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An Overview of Intel's 2008
Corporate Responsibility Report
Focus on Europe

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To learn more about the topics in this overview, visit
www.intel.com/go/responsibility to view or download our
2008 Corporate Responsibility Report, prepared using the
Global Reporting Initiative's G3 Sustainability Reporting
Guidelines.
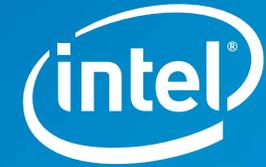
What can we make possible?

It's Been Said...
Pushing Reality

"We are doing things today that I thought
were impossible a few years ago. For us
to continue to be successful, we are going
to have to do things that you now think
are impossible."

Gordon Moore Intel Co-founder

A world of possibilities.

Throughout our 40-year history, Intel has pushed the boundaries of innovation, creating products that have fundamentally changed the way people live and work. But what we make possible goes well beyond our product roadmap. By working with others, we are finding opportunities to apply our technology and expertise to help tackle some of the world's greatest challenges—from climate change and water conservation to education quality and the digital divide.

Our commitment to corporate responsibility is unwavering, even during economic downturns. Taking a proactive, integrated approach to managing our impact on local communities and the environment not only benefits people and our planet, but is good for our business. Making corporate responsibility an integral part of Intel's strategy helps us mitigate risk, build strong relationships with our stakeholders, and expand our market opportunities.

While I am proud of the many recognitions that we have received—including our number one spot on *Corporate Responsibility Officer* magazine's 100 Best Corporate Citizens list for 2008—we continue to push ourselves to do more. For over a decade, we have set formal goals in our primary corporate responsibility focus areas, helping to drive accountability and continuous improvement. In 2008, we set new five-year environmental goals in key areas such as emissions reduction and water conservation. And to help focus all of our employees on environmental sustainability, we aligned a portion of our employees' compensation with environmental criteria for the first time.

In 2008, we became the largest purchaser of green power in the U.S., according to the U.S. EPA. We also built the first solar installations at Intel facilities, and our venture capital arm, Intel Capital, invested $100 million to support firms that are developing solar technologies. With the 2008 release of the Intel® Core™ i7 processor, we continued to demonstrate leadership in driving high levels of performance and energy efficiency in our products. In addition, working diligently on water management, we reduced our fresh-water needs by 3 billion gallons per year. We are making progress, but we continue to face longer term challenges in reducing our absolute environmental footprint due to our growth and the increasing complexity of our manufacturing processes. Addressing these challenges will be a strategic priority for our company in the coming years.

In education, we surpassed the milestone of training 6 million teachers worldwide through the Intel® Teach Program. In addition, we partnered with governments to support the advancement of their education programs, and helped put affordable, portable, Intel-powered classmate PCs into the hands of students in close to 40 countries. We announced a joint business venture with Grameen Trust, using a "social business" model aimed at applying technology to address issues related to education, poverty, and healthcare in developing countries.

At the heart of our commitment to corporate responsibility are Intel's more than 80,000 employees. Early in 2008, I challenged them to give 1 million hours of volunteer service to local communities in celebration of our 40th anniversary. In true Intel style, our employees didn't just meet the goal, they surpassed it in early December, and by the end of the year they had donated 1,346,471 hours to more than 5,000 schools and nonprofit organizations around the world.

I believe this achievement—over 1 million hours of service in a single year—captures the essence of corporate responsibility at Intel. It's an example of the commitment, energy, and innovative spirit that are synonymous with the Intel name. Quite simply, we do what we say and help make the impossible possible.

Paul S. Otellini, President and Chief Executive Officer

- Extending our technology leadership, we introduced the high-performance, energy-efficient Intel® Core™ i7 processor family.

- While the global economic climate significantly impacted our fourth-quarter financial results, we generated $10.9 billion in cash from operations in 2008, enabling us to continue to invest in innovation, even during the economic downturn.

- We continued to work with the Electronic Industry Citizenship Coalition (EICC) to effect lasting social and environmental improvements in the global electronics supply chain.

