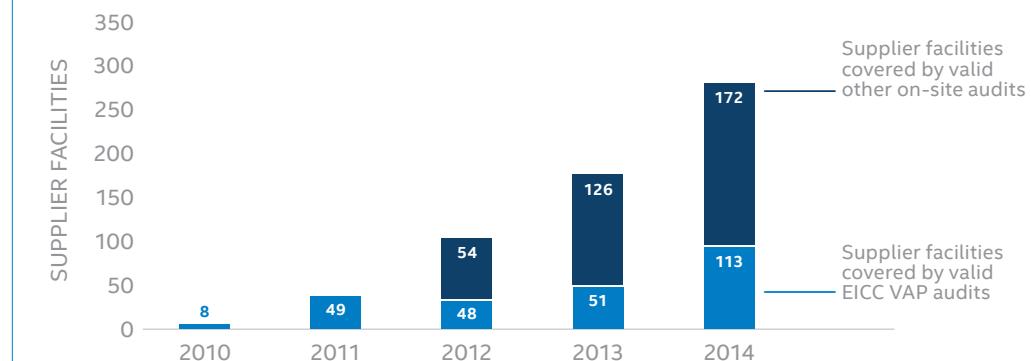
**Self-Assessment Questionnaire (SAQ):** Each year, all of our targeted strategic suppliers complete the EICC SAQ, an in-depth, online questionnaire with more than 300 questions that determines a facility's high-risk areas and potential gaps to the EICC Code that should be addressed by the supplier.

**3**

**Audit:** In addition to completing an SAQ, all high-risk suppliers must undergo either an on-site audit using qualified third-party auditors following the EICC [Validated Audit Process](#) (VAP), or an on-site audit specialized according to risk and compliance concerns for a particular supplier or facility and completed by a qualified Intel auditor. Results from audits that follow the VAP, and targeted audit results are valid for four years from the date of the audit.

After the audit is completed, any required corrective action plans are put in place.

### Cumulative Supplier Facilities Covered by Valid Audits



Each year, we conduct targeted supplier audits which we consider valid for four years. We work to increase the total number of supplier facilities that are covered by valid audits. In some instances, facilities may have been audited with both EICC VAP and other on-site audits, which include Intel-led targeted audits and quality assessments that include CSR criteria.

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On-site audits completed in 2014 were conducted by a mix of third parties and Intel personnel. They included first-time audits for some sites, reviews of prior third-party audits, re-audits, and targeted audits focused on specific topics or conducted in response to known concerns. Third-party audit firms<sup>2</sup> perform the audits, which follow the standard EICC Validated Audit Process (VAP), and suppliers may share the audit results with other customers and companies in our industry. More than half of the 27 third-party audits conducted in 2014 were in China and Taiwan, followed by greater Asia and the Americas. Other on-site audits included targeted area audits and quality audits incorporating environmental, social, and governance elements. The decrease in total number of audits conducted in 2014 reflects the four year lifespan of the audit, as well as our refined risk-based approach.

## Audit Findings and Gap Closure Process

Audit findings are divided into three categories: priority, major, and minor. With some compliance issues, we require immediate corrective action due to the severity, such as finding locked emergency exit doors. We work with our suppliers to close other findings within time frames specified by industry standards.

Suppliers are required to draft comprehensive corrective action plans to address all findings, and we work with them to secure documentation of actions taken and ensure closure. We have a Management Review Committee dedicated to reviewing gap closure plans and closure evidence on a quarterly basis, or more frequently if needed.

We are committed to investing resources and working directly with our suppliers to hold them accountable for closing gaps and improving performance. We consider findings closed when root causes are addressed and closure evidence is documented. For example, installing safeguards on a machine is not sufficient to close a finding; we require that procedures be updated so that when new equipment is installed, a process is in place to review machine hazards and add any needed safeguards.

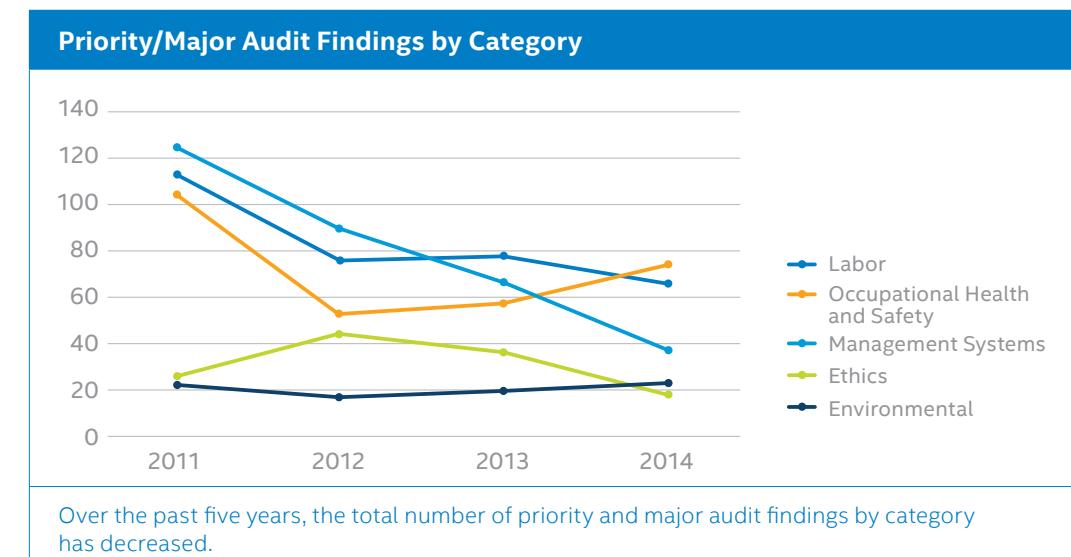
Most audit findings in 2014 were in the following areas: occupational health and safety (OHS), labor, and management systems. Most of the labor findings were related to working hour compliance. These categories of findings were consistent with the top findings in 2012 and 2013. Since we began disclosing this data in 2011, the total number of findings has decreased.

<b>On-Site Supplier Audits Conducted</b>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
EICC VAP audits <sup>1</sup>	8	49	39	38	27
Other on-site audits <sup>2</sup>	–	–	67	104	96
<b>Total on-site audits</b>	<b>8</b>	<b>49</b>	<b>106</b>	<b>142</b>	<b>123</b>

Over the past five years, we have completed or reviewed more than 400 on-site audits of our suppliers. We also conduct "conflict minerals" audits, which are not included in this table. For more information, see "Conflict-Free Products" later in this section.

<sup>1</sup> Total includes on-site third-party audits completed, as well as reviews of third-party audits completed using the EICC VAP.

<sup>2</sup> Including Intel-led targeted audits on specific topics and quality assessments that include CSR criteria.



<sup>2</sup> Auditors have either successfully completed the EICC Global e-Sustainability Initiative (GeSi) auditor training course or achieved an Intel Quality Lead Assessor certification.

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## Supplier Targeted Action Plans

When suppliers do not make sufficient or timely progress to address audit findings, or their actions do not result in sustainable change, we require that they develop and obtain Intel's approval on "get well action plans." Our goal when working with a supplier on an action plan is for that supplier to address all findings, and we engage and monitor the progress of the supplier until the issues are satisfactorily resolved. However, if satisfactory progress is not made, we are prepared to take additional action, such as not awarding new business until issues are resolved, placing the supplier on a "conditional use" status, or ending the supplier relationship.

Several suppliers listed in the table below did not meet our supplier requirements, were required to develop "get well" action plans in 2014, and were restricted from receiving any additional business. Several of these suppliers have now successfully resolved their issues, or are making satisfactory progress with Intel oversight and monitoring. We are encouraged by their progress made to date, and with continued sustained performance we anticipate resuming new Intel business with them.

**2014 Supplier Targeted Action Plan Summary**

Supplier/Division	Status	Area of Concern
Delta Electronics Thermals	On track	Labor
Flextronics <sup>1</sup>	On track	Labor
Foxconn Enterprise Product <sup>1</sup>	On track	Labor
Gemtek	On track	Labor, Occupational Health & Safety
Lotes	On track	Labor
Nan Ya PCB Kunshan	At risk	Labor
Quanta	On track	Labor
Sanmina <sup>1</sup>	At risk	Labor
TTM Technologies <sup>1</sup>	On track	Labor

<sup>1</sup> Suppliers under Conditional Use.

