Intel is the world's largest semiconductor chip maker, based on revenue. We enable innovation across a spectrum of digital devices—handhelds, netbooks, laptops, desktop PCs, servers, consumer electronics, and networking and communications products. We are committed to pushing the boundaries of technology to make the lives of people everywhere more exciting, fulfilling, and manageable.

2009 Corporate Responsibility Report

Focus on Ireland

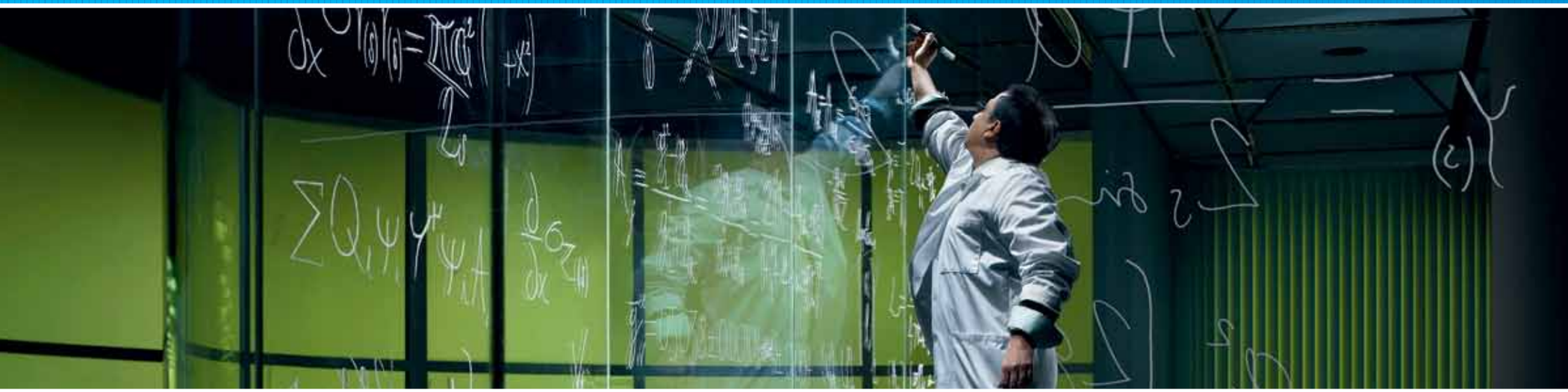
Sponsors of Tomorrow.™

To learn more about the content in this Executive Summary, visit www.intel.com/go/responsibility to view or download our complete 2009 Corporate Responsibility Report, prepared using the Global Reporting Initiative* G3 Sustainability Reporting Guidelines.

Sponsors of Tomorrow.™

Advocate Xtreme White contains woodpulps from well managed forests certified in accordance with the rules of the Forest Stewardship Council.
© 1996 Forest Stewardship Council A.C.
Printed on Advocate Smooth Xtreme White 250 gsm

062010 Please Recycle
Recycled
Cert No. TT-COC-2032
FSC 1996 ©



Corporate Responsibility and Innovation

To view or download the complete Intel 2009 Corporate Responsibility Report, visit **www.intel.com/go/responsibility**

Corporate responsibility is about doing the right things right. Throughout Intel's history, we have focused on building an ethical culture, reducing our environmental impact, investing in our employees, and engaging with our communities.

Our approach has created value not only for our stakeholders and society, but also for Intel. We have reduced costs through energy conservation investments, minimized risk by proactively working with our communities and supply chain, and enhanced our reputation as a leading corporate citizen by building trusted relationships around the world.

In 2009, we continued to invest in our corporate responsibility priorities, despite difficult economic conditions. We completed a number of energy efficiency, water conservation, and solar installation projects in our facilities, and Intel remained the largest purchaser of "green" power in the U.S., according to the U.S. Environmental Protection Agency (EPA). To help drive accountability, again this year a portion of all employees' variable compensation was dependent upon Intel achieving its environmental goals. We also became a member of the United Nations Global Compact and published new Intel Human Rights Principles, reinforcing our commitment to leadership in corporate responsibility.

Corporate responsibility for Intel is also about innovation, as we apply our resources to address global challenges. In 2009, we launched the Intel Sponsors of Tomorrow™ marketing campaign, which celebrates the accomplishments and contributions of Intel employees—innovators in the truest sense of the word. I continue to be amazed by their relentless focus on operational excellence, and their generosity in sharing their time and talent in our communities. Every day they are discovering new ways to bring about improvements in education, the environment, and healthcare.