Fueling the Innovation Economy

Intel is the world's largest semiconductor chip maker, based on revenue. Our products include micro-processors, chipsets, motherboards, and other semiconductor products that are building blocks for computers, servers, consumer electronics, and other networking and communications products. Our current product portfolio and our roadmap of future products and technologies are perhaps the strongest in Intel's 40-year history—the result of our strategy to continually invest in innovation, even in difficult economic times.

Providing a Great Place to Work

We employ more than 80,000 people in over 300 facilities in more than 50 countries. In 2008, we invested $314 million in training and development—an average of $3,700 and 37.3 hours, or close to a full week of training per employee. We also provide multiple programs, tools, and conveniences to help employees balance their work and personal responsibilities, and develop healthier lifestyles.

Maintaining the Highest Integrity

In 2008, over 98% of our employees received formal training on the Intel Code of Conduct, which serves as the cornerstone of Intel culture.

FOCUS ON EUROPE

Intel Europe has been operating since the early 1970s. Of our 6,000 employees working in Europe, more than 800 are engaged in research and development in France, Germany, Ireland, Poland, Spain, and the UK.

Intel's Research Centers in Spain and Germany focus on future generations of high-performance microprocessors with reduced energy consumption. These processors will enable dramatic progress on some of the world's most vexing problems and help scientists develop technologies that will power the supercomputers of tomorrow.

Intel helps frame public policies that affect its industry and business in Europe, particularly in the areas of wired and wireless broadband access, healthcare, energy efficiency, and effective deployment of information technology. Additionally, the company encourages industry-wide innovation by forming and leading a wide range of standards and specifications groups.

Groundbreaking innovation.

A more sustainable future.

- We signed a multi-year commitment to purchase over 1.3 billion kilowatt-hours of renewable energy certificates a year, making us the largest purchaser of green power in the U.S., according to the U.S. EPA.

- Intel Capital, our global investment organization, invested more than $100 million in solar energy, and we installed solar hot water and electricity systems at three Intel sites.

- For the first time, in 2008 we tied a portion of each employee's variable compensation to the achievement of our environmental objectives.

Improving Sustainability

We incorporate environmental performance goals throughout our operations—from designing "green" features into our buildings to manufacturing our products and handling waste. Since 2001, we have invested over $23 million on hundreds of projects to improve energy efficiency and resource conservation in our facilities. In 2008, we reduced our total CO_2 impact below 2007 levels, and we are on track to reach our goal of reducing our absolute global-warming gas emissions 20% by 2012 from a 2007 baseline.

Intel's investment of more than $100 million in water conservation programs during the past decade has enabled us to reclaim more than 3 billion gallons of water a year. We also recycled or reused 84% of our chemical waste and 88% of our solid waste in 2008.

Designing Products Responsibly

We strive to minimize the environmental impact of our products in all phases of their life cycle: development, production, use, and disposal. With each new generation of process technology, we can build higher performing, more energy-efficient microprocessors. In fact, we estimate that the conversion to the energy-efficient Intel® Core™ microarchitecture saved 20 terawatt hours of electricity between 2006 and 2008, compared to the technology it replaced.

Driving Leadership Initiatives

We collaborate with governments, industry, and other organizations on reducing the climate change impact of the IT industry. As part of the Climate Savers Computing Initiative, founded by Intel, Google and the World Wildlife Fund in 2007, 400 companies have committed to use more efficient technology, with the goal of reducing IT-related CO_2 emissions by 50% by 2010.

FOCUS ON EUROPE

Intel has a long track record of engaging with the EU and governments across Europe. For example, Intel cooperated with the European Commission to define an EU Datacenter Code of Conduct and actively participated in developing new rules and standards on the eco-design and energy efficiency for the upcoming Energy-using Products (EuP) Directive.

As a member of the European Commission's Sustainable Energy Europe Campaign (SEEC), Intel works to raise awareness of energy efficiency issues, to help make ICT more energy efficient, and to develop ways for using ICT to improve energy efficiency in other sectors.

- Through the Intel® Teach Program, we provided professional development for more than 1.1 million teachers, bringing the total number of teachers trained globally to over 6 million since the program's inception.