## Supplier Environmental Impact

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

**Carbon and Water Footprinting.** We include an environmental metric as part of the PASS program requirements. However, the majority of our environmental footprint comes from our own operations, since we manufacture most of our products in our own factory network. For more information on how we are working to reduce the carbon and water footprints related to our own manufacturing operations, see the [Caring for the Planet](#) section of this report.

**Event Planning.** Our procurement and event marketing teams work with our event suppliers to reduce the environmental impact of Intel events, including conferences, trade shows, and meetings. Step-by-step planning guides, training webinars, and mentorship support are available to help Intel event planners contribute to Intel's sustainability goals.

Our interactive "Event Sustainability Guide" provides Intel event planners with immediate feedback on the impact of their decisions, including carbon, waste, and water savings. The platform, which includes an integrated rewards program that encourages better choices, will enable us to further reduce our impact on the environment and achieve positive social and economic benefits.

While we do not measure the impact of all event-planning decisions, we verified that in 2014, Intel event planners reduced potential carbon dioxide emissions by 1,287 metric tons by reusing carpets and exhibits, eliminating bottled water, consolidating freight for

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more efficient shipping, and recycling and composting at events. Source reduction of disposable event materials, as well as recycling and composting, helped reduce solid waste by 168 tons. In addition, 500,000 kWh of Renewable Energy Certificates were purchased to offset conventional electricity usage at Intel events.

**Product Packaging.** In 2014, we continued to work with our logistics and packaging suppliers to drive changes in the materials that we use to ship products between Intel sites and to our customers to reduce waste and environmental impact. Through engineering improvements and reductions in packaging size and materials, we reduced the amount of paper and plastic by 293 tons in 2014. These actions also resulted in a reduction of more than 119 metric tons of CO<sub>2</sub>. Additionally, in 2014, we worked with our corrugate and paper materials suppliers to source exclusively from sustainable resources.

From 2010 through 2014, we reduced packaging and shipping materials by approximately 1,200 tons, helping us eliminate more than 3,200 metric tons of CO<sub>2</sub> emissions. In 2015, our teams will continue to drive reductions in packaging used in warehouse operations and customer returns, and to replace existing packaging with more sustainable materials. Our long-term vision is to achieve 100% sustainable packaging for all inbound, outbound, and return shipments in support of Intel's 2020 waste reduction and recycling goals.

**Ground Transportation and Logistics.** In 2012, we set an aggressive goal of achieving a "100% green Intel ground transportation fleet"<sup>3</sup> by 2016, which requires close collaboration with our transportation and logistics suppliers. While approximately 70% of our ground transportation fleet met our "green" requirements by the end of 2014, by our estimates, we will not be able to reach the 100% "green" goal by 2016 due to local technology availability, implementation, and adoption rates. As such, we have adjusted our goal to establish a ground transportation fleet that is 85% "green" by 2016. In 2015, we will continue to encourage employee adoption of green transportation solutions in support of our 2016 goal, and will also encourage the broader adoption of electric vehicle charging stations in areas where our employees frequently travel.

In 2014, we continued to focus on reduction of the carbon emissions from our transportation and logistics network that supports shipments of products between Intel sites and inbound/outbound shipments to suppliers and customers. Throughout the year, we faced several CO<sub>2</sub> increases associated with the relocation of our Costa Rica Assembly and Test site to Vietnam, and from congestion in West Coast U.S. ports. However, we made progress in CO<sub>2</sub> reduction by reallocating freight to suppliers with "greener" fleets, optimizing packaging, and increasing local sourcing. As a result of these efforts, we reduced our carbon footprint by approximately 66 million tons, a 20% reduction compared to the 2011 baseline. We also continued our collaboration with leading "green" consortia and global environmental initiatives. In 2014, we joined the [Global Logistics Emissions Council](#) to work with key logistics players on an advanced CO<sub>2</sub> tracking methodology that is expected to become a single industry-recognized CO<sub>2</sub> platform in the near future.



<sup>3</sup> Defined as all vehicles in the fleet having one or more of the following attributes: an average fuel economy of 35 mpg or better; being a hybrid, electric vehicle, or subject to another eco-label such as SmartWay; or being available for car sharing.

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## Conflict-Free Products

We continue our work to establish responsible mineral sources for our products, our industry, and supply chains worldwide.

Many electronic devices, including cell phones, tablets, and PCs, contain tin, tantalum, tungsten, and gold, known as "conflict minerals".<sup>4</sup> Conflict minerals originating in the Democratic Republic of the Congo (DRC) or adjoining countries are sometimes mined and sold under the control of armed groups who exploit low-paid mine workers while reaping millions of dollars in profits for themselves to fund violence, genocide, and other crimes against humanity.

Intel has worked for six years to validate the conflict minerals in our products are from "conflict free"<sup>5</sup> sources. We achieved our 2013 goal of manufacturing microprocessors that are "conflict-free" for tin, tantalum, tungsten, and gold, and in 2014 set a new goal for all products to be conflict-free in 2016.

Non-governmental organizations (NGOs) in the DRC report that lives are already changing in the DRC: Miners' wages are increasing, their working conditions are improving, and armed groups are being replaced by hospitals and schools in mining communities.

### Driving Accountability in the Electronics Supply Chain

From the time that Intel became aware of the potential for conflict minerals to enter our supply chain, we responded with urgency to invest significant resources in developing systems to validate the sources of minerals.

We believe that effective solutions to this issue require coordinated efforts by governments, industry, and NGOs, and as such, have been an integral part of the development of the Conflict-Free Smelter Program (CFSP), the EICC and Global

<sup>4</sup> "Conflict minerals," as defined by the U.S. Securities and Exchange Commission (SEC), is a broad term that means tin, tantalum, tungsten, and gold, regardless of whether these minerals finance conflict in the Democratic Republic of the Congo (DRC) or adjoining countries.

<sup>5</sup> "Conflict free" and "conflict-free" means "DRC conflict free," which is defined by the U.S. Securities and Exchange Commission rules to mean products that do not contain conflict minerals (tin, tantalum, tungsten, and/or gold) that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries. We also use the term "conflict-free" in a broader sense to refer to suppliers, supply chains, smelters, and refiners whose sources of conflict minerals do not finance conflict in the DRC or adjoining countries.



[Learn more about our efforts to use conflict-free materials.](#)

e-Sustainability Initiative (GeSI) Extractives Working Group, and through our membership in and financial support of the Conflict Free Sourcing Initiative (CFSI). We also initiated and drove the formation of the CFSP Early-Adopters Fund, as well as the Initial Audit Fund, which pays for the cost of a smelter's initial audit costs after successfully completing the CFSP audit and being found compliant.

By February 2015, we had visited more than 91 smelters and refiners in 21 countries, and 135 smelters and refiners were identified as compliant to the CFSP audit protocol or similar independent third-party audit program designed to validate the sourcing practices of smelters and refiners. There are still a number of smelters and refiners that are not yet compliant, and we are working with those in our supply chain to ensure they have the support needed to meet the CFSP requirements.

Over the past several years, Intel has also helped convene a number of well-attended industry meetings on conflict minerals and has partnered on events with other industries and their associations—including the World Gold Council and the Responsible Jewellery Council—to share learnings from the CFSP audit program. We also believe that the U.S. Securities and Exchange Commission (SEC) conflict mineral disclosure requirements, a result of the U.S. Congress Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, have been helpful in bringing others to the table and maintaining broad momentum on this issue.

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## Supporting In-Region Sourcing

In addition to direct supply chain efforts, we support initiatives that enable responsible in-region minerals trade from the DRC and adjoining countries. This support is important, because the controversies surrounding mining in the DRC and Central Africa have driven down demand, and have inadvertently had a negative economic impact on legitimate miners.

Intel continues to work with governments and NGOs to support legitimate minerals suppliers, both independently and as part of the CFSI. For example, Intel is participating in the Solutions for Hope project to obtain tantalum from conflict-free sources in the DRC that we believe meet Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals From Conflict-Affected and High-Risk Areas. We also support the U.S. Department of State and U.S. Agency for International Development Public-Private Alliance for Responsible Minerals Trade. These groups and others that we work with seek to establish paths for conflict-free sources and support for responsible mining in the region.

## Building Awareness

In 2014, we have significantly increased our efforts to engage customers and other stakeholders in learning more about this important issue through our [Conflict Minerals](#) web site and social media channels. Intel was the first company to file an audited conflict minerals report with the SEC in 2014 and concluded our Client Microprocessor and Chipsets products are DRC conflict free. In support of our "In Pursuit of Conflict-Free Minerals" campaign, we also began using a badge to identify Intel processors that are DRC conflict free. Even though we have achieved the milestone of manufacturing conflict-free microprocessors, we will continue our smelter visits, encourage participation in the CFSP and similar independent third-party smelter audits, membership in the CFSI, and work with business partners, governments, and NGOs to address this issue and make faster and deeper strides toward conflict-free products worldwide. For a detailed overview of our journey to conflict-free, read our [Conflict Minerals white paper](#).