By improving the energy-efficient performance of our products, for example, our employees are helping our customers and entire segments of the economy reduce energy use and address climate change. We estimate that the conversion to the energy-efficient Intel® Core™ microarchitecture saved up to 26 terawatt-hours of electricity between 2006 and 2009, compared to the technology it replaced. Our employees are also involved in initiatives to accelerate the integration of intelligent renewable energy sources, smart grids, and smart buildings.

Innovation—and the economic development and competitiveness of countries—depend on the availability of a workforce with a strong mastery of math and science and the skills to apply knowledge in new ways. To inspire the next generation of innovators, Intel continues to partner with governments and educators to develop and implement programs that combine technology, Internet connectivity, and training to improve teaching and learning around the world.

In 2009, we faced challenges related to antitrust allegations, including cases brought by the European Commission, the U.S. Federal Trade Commission, and the New York Attorney General. We firmly believe that Intel has operated fairly and lawfully, and we are continuing to appeal and to make our arguments in a court of law.

We also faced challenges in reducing our water use and waste generation in 2009, but we expect that the implementation of new technologies will enable us to improve our performance in these areas so we can achieve our 2012 environmental goals.

As you read this executive summary, as well as the complete 2009 Corporate Responsibility Report on our web site, I hope that you will sense a continued progression, noting how we are building on successes, further integrating corporate responsibility into our culture and decision-making processes, and seeking new challenges to work on. We appreciate that our leadership position—in both innovation and corporate responsibility—must be earned every day. We welcome your feedback on our report, as well as suggestions for how we can drive performance improvements and increase value for our stakeholders around the world.

Paul S. Otellini,
President and Chief Executive Officer

Driving Global Innovation

Corporate Profile

Intel is the world's largest semiconductor chip maker, based on revenue. We develop advanced integrated digital technology products, primarily integrated circuits, for industries such as computing and communications. We serve customers in more than 120 countries, and at fiscal year-end 2009 had 79,800 employees in more than 50 countries.

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

Our products include microprocessors, chipsets, motherboards, and wireless and wired connectivity products, as well as platforms that incorporate these components. We strive to optimize the overall performance improvements of our products by balancing increased performance capabilities with improved energy efficiency. The substantial majority of our revenue is from the sale of microprocessors and chipsets. Most of our microprocessors are based on the latest generation Intel® Core™ microarchitecture.

Over time, we have delivered products that offer more capabilities and are faster, more energy-efficient, and more affordable. Intel's first microprocessor, the 4004—introduced in 1971—incorporated 2,251 transistors.

Today, we manufacture microprocessors that incorporate more than 2 billion transistors per chip. Compared to the 4004, our first 32-nanometer (nm) processors, introduced in early 2010, are 5,000 times faster and have transistors that cost 100,000 times less than the Intel 4004. If the cost-performance of the automobile followed a similar path, today's cars could run at 470,000 miles per hour, get 100,000 miles per gallon, and cost only three cents. For more information, visit our Products web site or see our 2009 Annual Report and Form 10-K.

Focus on Ireland

Ireland is Intel's center of manufacturing excellence in Europe. Since 1989, Intel has invested €6 billion, turning a former 360-acre stud farm into the most advanced industrial campus in Ireland. The Leixlip, Co. Kildare site is the most technologically advanced industrial location in Europe with over 4,000 people working at the campus. In addition, there are over 200 people employed at Intel Communications Europe, located in Shannon, Co. Clare, which is the Ireland product development arm of our Communications Product Group.

Our Leixlip campus is the location of two semiconductor wafer fabrication facilities; Ireland Fab Operations, and Fab 24. These facilities produce latest generation silicon microprocessors on 200mm and 300mm wafers. These leading edge silicon products power platforms and technology advancements which are essential to the way we learn, live and work today.

The Right Way to Do Business

Intel Ireland has an excellent environmental management track record and we are committed to continuously improving our environmental performance. For example, in addition to the long-standing ISO 14001 accreditation of our Environmental Management System, we have recently been accredited with the IS 393 Energy Management standard.

Intel strives to be a trusted, leading corporate citizen. Corporate responsibility at Intel Ireland reflects our deep respect for people and for the communities around us. This means listening to, learning from, and communicating openly with all of our stakeholders. It's simply how we do business.

In 2009 Intel celebrated the 20th anniversary of operations in Ireland. We look forward to the next 20 years of success working as team at the Ireland site and across our community and country.