- Continuing our history of investment, the Intel Foundation announced its single largest commitment ever: $120 million in math and science education over the next 10 years.

- Intel worked with UNESCO, Microsoft, and Cisco to launch a guide for policy makers to use in shaping their country's approach to applying technology in education.

Improving Teaching and Learning with Technology

Over the last decade, Intel has invested more than $1 billion to help improve education in 50 countries. As a global technology leader, we believe that we are particularly well-positioned to effect meaningful, lasting improvements in teaching and learning.

Advancing Science, Engineering, and Math Skills

Through the Intel International Science and Engineering Fair (Intel ISEF), a program of the Society for Science & the Public, high school students compete for millions of dollars in awards and scholarships. And, through the Intel® Higher Education Program, we support programs to advance research and education in math, science, and engineering at the university level.

Collaborating for Greater Impact

Intel works with governments to advocate for systemic improvements in education, and to promote affordable access to PCs and Internet connectivity.

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More than 1 million teachers have been trained to date through the Intel Teach program in Germany, Austria, France, United Kingdom, Romania, Italy, Ireland, Sweden, Estonia, Poland and Czech Republic. As a result, 89% of teachers report using technology with their students. The Intel Teach Advanced Online program, which was developed in Germany and is being rolled out Europe-wide, encompasses 350 different lesson plans in Germany alone, all developed by teachers.

The skool™ Learning and Teaching Technology Program operates in Ireland, Portugal, Spain, Sweden, and United Kingdom. It provides secondary school teachers and students with online access to science and mathematics resources.

Our after-school, community-based learning program, the Intel Computer Clubhouse Network, enables youth in underserved areas to access cutting-edge tech-nology. Clubhouses operate in Denmark, Ireland, Netherlands, Northern Ireland, and Russia.

In 2008, students from 12 European countries participated in Intel ISEF. Projects included a first-aid kit for amputation traumas and a safe tricycle for hospitalized children.

The Intel Higher Education Program runs in Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Israel, Italy, Netherlands, Poland, Romania, Russia, Spain, Sweden, Switzerland, and United Kingdom. We sponsor and conduct research at several European universities to enable the future of proactive computing.

We also cooperate with broad-based initiatives to improve education around the region. Intel leads and chairs Germany's Initiative D21, which focuses on promoting ICT skills.

The next generation of innovators.

- To celebrate Intel's 40th anniversary, our employees donated more than 1.3 million hours of service in over 40 countries to thank our communities for their many years of support.

- Intel worked with NetHope to develop technology solutions for healthcare, economic development, and disaster relief programs of non-governmental organizations (NGOs).

- Following a devastating earthquake in China's Sichuan Province, employees donated over 35,000 volunteer hours, as well as relief funding matched by the Intel Foundation, for a total of $6.9 million.

Reaching Out Through Volunteerism

When Intel President and CEO Paul Otellini challenged employees to donate 1 million hours of service in a single year, it took the Intel Involved volunteer program to a new level. Employees responded to the challenge enthusiastically, donating well over twice the number of hours in 2008 compared to 2007. In total, 54% of our employees volunteered in 40 countries in 2008. The Intel Foundation extended the impact of that volunteerism by contributing over $8.5 million in matching grants to help schools and nonprofits meet critical funding needs.

Applying Technology to Community Challenges

We form alliances with governments and leading NGOs to develop technology solutions that address community needs. The Intel-powered rugged PC, for example, is a sturdy, low-cost technology platform designed for use in harsh, remote locations.

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Intel community technology projects in Europe include a digital healthcare program in Russia, computer training for seniors in Ireland, and Internet access for a desert town in Israel. Throughout Europe, Intel employees contributed by volunteering their time, expertise and passion to build communities that are more inclusive, economically empowered and environmentally sustainable.

- **Ireland:** Thousands of Intel employees spent two days painting a facility for people with special needs, helping school students improve their writing and interviewing skills, and helping out at an animal sanctuary.

- **Turkey:** Intel volunteers teamed up with paramedics to take blood pressures, talk with patients about their health concerns, and teach doctors and midwives how to load medical data onto computers and consult with colleagues via the Internet.