## Supplier Diversity

We understand that working with a diverse supply chain brings increased innovation to our business and creates a more responsive and competitive supply base. Through classroom and web-based training, we educate our worldwide procurement employees about global supplier diversity practices, policies, and inclusion.

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 8(a) categories, and are certified small as defined by the U.S. Small Business Administration. We estimate that in the past eight years, Intel has derived more than \$310 billion in revenue from customers that require us to demonstrate supply chain diversity.

Intel's Second Tier Program supports our efforts to advance the development of a healthy, diverse supply chain by requiring our strategic suppliers to report their spending with diverse-owned businesses. Over the past three years, our strategic suppliers that use diverse suppliers reported spending \$657 million.

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

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*"I would have never known of the opportunity without Intel sending me there."*

In November 2014, we joined the United States Presidential [SupplierPay initiative](#), aimed at strengthening small business through commitments to pay small suppliers faster. By committing to the voluntary initiative, launched in July 2014, we pledge to pay our small suppliers faster to reduce capital needs, share best practices around supporting small suppliers, and implement a solution that minimizes administrative and operational burdens for our small suppliers.

We are also working with [WEConnect International](#) to increase spending with women-owned businesses outside the U.S. over the next several years, as a part of our 2013 Clinton Global Initiative commitment. As of February 2015, we have established programs in China, India, Israel, Ireland, Kenya, Malaysia, Nigeria, South Africa, and the U.K. to strengthen existing relationships with women business owners and develop and mentor new relationships. Workshops for our suppliers, procurement professionals, and other stakeholder groups have helped us increase awareness about the benefits

of supplier diversity, and we have significantly increased our spending with existing and new women-owned businesses in each of the nine countries where we have established programs.

In May 2015, we made a commitment to increase our spending with diverse-owned suppliers. In 2014, we spent an estimated \$150 million with diverse suppliers—our goal is to increase our annual spend with third-party certified diverse-owned businesses to \$1 billion by 2020. In addition, we will work to develop more diverse-owned businesses in the technology industry, drive transparency around diversity spending, and encourage our suppliers to make diversity spending commitments.

For more information on our supplier diversity initiatives, visit our [Supplier Diversity](#) web site.

## SUPPLIER SPOTLIGHT: BANDA GROUP INTERNATIONAL

Former Intel employee Zeferino Banda and his company, [Banda Group International \(BGI\)](#), is a supplier success story. Banda worked for Intel at multiple U.S. locations and in Israel before deciding to launch his own consulting company.

Today BGI is a thriving company specializing in project management, technical support, and Environmental Health and Safety consulting services to companies of all sizes. BGI is a minority-owned business participating in the U.S. Small Business Administration's 8(a) program and a registered Minority Business Enterprise (MBE) through the National Minority Supplier Development Council. The company also holds Veteran Owned and Disadvantaged Business Enterprise status.

Banda's work received recognition from Intel's Supplier Diversity Program, and he was awarded a scholarship to attend a minority education program at the Tuck School of Business at Dartmouth College. After receiving significant value from the experience, he decided to send all of his senior managers through the same course at his own expense. Banda stated, "I would have never known of the opportunity without Intel sending me there."

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## Performance Summary and Goals

Throughout 2014, we continued to drive accountability and systemic change in our supply chain. We successfully introduced our Program to Accelerate Supplier Sustainability (PASS) to approximately 100 of our Tier 1 suppliers, and continued to collaborate with our suppliers around capability-building and reducing environmental impact.

Goals and Performance		
2014 Goals	2014 Performance	
Complete or review the results from 75 on-site supplier audits to drive reduction in priority and major findings, and faster time to closure.	We completed 85 on-site supplier audits covering ethics, labor, and environmental health and safety factors.	●
Enable 100 of our Tier 1 suppliers to meet our PASS program requirements by the end of 2014, and all 250 Tier 1 suppliers to meet the requirements by the end of 2016.	We successfully introduced our PASS program to over 100 of our suppliers in 2014. Although, we will continue to expand our reach to a broader segment of our supply chain in the coming year, we are dropping the remainder of the goal.	●
Establish a 100% "green" Intel ground transportation fleet by 2016.	While approximately 70% of our ground transportation fleet met our "green" requirements by the end of 2014, by our estimates, we will not be able to reach the 100% "green" goal by 2016 due to local technology availability, implementation, and adoption rates. As such, we have adjusted our goal to establish a ground transportation fleet that is 85% "green" by 2016.	●
Reach at least one-third of our Tier 1 suppliers through our capacity-building programs by the end of 2014.	We exceeded our goal, with more than 75% of our Tier 1 suppliers participating in capacity-building programs in 2014.	●
Complete a third-party audit of an Intel assembly and test facility in 2014.	We completed a third-party audit of our Vietnam assembly and test facility in 2014.	●

● Achieved

● Partially Achieved or on Track

○ Not Met

In 2015, we will continue to audit our strategic suppliers, and work toward our green ground transportation fleet and conflict-free goals.

### Goals for 2015 and Beyond

Complete or review an on-site audit for each of our Top 75 suppliers by the end of 2016.

Establish an 85% "green" Intel ground transportation fleet by 2016.

Validate all of our products are DRC conflict-free in 2016.

Increase our annual spending with certified diverse-owned suppliers to \$1 billion by 2020.

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# RESPECTING HUMAN RIGHTS

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



Intel has used the Guiding Principles on Business and Human Rights to inform and shape our approach to managing human rights issues.



We apply the same high expectations and human rights standards for all of our employees regardless of where we operate.



We believe we have a responsibility to work with our suppliers to drive improvements in human rights performance.



Our Privacy by Design approach and Secure Development Life-cycle process help us integrate privacy and security into our products.

[Access the Report Builder](#)

2014 Corporate Responsibility Report  
[www.intel.com/responsibility](http://www.intel.com/responsibility)

## Key Section Links

- [Intel Code of Conduct](#)
- [Intel Human Rights Principles](#)

- [Corporate Governance and Ethics](#)
- [Intel and Conflict-Free Products](#)

- [Statement on Human Trafficking and Slavery](#)

[Intel Supplier Site](#)

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## Management Approach

Intel's global policies and management systems help us proactively identify and address potential human rights issues.

Intel has used the [Guiding Principles on Business and Human Rights](#), along with our membership in organizations such as the [United Nations Global Compact](#) and the [Electronic Industry Citizenship Coalition](#) (EICC), as reference points for our approach to managing human rights issues. Our commitment to human rights is outlined in our own [Human Rights Principles](#) and in the [Intel Code of Conduct](#). These policies address diversity and nondiscrimination, workplace safety, child labor, forced labor and human trafficking, working hours and minimum wages, freedom of association and collective bargaining, and data privacy. A number of additional policies guide our actions in specific areas, such as the supply chain, environmental health and safety, and privacy; and are available on our [Governance and Ethics](#) and other web sites.

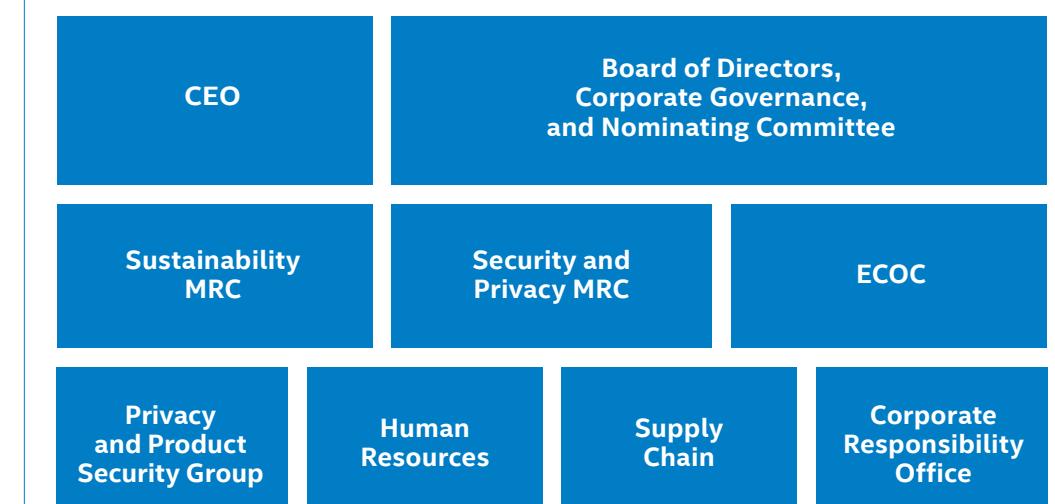
Based on an analysis of Intel's business, the nature of our products and services, a review of leading human rights frameworks, and input from stakeholders, we view our main potential human rights risks and opportunities to be in the following areas, in order of relative impact: our own direct manufacturing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

.....