Integrating Corporate Responsibility

- To further integrate corporate responsibility into our governance practices and policies, we published new Human Rights Principles and became a member of the United Nations Global Compact.
- 70% of Intel employees responded to our company-wide Organizational Health Survey, providing valuable feedback to help drive continuous improvement in our workplace practices.
- Promoting transparency and supply chain responsibility, we have disclosed the list of our top 50 suppliers for the first time in our Corporate Responsibility Report.

Embedding Expectations into Our Culture

In 2009, over 98% of Intel employees received formal training on the Intel Code of Conduct, which directs them to consider both the short- and long-term impacts on the environment and the community in business decisions. In 2009, we also updated our annual Code of Conduct training to add more content on our corporate responsibility expectations, including those related to the environment and human rights. Since 2003, the Corporate Governance and Nominating Committee of our Board of Directors has had ultimate oversight for Intel's corporate responsibility performance. In early 2010, we amended the committee's charter to further clarify their role in reviewing additional sustainability issues that may impact our business.

Empowering Our Employees

In 2009, we invested $267 million in employee training and development, an average of $3,400 and 37.8 hours per employee. We also continued to expand our award-winning employee wellness program and added other innovative programs, tools, and conveniences to help employees balance their work and personal lives and develop healthier lifestyles. Intel was included on "best place to work" lists in a number of countries.

Promoting Supply Chain Responsibility

Intel works with others in our industry to promote corporate responsibility throughout the global electronics supply chain. In 2009, we trained our suppliers on new environmental, social, and governance requirements and metrics that we are using to evaluate suppliers starting in 2010—including assessments of suppliers' environmental management programs.

Focus on Ireland

Awards and Recognitions

Third-party recognition provides valuable feedback on our programs and practices, helping us to drive continuous improvement over time. Intel received more than 80 corporate responsibility awards and recognitions in 2009, including the following awards in Ireland:

- ICT Ireland—ICT Excellence Award 2009 under the category of Corporate Social Responsibility, for the Log On, Learn program
- Chambers Ireland—President's Awards for CSR 2009:
  - Eco-Business section winner—for "watching the watts and reducing energy consumption"
  - Good Neighbor section winner—for Log on, Learn

Advancing Environmental Sustainability

- In 2009, Intel remained the largest voluntary purchaser of renewable energy credits in the U.S., according to the EPA, and announced in January 2010 our plan for eight new on-site solar installations at our U.S. facilities.
- The conversion to the energy-efficient Intel® Core™ microarchitecture saved up to 26 terawatt-hours of electricity between 2006 and 2009, compared to the technology it replaced—equivalent to eliminating the CO_2 emissions associated with the annual electricity use of more than 2 million U.S. homes.
- In 2009, we continued to link a portion of every employee's variable compensation to the achievement of company-wide environmental goals, including a target to reduce office energy use.

Promoting Sustainability in Our Operations

Since 2001, we have invested over $35 million and completed more than 1,300 projects to improve energy efficiency and resource conservation, saving 640 million kilowatt-hours of energy, or enough to power more than 55,000 U.S. homes for a year. In 2009, close to 70 individuals and employee teams were nominated for Intel Environmental Excellence Awards for their work on innovative projects that reduced Intel's environmental footprint.

Designing Energy-Efficient Products

In 2009, we founded the Intel Open Energy Initiative, aimed at accelerating the global transition to smart grids and smart buildings, and empowering energy consumers. As a founder and co-chair of the Digital Energy Solutions Campaign, we worked with a coalition of information and communications technology (ICT) companies, non-governmental organizations (NGOs), and trade associations to promote public policies that maximize ICT's contribution to improving energy efficiency and reducing carbon emissions.

Focus on Ireland

At Intel Ireland, we work to minimize our environmental footprint every day. We focus on managing our operations responsibly, making our products more energy efficient, and working to lead sustainability initiatives across the world. We believe that technology will be fundamental to addressing the world's environmental challenges.

The Intel Ireland Environmental Management System (EMS) is accredited to the ISO 14001 standard (since 1996) and particular focus areas include energy conservation, waste reduction, and water conservation. Over the course of 2009, the management system on site was reviewed by external bodies such as the Environmental Protection Agency (EPA) which confirms compliance with a high standard of environmental performance.

Energy Reduction

Between 2001 and 2009, Intel Ireland implemented energy reduction projects resulting in annual savings of 85 million kilowatt-hours of electricity and 107 million kilowatt-hours of natural gas. In 2009, we implemented energy reduction projects which reduced annual usage by 4% at year end.