- **Finland:** Thanks to the hard work of Intel Finland volunteers, young children from low income families can now learn sailing at the Helsinki Sailing Club.

- **UK:** Employees volunteered more than 2,500 hours in a range of activities, including moving eight tons of gravel to complete a path for a charity for disadvantaged people, and Intel UK matched those hours with donations to Macmillan Cancer Support and The Prospect Hospice. The company also added monetary donations to funds raised by employees for local causes, such as schools, nurseries and small local charities and it provided 240 old laptops to community groups.

- **Germany:** Community volunteers planted trees to turn an unused airfield into a park for the citizens of Feldkirchen.

- **Spain:** Children in some Central American villages now have computers in their classrooms, thanks to Intel Spain employees who worked with Fundacion Bip Bip to update 155 PCs before they were shipped to Guatemala.

Better places to live and work.

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2008 Performance Summary Data—Worldwide

This table provides a high-level summary of our key economic, environmental, and social indicators. For detailed information on these and other indicators, see our Corporate Responsibility Report at **www.intel.com/go/responsibility**

Key Indicators	2008	2007	2006	2005	2004
Economic					
Net revenue (dollars in billions)	$37.6	$38.3	$35.4	$38.8	$34.2
Net income (dollars in billions)	$5.3	$7.0	$5.0	$8.7	$7.5
Provision for taxes (dollars in billions)	$2.4	$2.2	$2.0	$3.9	$2.9
R&D spending (dollars in billions)	$5.7	$5.8	$5.9	$5.1	$4.8
Capital investments (dollars in billions)	$5.2	$5.0	$5.9	$5.9	$3.8
Environmental					
Global-warming emissions (million metric tons of CO_2)	2.85	3.85	4.02	3.78	3.81
Energy use (million kWh—electricity, gas, and diesel)	5,643	5,757	5,793	5,292	5,015
Water use (millions of gallons)	7,792	7,517	7,651	6,756	6,123
Chemical waste generated (tons)	28,486	23,260	29,951	27,357	20,258
Chemical waste recycled/reused	84%	87%	64%	58%	63%
Solid waste generated (tons)	83,822	58,746	60,917	54,634	47,828
Solid waste recycled/reused	88%	80%	74%	75%	74%
Social					
Workplace					
Employees at year end	83,900	86,300	94,100	99,900	85,000
Women in global workforce	29%	29%	30%	30%	30%
Investments in employee training (dollars in millions)	$314	$249	$380	$377	$329
Safety—recordable rate[1]	0.44	0.48	0.43	0.44	0.34
Safety—days away case rate[1]	0.10	0.12	0.11	0.13	0.10
Community					
Employee volunteerism rate	54%	38%	38%	35%	30%
Worldwide charitable giving (dollars in millions)[2]	$102	$109	$96	$111	$98
Charitable giving as percentage of pre-tax net income	1.20%	1.19%	1.36%	0.88%	0.94%
Education					
Teachers trained through Intel® Teach Program (millions)	1.1	1.1	0.9	0.8	0.85

[1] Rate based on 100 employees working full time for one year.
[2] Includes total giving (cash and in-kind) by Intel Corporation and the Intel Foundation.

Looking Ahead—Worldwide

Setting public goals in our key corporate responsibility areas helps us drive continuous improvement and hold ourselves accountable for our performance.

Goals for 2009 and Beyond

Environment

Reduce water use per chip[1] below 2007 levels by 2012.

Reduce absolute global-warming gas footprint by 20% by 2012 from 2007 levels.

Reduce energy consumption per chip 5% per year from 2007 through 2012.

Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.

Recycle 80% of chemical and solid waste generated per year.

Achieve engineering and design milestones to ensure that Intel products keep the energy-efficiency lead in the market for our next two product generations.

Workplace

Drive key improvements in the hiring and retention of under-represented minorities and women to reach full parity in workforce representation.

Achieve organization-specific recordable rate goals for targeted groups. Improve early reporting of ergonomic-related injuries, specifically cumulative trauma disorders, with a targeted first aid to recordable ratio goal of 9:1.