Our Human Rights Principles, adopted in 2009, express our commitment to ethical and legal business, environmental, human rights, and labor practices on a worldwide basis.



### Intel's Human Rights Oversight Structure



Click or tap the symbol for additional information.

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

## Our Operations

Our goal is to cultivate a safe, diverse, and respectful work environment where employees can thrive and innovate. We manufacture the majority of our products in our own factories, which gives us more control over the enforcement of our Code of Conduct and human rights expectations than we would have if we outsourced most of our production. In light of the policies and management processes that we have in place, as well as the fact that a majority of Intel's wafer manufacturing occurs in the U.S., we view our direct operations risk as low.

We also have operations in a number of countries cited by leading human rights organizations as countries of concern, which represent higher levels of risk. However, we apply the same high expectations and human rights standards for all of our employees regardless of where we operate.

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Our “open door” policy enables employees to speak directly with all levels of management about their ideas or concerns, and we conduct regular company-wide Organizational Health Surveys to assess the satisfaction level of our employees. We also provide [other channels](#) for employees and external stakeholders to report concerns, such as a third-party-operated hotline and community advisory panels.

For the past four years, our Supply Chain Sustainability organization has partnered with our local site managers to ensure that we hold ourselves accountable to the same expectations we have for our suppliers. We have completed the EICC Self-Assessment Questionnaire (SAQ) of our own manufacturing facilities to test and demonstrate the value of the EICC audit process. The SAQ is an in-depth, online self-assessment questionnaire with more than 300 questions to determine a facility’s potential high-risk areas, covering all sections of the EICC Code of Conduct. The [summary report](#) of these SAQs is publicly available on our [supplier web site](#).

In 2014, we engaged a third party to conduct an EICC audit of our Vietnam assembly and test facility, following a proactive audit of our [Chengdu, China facility](#) in 2012. Our Vietnam facility had no audit findings in the areas of labor, ethics, or environment. Four minor findings related to health and safety were identified. All findings have been closed. For more information, read the summary report on our [supplier web site](#). In 2015, we plan to complete an audit of our Penang, Malaysia facility.

We also have a number of initiatives targeted at increasing the representation of women and under-represented minorities in our workforce. For more information, see the [Caring for Our People](#) section of this report.

### Intel's Approach to Managing Human Rights

Establishing Policy	Assessing Impact	Due Diligence	Reporting Progress
<ul style="list-style-type: none"> <li>The Intel Code of Conduct references Intel’s Human Rights Principles. Our Philosophy on Protecting Personal Information supplements our Online Privacy Notice.</li> <li>We set expectations for our suppliers to comply with the EICC Code of Conduct and to maintain progressive employment practices that respect human rights.</li> <li>Our Privacy by Design and secure development life-cycle processes define actions, deliverables, and checkpoints designed to integrate security and privacy into our products and services.</li> </ul>	<ul style="list-style-type: none"> <li>We conduct annual reviews and audits of our own facilities, policies, and practices that cover key human rights issues.</li> <li>We have a robust, risk-based supplier assessment and audit process that covers key human rights issues.</li> <li>The Intel Privacy and Product Security Group oversees the risk, controls, privacy, security, and other related compliance activities for all of Intel’s information assets, products, and services.</li> </ul>	<ul style="list-style-type: none"> <li>Our Board of Directors and senior management oversee human rights issues.</li> <li>Through capacity-building initiatives, we address systemic human rights challenges in the electronics supply chain.</li> <li>We proactively work to increase digital inclusion and education access, and educate consumers on privacy and security issues.</li> </ul>	<ul style="list-style-type: none"> <li>Our Corporate Responsibility Report provides annual updates on our human rights performance, and our CSR and Public Policy blogs periodically cover human rights issues.</li> <li>We regularly engage with stakeholders—including socially responsible investors, NGOs, and community members—around human rights issues.</li> <li>Our Privacy Advisory Board, made up of external privacy experts, provides guidance to our Privacy and Product Security Group on key product-related privacy issues.</li> </ul>

Our overall approach to managing human rights issues is informed by the United Nations’ Guiding Principles on Business and Human Rights.

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## Influencing the Electronics Supply Chain

We believe that we have a responsibility to work with the electronics supply chain to drive industry-wide improvements in human rights performance.

We view our human rights-related supply chain risk to be lower relative to that of other companies in our industry that outsource a significant portion of their production to contract manufacturers and suppliers. Still, we have invested significant time and resources in collaborating with others to address system-level, industry-wide improvements on issues such as working hours and "conflict minerals." For more information, see the [Supply Chain Responsibility](#) section of this report.

## Product-Related Security, Privacy, and Human Rights Issues

Intel is addressing the privacy, security, and freedom of expression impacts of information and communications technology through accountability, public policy, collaboration, and education.

We have long been committed to respecting privacy, security, and human rights related to our products and business operations, from software to network equipment and consumer electronics devices. We also support the fundamental human rights of privacy and freedom of expression, and have policies, management oversight, accountability structures, and product design processes that address these issues.

Our Privacy by Design and Secure Development Life-cycle processes define actions, deliverables, and checkpoints designed to integrate security and privacy into our products and services to meet product and market expectations. Our development processes include an analysis (as appropriate) of how a product protects against unauthorized access, use, destruction, modification, or disclosure of personal

information, and we review the security and privacy implications of our products with internal or external experts. In addition, Intel does not participate in any efforts to decrease security in technology and does not design backdoors for access into our products.

As a part of our commitment to transparency, in 2014 we published our [Philosophy on Protecting Personal Information](#) on our web site, which outlines our general approach to managing personal information.

For several years, our McAfee subsidiary has continued to develop its philosophy around managing human rights issues in the security and privacy space. In particular, McAfee has invested in employee education and training around human rights risks associated with sales of certain products to different types of customers in selected countries. In 2015, we have begun the process of fully integrating McAfee within Intel, and aligning all of our policies and practices in this space.

As the products and services that we offer continue to become more diverse, we track and evaluate concerns about how technology products can potentially impact privacy, data security, and human rights—including the possibility that our products may be misused to limit the freedom of expression and human rights of individuals. We periodically review our policies and risk assessment processes to analyze these risks.

As part of our public policy actions, we also advocate for global policies and standards to protect data privacy and security, and proactively communicate our positions on our [Public Policy blog](#). For more information, see "[Public Policy and Political Accountability](#)" in the [Our Business and Integrated Value Approach](#) section of this report.

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## Performance Summary and Goals

In 2014, we continued to review and assess our policies and processes around human rights. We continued to engage with external stakeholders to understand best practices regarding governance structures, reporting, and grievance mechanisms.

<b>Goals and Performance</b>		
<b>2014 Goals</b>	<b>2014 Performance</b>	
Continue to integrate our human rights-related processes and policies with our subsidiaries.	We continue to work with our subsidiaries to integrate management processes and leverage assets and programs in ethics and reporting.	
Influence the electronics industry and our supply chain to improve human rights performance.	In 2014, we rolled out a number of new capacity-building programs for our suppliers that focus on human rights issues in the electronics supply chain. We also continue to work closely with the Electronics Industry Citizenship Coalition and other industry organizations to improve human rights performance throughout our industry.	
Conduct a targeted human rights impact assessment for our software business.	We elected not to conduct this assessment in 2014, but will continue to regularly review our human rights policies and practices in this space.	

Achieved

Partially Achieved or on Track

Not Met

In 2015, we will continue to work with our subsidiaries to further align our policies and management processes, and collaborate with our suppliers and the electronics industry to improve human rights standards and performance.

### Goals for 2015 and Beyond

Complete a third-party audit of one of our assembly and test facilities in 2015.

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# APPENDIX

## Report Scope and Profile

With the Intel 2014 Corporate Responsibility Report (CR Report), we aim to provide stakeholders with a balanced view of our corporate responsibility strategy and performance for Intel's worldwide operations during fiscal year 2014 (ended December 27, 2014). Our previous report was published in May 2014.