Waste Reduction and Recycling

Over the course of 2009, we modified a system whereby chemical waste (which was previously sent off-site for treatment) is now converted to copper balls which are sent for recovery. In 2009, we continued to achieve high recycle rates — 76% of chemical waste and 92% of solid waste.

Water Conservation

Between 2001 and 2009, Intel Ireland implemented water conservation projects which have resulted in annual savings of 2.2 million cubic meters per year. In 2009 alone, a number of projects were carried out which produced an estimated saving of 120,000 cubic meters per year.

Other Initiatives

Intel Ireland is one of several ESIA (European Semiconductor Industry Association) companies that have signed a Memorandum of Agreement (MoA) to reduce member companies' absolute emissions of industrial global warming gases such as perfluororcarbons (PFCs) to 10% (on a MMTCE basis) below the 1995 baseline emissions by 2010. Intel Ireland is well on track to meet this target despite the increase in production over that time-frame.

Looking Ahead in Ireland

- Intel to the corporate goal of reducing our annual normalized energy consumption by an average of 5% each year through 2012
- Support environmental projects in the community
- Improve recycling rates on campus for chemical waste and solid waste

Transforming Education

- More than 7 million teachers worldwide have received in-depth training through the Intel® Teach Program, helping them to effectively integrate technology into their classrooms.
- Intel, Cisco, and Microsoft announced a research initiative with more than 60 leading scholars focused on how to best define, measure, and teach the skills needed to compete in today's global knowledge economy.
- Hundreds of thousands of students around the world are gaining access to technology for the first time through the Intel® Learning Series, which combines educational software and services with the Intel-powered classmate PC, a low-cost, rugged mobile learning device platform.

Empowering Teachers and Learners

Over the last decade, Intel has invested more than $1 billion, and our employees have volunteered over 3 million hours, toward improving education in more than 60 countries. The Intel® Learn Program has reached over 1 million young people in 13 countries.

Inspiring the Next Generation of Innovators

The Intel® Higher Education Program, active in more than 30 countries, provides support for university faculty and students to advance research and education in math, science, and engineering, and for the creation of technology entrepreneurship programs. We have also disseminated cutting-edge curricula to more than 1,700 leading universities to help prepare students for careers in critical technology areas.

Collaborating for Greater Impact

In 2009, we signed memorandums of understanding aimed at improving math and science education in a number of countries, and announced our support of U.S. President Barack Obama's Change the Equation campaign, which focuses on the urgent need to improve science, technology, engineering, and math education in the U.S. Through the Intel World Ahead Program, we have worked with more than 60 countries on over 200 projects aimed at making technology more available, affordable, and understandable to first-time users.

Focus on Ireland

Intel believes that students everywhere should be taught the skills necessary to achieve their potential, actively participate in society and become the next generation of innovators. In Ireland, Intel is actively involved in education programs, advocacy and technology access to achieve these goals and enable tomorrow's innovators.

Our education program is focused on skills development for teachers and students at primary, post primary, and tertiary level. The Intel® Teach Program is in-service professional development training for teachers and has been available in Ireland since 2000. To date, more than 7,500 teachers have completed the program. The latest Intel® Teach online and collaborative program is also available as a pre-service module at Dublin City University from 2010.

The primary and post primary program is targeted at problem solving, investigation, critical thinking and communications skills development, and supports math and science curricula.

At primary level, Intel sponsors the Mini Scientist competition for 4th, 5th and 6th grade students and hosts the grand finale at the Leixlip Campus. At post-primary level, Intel partners with Discover Science and Engineering (DSE) to co-fund SciFest, a series of second level science fairs hosted annually at the Institutes of Technology. To date over 5,000 students have exhibited at SciFest. Intel is a sponsor of the BT Young Scientist and Technology Exhibition and the Sentinus Young Innovator competition and also sponsors top awards in science and engineering. Intel also sponsors students to attend the Intel International Science and Engineering Fair in the US.

Other offerings include a number of curriculum interventions at post-primary level designed to build skills and encourage the uptake of physical sciences and engineering subjects. These include Intel Junior Physics Investigations, Intel Design and Discovery, and Intel Senior Physics hosted on the Skoool.ie site.

Higher education aims to drive best-in-class research leading to innovation and research breakthroughs. Intel supports university-based collaborative research in Ireland and across the EU in nanotechnology, ICT, advanced manufacturing and digital health research. The company supports and mentors over 50 PhDs in these disciplines. Each year all our academic and industrial partners along with European policy makers gather at the Intel European Research and Innovation Conference to network and share information.