Supply Chain

Work with our commodity teams and managers to ensure that they continue to integrate Electronic Industry Code of Conduct processes and criteria into supplier management practices.

Continue to complete risk assessments and implement continuous improvement plans where required for our top-tier suppliers, in pace with the EICC's shared audit process timing.

Continue to participate in EICC work groups and task forces. Co-lead the supplier training event in Shenzhen, China.

Require our top-tier suppliers within our corporate Supplier Continuous Quality Improvement Program to publish their "green" metrics, and encourage all of our suppliers to put transparent green initiatives in place.

Participate in the pilot of the EICC's carbon footprint tool, and publish the results.

Include historically under-represented businesses in 100% of all eligible bidding opportunities, and participate in international supplier diversity standards adoption and community awareness campaigns.

Community

Maintain at least a 40% employee volunteerism rate.

Develop an enhanced skills-based volunteering program and increase skills-based volunteer opportunities.

Education

Expand the Intel® Teach Program to reach 1 million more teachers.

Work to ensure that at least 500 universities offer two or more undergraduate courses on parallel programming concepts.

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

Third-party recognition provides valuable feedback on our programs and practices, helping us to drive continuous improvement over time. Below is a selection of the more than 80 corporate responsibility awards and recognitions that Intel received in 2008.

Overall Corporate Responsibility

- Dow Jones Sustainability Index—Technology Supersector Leader (eighth year)
- Corporate Knights/Innovest—Global 100 Most Sustainable Corporations in the World list (fourth year)
- *Corporate Responsibility Officer* magazine—100 Best Corporate Citizens 2008 (number one on the list)
- Covalence Ethical Ranking 2008 (second overall and first in our sector)
- *Fortune* magazine—World's Most Admired Companies list and America's Most Admired Companies list
- MAALA Corporate Responsibility Index—Platinum rating (Israel)
- Public Counsel—2008 William O. Douglas Corporate Achievement Award (U.S.)
- American Chamber of Commerce in Shanghai—CSR Excellence in China Award (China)
- *CommonWealth* magazine—CSR Award (Taiwan)

Environment

- U.S. EPA—a Green Power Partner of the Year (U.S.)
- CERES/RiskMetrics—Climate Change Governance Ranking (fourth overall and first in our sector)
- Breathe California—California Clean Air Award (U.S./California)
- Department of Energy—Outstanding Award for Energy Efficiency (Philippines)
- California Integrated Waste Management Board—Waste Reduction Award Program (U.S./California)

Business/Workplace

- Institute for Health and Productivity Management—2008 Level II International Corporate Health and Productivity Management Award
- *Working Mother* magazine—100 Best Companies for Working Mothers list (U.S.)
- *TheMarker* magazine—50 Best Companies to Work For (number one on the list) (Israel)
- Great Place to Work Institute/Economic Times—Top 25 Best Workplaces 2008 list and Special Award for CSR (India)
- Human Rights Campaign—Corporate Equality Index (seventh year with perfect score) (U.S.)
- *Minority Engineer* magazine—Top 50 Employers list (U.S.)

Community and Education

- President's Volunteer Service Award—presented at the White House (U.S.)
- Department of Education—2008 Spotlight on Success Award (U.S./Arizona)
- Bitacora Group—2008 IT Ethics and Values Award, recognizing Intel® Education Initiative (Peru)
- Silicon Valley/San Jose Business Journal—Corporate Philanthropy list (U.S./California)
- Marlborough Chamber of Commerce—2008 Business of the Year (U.S./Massachusetts)

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- The German Education Software Awards Digita 2008
- Chambers Ireland President's Award—Responsible Employer Award as well as Outstanding Achievement in Corporate Social Responsibility
- Annual ICT Excellence Awards—Best ICT Company to Work For list
- State Duma/Russian Center for Volunteerism Development—National Volunteerism Award (Russia)
- Business in the Community Ireland—Top 10 examples of Inspiring Excellence 2003-2008

A culture of corporate responsibility.