We prepared this report using the Global Reporting Initiative\* (GRI) G4 Sustainability Reporting Guidelines, and self-declare the report to be prepared "in accordance" with the G4 guidelines at the comprehensive level. A GRI Content Index is provided in this Appendix. Additional information about Intel's operations and financial statements is available in our [2014 Annual Report and Form 10-K](#).

We produce our CR Report in Portable Document Format (PDF). A printed executive summary of the report is available by request, and an electronic version is available on our [Report Builder](#) web site.

Our sites around the world translate and customize the content of the executive summary for local stakeholders. For a high-level overview of Intel's corporate responsibility, supporting documents, past reports, and our customized Report Builder tool, visit our [Corporate Responsibility Report](#) web site.

Our CR Report does not include performance information for Intel's joint ventures or firms included in the investment portfolio of Intel Capital, Intel's global investment organization, unless specified. Unless specified, environmental and social performance data also does not include data from our subsidiaries or joint ventures.

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

We report our key environmental performance indicators in both absolute terms and on a normalized, or "per unit," basis. Our Normalized Production Index (NPI) is derived from our worldwide wafer production data and

the number of die produced and made available for sale. This is a shift from how we reported our normalized data last year, on a "per chip" basis. The NPI is indexed to a baseline year of 2010. One important limitation of the NPI is that it does not take into account the number of additional manufacturing steps used in the newer process technologies. Underlying data for the performance graphs is available for download using our Report Builder web site.

Financial data is presented in U.S. dollars. References to "Intel" throughout this document pertain to Intel Corporation. Intel Foundation is a separate entity.

Send questions, comments, or feedback to Linda Qian, CSR Communications Manager, or Michael M. Jacobson, Director of Corporate Responsibility, Intel Corporation, 5000 W. Chandler Blvd., CH7-301, Chandler, AZ 85226 USA. You can also use our web-based [feedback form](#) or the [CSR@Intel](#) blog to contact our Corporate Responsibility team.

## Approach to Report Assurance

The information in our CR Report is subject to internal reviews and, for selected content, external reviews. On a regular basis, we validate the management systems and processes used to collect the data. We have maintained a multi-site ISO 14001 certification for our manufacturing locations since 2001, which requires independent third-party audits at many of our sites each year. Our Chengdu and Vietnam sites are also certified to the ISO 50001:2011 Energy Management System standard. Intel Ireland is also accredited to the IS 393 Energy Management Standard certification. Our operations in Ireland are covered by the European Union Emissions Trading Scheme. Since 2010, Intel has maintained certification for OHSAS 18001, the internationally recognized standard for occupational safety and health management systems.

For a number of years, we have obtained third-party verification for our GHG emissions. Based on stakeholder input and trends in assurance and external verification measures, since 2012 we have engaged Ernst & Young LLP to conduct an independent review of selected indicators contained in our CR Report in accordance with AT 101, Statements on Standards for Attestation Engagements, of the American Institute of Certified Public Accountants (AICPA).

For the 2014 CR Report, we again engaged Ernst & Young to review our Scope 1 and 2 GHG emissions data. Ernst & Young's review report is included in this Appendix.

## GRI Content Index

This GRI Content Index is provided to assist readers in understanding how our report aligns with the Global Reporting Initiative\* (GRI) G4 Sustainability Reporting Guidelines. This index includes all "Core" indicators as well as a number of "Additional" indicators that we have determined are relevant to our business. We self-declare this report at the "Comprehensive, In Accordance" 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
<strong>STRATEGY AND ANALYSIS</strong>				
<b>G4:1-2</b> Statement from the most senior decision-maker of the organization. Description of key impacts, risks, and opportunities.	●	Letter From Our CEO, Our Business and Integrated Value Approach (Integrated Value)	<a href="#">5, 6</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<strong>ORGANIZATION PROFILE</strong>				
<b>G4:3-9</b> Name of the organization; Primary brands, products, and/or services; Location of headquarters; Nature of ownership; Markets served; Scale of organization.	●	Integrated Value	<a href="#">8</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:10</b> Workforce statistics by category.	●	Caring for Our People (People)	<a href="#">33</a>	Information is provided by region, gender, and employment type. Other workforce information is not provided since it is deemed proprietary.
<b>G4:11</b> Percentage of workforce covered by collective bargaining agreements.	●	People	<a href="#">29</a>	The percentage is zero. See also our <a href="#">Human Rights Principles</a> .
<b>G4:12</b> Description of the organization's supply chain.	●	Supply Chain Responsibility (Supply Chain)	<a href="#">78</a>	
<b>G4:13</b> Explanation of any significant changes during the reporting period regarding size, structure, ownership, or supply chain.	●	Report Scope and Profile	<a href="#">97</a>	There were no significant changes during the reporting period.
<b>G4:14</b> Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	Caring for the Planet (Planet)	<a href="#">45</a>	Reference is also included in our Intel Code of Conduct.

● Covered in the Report

● Partially Covered in the Report

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GRI Content Index (continued)				
Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
<b>G4:15</b> Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	●	Integrated Value, Planet, Supply Chain, Respecting Human Rights (Human Rights)	<a href="#">12</a> , <a href="#">47</a> , <a href="#">80</a> , <a href="#">92</a>	Specific charters/principles are covered in sections of the report by topic.
<b>G4:16</b> Memberships of associations and national or international advocacy organizations that the organization views the membership as strategic.	●	Integrated Value, People, Planet, Supply Chain, Inspiring the Next Generation (Next Generation)	<a href="#">18</a> , <a href="#">34</a> , <a href="#">53</a> , <a href="#">66</a> , <a href="#">80</a>	Memberships are covered in multiple sections of the report. A list of our major trade association memberships is available on our <a href="#">Report Builder</a> web site.
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
<b>G4:17</b> List of entities included in the organization's consolidated financial statements; Report whether any entity included is not covered by the report.	●	Report Scope and Profile	<a href="#">97</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:18</b> Process for defining the report content and the Aspect Boundaries; Explain how the organization has implemented the Reporting Principles for Defining Report Content.	●	Integrated Value	<a href="#">21</a>	
<b>G4:19</b> <b>21</b> List all the material Aspects identified in the process for defining report content. For each material Aspect, report the Aspect Boundary within and outside the organization.	●	Integrated Value	<a href="#">21</a>	Additional information is available for download on our <a href="#">Report Builder</a> .
<b>G4:22</b> Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	●	Report Scope and Profile	<a href="#">97</a>	There were no restatements of information provided in previous reports.
<b>G4:23</b> Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	●	Report Scope and Profile	<a href="#">97</a>	There were no significant changes from previous reporting periods.

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GRI Content Index (continued)				
Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
<b>STAKEHOLDER ENGAGEMENT</b>				
<b>G4:24-27</b> List of stakeholder groups engaged by the organization; Basis for identification and selection of stakeholders; Approach to stakeholder engagement, including frequency of engagement by type; Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded.	●	Integrated Value	<a href="#">18</a>	
<b>REPORT PROFILE</b>				
<b>G4:28-31</b> Reporting period for information provided; Date of most recent previous report; Reporting cycle; Contact point for questions regarding the report or its contents.	●	Report Scope and Profile	<a href="#">97</a>	
<b>G4:32</b> Report the “in accordance” option the organization has chosen, and the GRI Content Index; Report the reference to the External Assurance Report.	●	Report Scope and Profile	<a href="#">97</a>	“In accordance” – Comprehensive.
<b>G4:33</b> Report the organization’s policy and current practice with regard to seeking external assurance for the report; the relationship between the organization and the assurance providers; Report whether the highest governance body or senior executives are involved in seeking assurance.	●	Report Scope and Profile	<a href="#">97</a>	
<b>GOVERNANCE</b>				
<b>G4:34</b> Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental, and social impacts.	●	Integrated Value	<a href="#">12</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:35-49</b> Management processes and policies related to economic, environmental, and social topics by the highest governance body.	●	Integrated Value	<a href="#">12</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:50</b> Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	●	Integrated Value	<a href="#">12</a>	We do not publicly disclose all of the issues due to their proprietary nature.
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #663399;">●</span> Partially Covered in the Report <span style="color: #999999;">○</span> 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
<b>G4:51</b> Report the remuneration policies for the highest governance body and senior executives; Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental, and social objectives.	●	Integrated Value, Proxy Statement	<a href="#">13</a>	
<b>G4:52</b> Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	●	Integrated Value, Proxy Statement	<a href="#">13</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:53</b> Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	●	Integrated Value, Proxy Statement	<a href="#">13</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:54</b> Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	○	N/A		We do not publicly disclose this data.
<b>G4:55</b> Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	○	N/A		We do not publicly disclose this data.
<b>ETHICS AND INTEGRITY</b>				
<b>G4:56-58</b> Describe the organization's values, principles, standards, and norms of behavior, such as codes of conduct and codes of ethics; Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines; Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms, or hotlines.	●	Integrated Value	<a href="#">14</a>	Additional information is available on our <a href="#">Corporate Governance and Ethics</a> web site.
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #663399;">●</span> Partially Covered in the Report <span style="color: #999999;">○</span> 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
<b>ECONOMIC</b>				
<b>DMA</b> Report why the Aspect is material. Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	Integrated Value	<a href="#">23</a>	
<b>Aspect: Economic Performance</b>				
<b>G4:EC1</b> Direct economic value generated and distributed.	●	Integrated Value	<a href="#">23</a>	
<b>G4:EC2</b> Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	Integrated Value, Planet	<a href="#">11, 50</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:EC3</b> Coverage of the organization's defined benefit plan obligations.	●	People	<a href="#">38</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>G4:EC4</b> Report financial assistance received from government.	●	Integrated Value	<a href="#">23</a>	The company's primary use of incentives and grants is for construction of new facilities. These activities are managed on a local level in the location where they are built, and information is usually disclosed by the government/municipality. Additional details on our tax rate and credits are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>Aspect: Market Presence</b>				
<b>G4:EC5</b> Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	○	N/A		We do not publicly disclose this data.
<b>G4:EC6</b> Proportion of senior management hired from the local community at significant locations of operation.	●	People	<a href="#">36</a>	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.
<b>G4:EC7</b> Development and impact of infrastructure investments and services supported.	●	Integrated Value	<a href="#">23</a>	
<span style="color: #000080;">●</span> Covered in the Report <span style="color: #000080;">●</span> Partially Covered in the Report <span style="color: #000080;">○</span> 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
<b>Aspect: Procurement Practices</b>				
<b>G4:EC9</b> Proportion of spending on local suppliers at significant locations of operation.	●	Supply Chain	<a href="#">78, 88</a>	Breakdown of spends by region and information on supplier diversity programs are provided.
<b>ENVIRONMENT</b>				
<b>DMA</b> Report why the Aspect is material; Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	Planet	<a href="#">44</a>	
<b>Aspect: Materials</b>				
<b>G4:EN1</b> Materials used by weight or volume.	●	Planet	<a href="#">44</a>	Our systems are not designed to calculate in totality materials in this way. See our <a href="#">Making Silicon Chips</a> web site for a detailed description of the manufacturing process and materials used.
<b>G4:EN2</b> Percentage of materials used that are recycled input materials.	N/A	N/A		Given the complexity and size of our products, calculation of the percentage of recycled content is not applicable; more significant are our efforts to design out materials such as lead and halogens.
<b>Aspect: Energy</b>				
<b>G4:EN3-7</b> Energy consumption within the organization; Energy consumption outside of the organization; Energy intensity; Reduction of energy consumption; Reductions in energy requirements of products and services.	●	Planet	<a href="#">52</a>	See also our CDP questionnaire response on the <a href="#">CDP</a> web site.
<b>Aspect: Water</b>				
<b>G4:EN8-10</b> Total water withdrawal by source; Water sources significantly affected by withdrawal of water; Percentage of total volume of water recycled and reused.	●	Planet	<a href="#">54</a>	No water sources are significantly affected by our withdrawal of water.

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GRI Content Index (continued)				
Indicator Numbers and Description	Status	Report Section(s)	Page(s)	Explanatory Notes
<b>Aspect: Biodiversity</b>				
<b>G4:EN11</b> Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.	●	Planet	<a href="#">47</a>	
<b>G4:EN12</b> Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	Planet	<a href="#">47</a>	No protected areas or areas of high biodiversity value are significantly impacted by our activities, products, or services.
<b>G4:EN13</b> Habitats protected or restored.	●	Planet	<a href="#">47</a>	
<b>G4:EN14</b> Total number of IUCN Red List Species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	N/A	N/A	N/A	
<b>Aspect: Emissions</b>				
<b>G4:EN15-19</b> Direct greenhouse gas (GHG) emissions (Scope 1); Energy indirect GHG emissions (Scope 2); Other indirect GHG emissions (Scope 3); GHG emissions intensity; Reduction of GHG emissions.	●	Planet	<a href="#">50</a>	See also our CDP questionnaire response on the <a href="#">CDP</a> web site.
<b>G4:EN20</b> Emissions of ozone-depleting substances (ODS).	●	Planet	<a href="#">51</a>	See also our CDP questionnaire response on the <a href="#">CDP</a> web site.
<b>G4:EN21</b> NOx, SOx, and other significant air emissions.	●	Planet	<a href="#">52</a>	See also our CDP questionnaire response on the <a href="#">CDP</a> web site.
<b>Aspect: Effluents and Waste</b>				
<b>G4:EN22</b> Total water discharge by quality and destination.	●	Planet	<a href="#">57</a>	Additional information is available in "SARA Title III Reportable Chemicals by Site" on our <a href="#">Report Builder</a> web site.
<b>G4:EN23</b> Total weight of waste by type and disposal method.	●	Planet	<a href="#">58</a>	
<b>G4:EN24</b> Total number and volume of significant spills.	●	Planet	<a href="#">64</a>	No major spills were reported in 2013. Other non-compliance issues are included in this report.
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #3366CC;">●</span> Partially Covered in the Report <span style="color: #CCCCCC;">○</span> 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
<b>G4:EN25</b> Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	Planet	<a href="#">58</a>	
<b>G4:EN26</b> Identify, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	N/A	Planet		We discharge water in compliance with local permits back to municipal water treatment operations.
<b>Aspect: Products and Services</b>				
<b>G4:EN27</b> Extent of impact mitigation of environmental impacts of products and services.	●	Planet	<a href="#">60</a>	
<b>G4:EN28</b> Percentage of products sold and their packaging materials that are reclaimed by category.	●	Planet, Supply Chain	<a href="#">86</a>	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.
<b>Aspect: Compliance</b>				
<b>G4:EN29</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	Planet	<a href="#">64</a>	
<b>Aspect: Transport</b>				
<b>G4:EN30</b> Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	●	Supply Chain	<a href="#">86</a>	CO <sub>2</sub> emissions of logistics and supply chain and percentage of total CO <sub>2</sub> emissions are estimated, and we are developing tools to help improve measurement and tracking of our impacts in this area.
<b>Aspect: Overall</b>				
<b>G4:EN31</b> Total environmental protection expenditures and investments by type.	●	Planet	<a href="#">44</a>	Over the past several years, Intel has invested millions of dollars in reducing our impact on the environment. We do not report aggregate data on total expenditures and investments of this type.
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #3366CC;">●</span> Partially Covered in the Report <span style="color: #CCCCCC;">○</span> 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
<b>Aspect: Supplier Environmental Assessment</b>				
<b>G4:EN32</b> Percentage of new suppliers that were screened using environmental criteria.	●	Supply Chain	<a href="#">83</a>	
<b>G4:EN33</b> Significant actual and potential negative environmental impacts in the supply chain and actions taken.	●	Supply Chain	<a href="#">83</a>	
<b>Aspect: Environmental Grievance Mechanism</b>				
<b>G4:EN34</b> Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	●	Planet	<a href="#">64</a>	
<b>SOCIAL</b>				
<b>DMA</b> Report why the Aspect is material. Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	People	<a href="#">30</a>	
<b>Aspect: Employment</b>				
<b>G4:LA1</b> Total number and rates of new employee hires and employee turnover by age group, gender, and region.	●	People	<a href="#">36</a>	We do not disclose hiring or turnover data by age group.
<b>G4:LA2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	●	People	<a href="#">38</a>	Part-time and contract employees have similar access to health and retirement benefits as full-time employees. Benefits related to life insurance, vacation, and tuition reimbursement are prorated for part-time employees. Contract employees are not eligible for a number of benefits, including long-term disability, equity incentive plan, and tuition reimbursement. Part-time and contract employees are not eligible for our sabbatical benefit.
<b>G4:LA3</b> Return to work and retention rates after parental leave, by gender.	○	N/A	N/A	We do not disclose this data.
 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
<b>Aspect: Labor/Management Relations</b>				
<b>G4:LA4</b> Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	●	People	<a href="#">30</a>	We provide advance notice in accordance with local requirements in the different locations where we operate. We also have regular quarterly meetings with all employees via webcast, provide information on business changes as soon as possible, and take steps to mitigate negative impacts. We do not have collective agreements.
<b>Aspect: Occupational Health and Safety</b>				
<b>G4:LA5</b> Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	○	People	N/A	We do not disclose this data.
<b>G4:LA6</b> Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	●	People	<a href="#">37</a>	We do not provide a breakdown by region or gender.
<b>G4:LA7</b> Workers with high incidence or high risk of diseases related to their occupation.	●	People	<a href="#">37</a>	
<b>G4:LA8</b> Health and safety topics covered in formal agreements with trade unions.	N/A	N/A	N/A	
<b>G4:LA9</b> Average hours of training per year per employee by gender, and by employee category.	●	People	<a href="#">42</a>	We do not provide a breakdown by gender or employee category.
<b>G4:LA10</b> Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	People	<a href="#">41</a>	
<b>G4:LA11</b> Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	●	People	<a href="#">41</a>	We do not provide a breakdown by gender or employee category.
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #3366CC;">●</span> Partially Covered in the Report <span style="color: #CCCCCC;">○</span> 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
<b>Aspect: Diversity and Equal Opportunity</b>				
<b>G4:LA12</b> Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	People	<a href="#">36</a>	We do not provide a breakdown by age group.
<b>Aspect: Equal Remuneration for Women and Men</b>				
<b>G4:LA13</b> Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	○	N/A	N/A	We do not disclose this data.
<b>Aspect: Supplier Assessment for Labor Practices</b>				
<b>G4:LA14</b> Percentage of new suppliers that were screened using labor practices criteria.	●	Supply Chain	<a href="#">83</a>	
<b>G4:LA15</b> Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	●	Supply Chain	<a href="#">84</a>	
<b>Aspect: Labor Practices and Grievance Mechanisms</b>				
<b>G4:LA16</b> Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	●	Integrated Value	<a href="#">14</a>	
<b>HUMAN RIGHTS</b>				
<b>DMA</b> Report why the Aspect is material. Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	Human Rights	<a href="#">91</a>	
<b>Aspect: Investment</b>				
<b>G4:HR1</b> Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	●	Human Rights	<a href="#">94</a>	
<span style="color: #00008B;">●</span> Covered in the Report <span style="color: #00008B; font-size: 2em;">●</span> Partially Covered in the Report <span style="color: #00008B; font-size: 1.5em;">○</span> 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
<b>G4:HR2</b> 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.	●	Human Rights	<a href="#">92</a>	We do not provide a breakdown of our training data in this way.
<b>Aspect: Non-discrimination</b>				
<b>G4:HR3</b> Total number of incidents of discrimination and corrective actions taken.	○	N/A	N/A	We do not publicly disclose this information.
<b>Aspects: Freedom of Association and Collective Bargaining; Child Labor; Forced or Compulsory Labor</b>				
<b>G4:HR4-6</b> Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights; Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor; Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	Human Rights, Supply Chain	<a href="#">84</a> , <a href="#">92</a>	We operate in a number of countries identified by stakeholders as being at higher risk for labor concerns. We have not identified any Intel operations with significant risk for child labor or forced or compulsory labor. We also conduct on-site third-party audits of our top suppliers.
<b>Aspect: Security Practices</b>				
<b>G4:HR7</b> Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A	N/A	N/A	
<b>Aspect: Indigenous Rights</b>				
<b>G4:HR8</b> Total number of incidents of violations involving rights of indigenous people and actions taken.	N/A	N/A	N/A	
<b>Aspect: Assessment</b>				
<b>G4:HR9</b> Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	Human Rights	<a href="#">92</a>	

● 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
<b>Aspect: Supplier Human Rights Assessment</b>				
<b>G4:HR10</b> Percentage of new suppliers that were screened using human rights criteria.	●	Supply Chain	<a href="#">83</a>	
<b>G4:HR11</b> Significant actual and potential negative human rights impacts in the supply chain and actions taken.	●	Supply Chain	<a href="#">85</a>	
<b>Aspect: Human Rights Grievance Mechanism</b>				
<b>G4:HR12</b> Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	●	Human Rights	<a href="#">93</a>	
<b>SOCIETY</b>				
<b>DMA</b> Report why the Aspect is material. Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	Next Generation	<a href="#">67</a>	
<b>Aspect: Local Communities</b>				
<b>G4:SO1</b> Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	Next Generation	<a href="#">67</a>	
<b>G4:SO2</b> Operations with significant actual and potential negative impacts on local communities.	●	Next Generation	<a href="#">67</a>	
<b>Aspect: Anti-corruption</b>				
<b>G4:SO3-4</b> Total number and percentage of operations assessed for risks related to corruption and the significant risks identified; Communication and training on anti-corruption policies and procedures.	●	Integrated Value	<a href="#">14</a>	
<b>G4:SO5</b> Confirmed incidents of corruption and actions taken.	○	N/A		We do not publicly disclose this data.
● 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
<b>Aspect: Public Policy</b>				
<b>G4:SO6</b> Total value of political contributions by country and recipient/beneficiary.	●	Integrated Value	<a href="#">16</a>	On our <a href="#">Report Builder</a> web site, we disclose political contributions made in the United States.
<b>Aspect: Anti-competitive Behavior</b>				
<b>G4:SO7</b> Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	Integrated Value	<a href="#">10</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>Aspect: Compliance</b>				
<b>G4:SO8</b> Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	Planet	<a href="#">64</a>	Additional details are available in our <a href="#">2014 Annual Report and Form 10-K</a> .
<b>Aspect: Supplier Assessments for Impacts on Society</b>				
<b>G4:SO9</b> Percentage of new suppliers that were screened using criteria for impacts on society.	●	Supply Chain	<a href="#">83</a>	
<b>G4:SO10</b> Significant actual and potential negative impacts on society in the supply chain and actions taken.	●	Supply Chain	<a href="#">84</a>	
<b>Aspect: Grievance Mechanisms for Impacts on Society</b>				
<b>G4:SO11</b> Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	●	Supply Chain	<a href="#">84</a>	
<b>PRODUCT RESPONSIBILITY</b>				
<b>DMA</b> Report why the Aspect is material. Report the impacts that make this Aspect material; Report how the organization manages the material Aspect or its impacts; Report the evaluation of the management approach.	●	Planet	<a href="#">60</a>	
<b>Aspect: Customer Health and Safety</b>				
<b>G4:PR1</b> Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	●	Planet	<a href="#">60</a>	More information is available on our <a href="#">Quality and Reliability Resources</a> web site.
<span style="color: #0000ff;">●</span> Covered in the Report <span style="color: #006699;">●</span> Partially Covered in the Report <span style="color: #cccccc;">○</span> 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
<b>G4:PR2</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	Planet	<a href="#">61</a>	More information is available on our <a href="#">Quality and Reliability Resources</a> web site.
<b>Aspect: Product and Service Labeling</b>				
<b>G4:PR3</b> Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	Planet	<a href="#">61</a>	More information is available on our <a href="#">Quality and Reliability Resources</a> web site.
<b>G4:PR4</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	Planet	<a href="#">61</a>	More information is available on our <a href="#">Quality and Reliability Resources</a> web site.
<b>G4:PR5</b> Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	Integrated Value	<a href="#">10</a>	More information is available on our <a href="#">Customer Information Service Portal</a> .
<b>Aspect: Marketing Communications</b>				
<b>G4:PR6</b> Sale of banned or disputed products.	N/A	N/A		
<b>G4:PR7</b> Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	○	N/A		We do not disclose this information.
<b>Aspect: Customer Privacy</b>				
<b>G4:PR8</b> Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	Human Rights	<a href="#">94</a>	Total number is not reported, but information is available on Intel's <a href="#">Privacy Policy</a> and <a href="#">Public Policy</a> web sites.
<b>Aspect: Compliance</b>				
<b>G4:PR9</b> Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	N/A	<a href="#">94</a>	Information on legal proceedings is included in our <a href="#">2014 Annual Report and Form 10-K</a> .
<span style="color: #003366;">●</span> Covered in the Report <span style="color: #3366CC;">●</span> Partially Covered in the Report <span style="color: #999999;">○</span> Not Covered in the Report				

## Top 75 Production Materials, Capital, and Logistics Suppliers

To promote transparency, we have published this list of our top suppliers since 2009. These suppliers represented 87% of Intel's 2014 purchasing spends in production materials, capital, and logistics. All SCQI and PQS winners in 2014 met or exceeded our Program to Accelerate Supplier Sustainability (PASS) requirements. ASM International N.V. was also recognized with a Supplier Achievement Award for exceptional results delivering leading-edge technology solutions.

Advanced Semiconductor Engineering Inc. (ASE)	FUJIFILM Electronic Materials**	Nikon Corporation**
Advantest Corp.	Gemtek Technology Co., Ltd.	Nuflare Technology Inc.
AGC Electronics America	Grohmann Engineering GMBH	Pegatron Corporation
Air Liquide Electronics	Hermes Microvision, Inc.	Powertech Technology Inc.
Air Products and Chemicals, Inc.	Hitachi High-Technologies Corporation*	Praxair Electronics
Amkor Technology, Inc.**	Hitachi Kokusai Electric Inc.*	Quanta Computer Inc.
Anritsu Corporation	Hon Hai Precision Industry Co., Ltd. (Foxconn)	Quantum Global Technologies dba Quantum Clean
Applied Materials**	Honeywell Electronic Materials	Rohde & Schwarz GmbH & Co KG
ASM International N.V.	Hoya Corp. USA	Samsung Electro-Mechanics
ASML**	Ibiden Co. Ltd.*	Sanmina Corporation
Carl Zeiss	JSR Corporation*	Schenker Logistics, Inc.
Daifuku Co., Ltd.**	JX Nippon Mining & Metals Corp.	Shin Etsu Handotai Co., Ltd.**
DAINIPPON SCREEN MFG CO., LTD.	Kintetsu World Express	Shinko Electric Industries Co., Ltd.**
Delta Design	KLA-Tencor Corporation	Siltronic AG**
Delta Electronics, Inc.	KMG Chemicals, Inc.	SK Hynix Inc.
DHL Global Forwarding	Lam Research Corporation	StatsChipPAC
Dow Electronic Materials	Linde	SUMCO Corporation*
Ebara Corp.	LSI Corporation	Tokyo Electron Limited**
Edwards Ltd.	Micron	Tokyo Ohka Kogyo America, Inc.**
Entegris, Inc. **	Mitsubishi Gas Chemical Company Inc.**	Tosoh Corporation
Federal Express	Moses Lake Industries*	TSMC
FEI	Muratec Automation Co. LTD**	Ultratech, Inc.
Flextronics	Nan Ya PCB Corp	United Microelectronics Corp.
Global Foundries Inc.	Nanium	UTI IMS Inc.
Formfactor, Inc.	Nidec	VWR International

\*Suppliers that received a 2014 Supplier Continuous Quality Improvement (SCQI) award. \*\*Suppliers that received a 2014 Preferred Quality Supplier (PQS) award

## United Nations Global Compact—Communication on Progress 2014

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 ingrained in our approach to corporate responsibility and business practices for many years. As stated in the Letter From Our CEO, our continued support for the UNGC principles as a UNGC member is part of our ongoing commitment to continuous improvement in our own practices and collaboration with other organizations to advance best practices in corporate responsibility worldwide. Our 2014 Corporate Responsibility Report provides detailed information on our corporate responsibility strategy and performance for fiscal year 2014 and covers the UNGC Communication on Progress requirements.

UNGC Communication on Progress		
Human Rights		
Principle 1	Support and respect the protection of internationally proclaimed human rights.	Intel's commitment to respect human rights is embodied in the Intel Code of Conduct, Intel Human Rights Principles, and Intel Water Policy, the latter of which covers our respect for the human right to water. All of these policies are available on our <a href="#">Governance and Ethics</a> web site. In addition, the topic of human rights is covered in the <a href="#">Electronic Industry Code of Conduct</a> , adopted by Intel in 2004. For a discussion of our approach to respecting human rights and the steps we have taken during 2014, see the <a href="#">Respecting Human Rights</a> section of this report.
Principle 2	Make sure that business is not complicit in human rights abuses.	
Labor		
Principle 3	Uphold freedom of association and the effective recognition of the right to collective bargaining.	Intel's Human Rights Principles incorporate references to the key labor issues identified in the UNGC, including prohibition of child labor (Intel has established a minimum age of 16), forced labor, human trafficking, and discrimination. Intel recognizes that in many locations where we operate, employees have the right to freely associate or not associate with third-party labor organizations, along with the right to bargain or not bargain collectively in accordance with local laws. Intel respects those rights and is committed to creating an environment of open communication where employees can speak with their managers about their ideas, concerns, or problems, and team together to address workplace issues. For more information, see the <a href="#">Respecting Human Rights</a> section of this report.
Principle 4	Support elimination of all forms of forced and compulsory labor.	
Principle 5	Support effective abolition of child labor.	
Principle 6	Elimination of discrimination in respect of employment and occupation.	
Environment		
Principle 7	Businesses are asked to support a precautionary approach to environmental challenges.	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 <a href="#">Caring for Our People</a> 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 <a href="#">Our Business and Integrated Value Approach</a> section of this report. Certain employees are assigned more in-depth ethics and compliance training courses, including those covering anti-corruption. For more information, see the <a href="#">Our Business and Integrated Value Approach</a> section of this report.

## Report of Independent Accountant

### Board of Directors and Stockholders, Intel Corporation

We have reviewed selected quantitative performance indicators (the "Subject Matter") included in the accompanying table below and as presented in Intel Corporation's ("Intel") 2014 Corporate Responsibility Report (the "Report") for the year ended December 27, 2014. We did not review all information included in the Report. We did not review the narrative sections of the Report, except where they incorporated the Subject Matter. Intel's management is responsible for the Subject Matter included in the table below and as also presented in the Report, and for selection of the criteria against which the subject matter is measured and presented.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter. A review consists principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate, and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances. A review is substantially less in scope than an examination, the objective of which is to obtain

reasonable assurance about whether the quantitative performance indicators for the year ended December 27, 2014 are free from material misstatement, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

As described in Note 1, non-financial information contained within corporate responsibility reports is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Based on our review, nothing came to our attention that caused us to believe that the Subject Matter, referred to above, for the year ended December 27, 2014 is not presented, in all material respects, in conformity with the relevant criteria set forth in the table below.

Ernst & Young LLP

May 21, 2015

San Jose, California

#### Performance Indicators Reviewed

Indicator Name	Scope	Unit	2014 Value <sup>1</sup>	Criteria	Page Reference
Scope 1 Greenhouse Gas (GHG) Emissions <sup>2</sup>	Global	Tons carbon dioxide equivalent (tCO <sub>2</sub> e)	1,041,000	Global Reporting Initiative ("GRI") G4 EN15, the World Resources Institute ("WRI")/World Business Council for Sustainable Development's ("WBCSD") The Greenhouse Gas ("GHG") Protocol: A Corporate Accounting and Reporting Standard	<a href="#">50</a>
Scope 2 GHG Emissions <sup>3</sup>	Global	tCO <sub>2</sub> e	1,039,000	GRI G4 EN16, the WRI/WBCSD GHG Protocol Corporate Reporting Standard	<a href="#">50</a>
Energy Use <sup>4</sup>	Global	Billion kilowatt hours (kWh)	5.9	GRI G4 EN3 & EN4, the WRI/WBCSD GHG Protocol Corporate Reporting Standard	<a href="#">26</a>

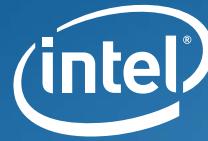
<sup>1</sup> All figures for the year ended December 27, 2014, unless otherwise noted. Values rounded where appropriate.

<sup>2</sup> Emissions are calculated using the Global Warming Potentials updated by the Environmental Protection Agency in November, 2013. Emissions from Intel's shuttle fleet are estimated based on the corporate flight schedule and not actual flight data.

<sup>3</sup> Value reported net of renewable energy credits (REC) purchased and calculated by netting the kilowatt hours of electricity purchased in the United States with the kilowatt hour value of the REC. For purchased electricity at Intel's international locations, Intel reports only CO<sub>2</sub> using the global average CO<sub>2</sub> emission factor provided by the International Energy Agency.

<sup>4</sup> Includes natural gas, diesel and electricity.

Note 1: Environmental and energy use data, are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.



Over time, the number of devices connected to the Internet and to one another has grown from hundreds of millions to billions. Our vision is if it is smart and connected, it is best with Intel.

We offer complete and connected computing solutions, both hardware and software. We continue to drive “Moore’s Law” to enable new devices with higher functionality and complexity while controlling power, cost, and size. The combination of embedding computing into devices and connecting them to the Internet, known as the Internet of Things, as well as a build-out of the cloud infrastructure supporting these devices, is driving fundamental changes in the computing industry. End users value smart devices that connect seamlessly and securely to the Internet and to each other. We enable this experience by innovating around energy-efficient performance, connectivity, and security.

For more information, visit [www.intel.com/responsibility](http://www.intel.com/responsibility)

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