Looking Ahead in Ireland

- Deliver innovative solutions to promote Science, Technology, Engineering and Mathematics (STEM) in the classroom
- Expand the Mini Scientist program into two regions
- Continue to support technology innovation and research in collaboration with universities and governments

Enriching Communities

- Through the Intel Involved Program, 38% of our employees donated 989,681 hours of service in 2009, and the Intel Foundation provided $6.8 million in matching grants to about 4,500 schools and nonprofits where employees volunteered.
- We launched the Intel Education Service Corps, which trains teams of Intel volunteers and sends them around the world to help install computers in schools and orphanages, and teach students, teachers, and parents how to use them.
- Just one month after the catastrophic earthquake in Haiti in January 2010, giving by Intel, the Intel Foundation, and employees had reached $3 million, and we had provided technology expertise and hundreds of laptops for aid workers.

Addressing Challenges with Technology

To achieve scalable impact, Intel develops alliances with governments, leading NGOs, and other companies to develop technology solutions to address some of the world's biggest challenges—in healthcare, economic development, education, and the environment. We are working in partnership with Lebanon, for example, on a telemedicine project to train medical students and doctors, and to enable patients in distant parts of the country to receive treatment via computers and the Internet. In 2009, we also continued our collaboration with NetHope—a consortium of managers and experts from some of the largest international NGOs—to apply technology in support of healthcare, economic development, and disaster relief programs.

Giving to Support Local Needs

Each year, Intel and its employees, supported by the Intel Foundation, contribute technology equipment and expertise—as well as millions of dollars—to education, community programs, and short- and long-term disaster relief efforts. Despite continued economic uncertainty, U.S. employee and retiree contributions to the U.S. Community Giving Campaign increased 3% over 2008. With the Intel Foundation match, the total contribution was $22.7 million—placing Intel in the top 10 United Way corporate campaigns in the U.S. for the second year in a row. By the end of 2009, Intel had established 190 state-of-the-art e-classrooms—and our employees had donated more than 66,000 volunteer hours—to help rebuild regions devastated by the earthquake that rocked China's Sichuan Province in 2008. Similarly, following the November 2008 floods that destroyed the livelihoods of millions of people in Bihar, India, Intel partnered with ActionAid India to help over 600 families set up small businesses to generate income.

Focus on Ireland

At Intel, we strive to be an asset to our communities and to operate with uncompromising integrity. Corporate citizenship is firmly anchored in our Intel corporate values and we believe our business success depends upon our ability to be trusted, responsible, open, and engaged.

The Intel Involved Matching Grant Program aims to recognize and motivate Intel employees to engage in outreach and volunteerism to make our communities a better place to live. Its objective is to support employees giving their time and talent to qualified non-profits and non-governmental organizations, in addition to schools. In 2009, employees volunteered more than 33,500 hours which were matched through this initiative, resulting in a payout of almost $340,000. These matching funds were received by over 100 recipient organizations. The overall number of hours volunteered by Intel Ireland employees in 2009 was over 42,000.

Seeing is Believing is a new concept developed by Intel Ireland in conjunction with Business in the Community, which aims to inspire and motivate business leaders to view responsible environmental practices as an integral part of successful and sustainable business, and to generate discussion among Irish business leaders on the key challenges facing Ireland and our economic competitiveness. Intel, as an environmental leader, opens its facilities to groups of industry, government and social leaders to share with them best practices in the areas of sustainability and environmental strategy. To date, Intel Ireland has hosted two Seeing is Believing events at its facilities in Leixlip for both business and government leaders.

The Leixlip Spa, situated on the Intel site boundary next to Fab 24, is a historical feature that was discovered in 1793 by workmen excavating for the Royal Canal. The spa is listed as Priority 1 under the European designation of Special Areas of Conservation, and the spa, which has waters that bubble from the ground at a constant 23.9 degrees Celsius, is the only warm spring in Ireland located in a designated Special Area of Conservation. Architecturally there are no other examples of a thermal bath of this type in Ireland. Intel Ireland, in conjunction with the Leixlip Spa Committee, have recently funded part of the spa development in the form of restoration of the stone work of the bath feature. This is a unique project in terms of its significance both historically and ecologically, and Intel recognized the importance of preserving such a significant asset to the local community in which Intel is located.

We continue to engage with all of our stakeholders in the community and to implement projects that strive to make a difference. For example, the Log On, Learn program continues to grow; to date 165 schools have trained 4,850 senior citizens, with 2,450 students participating in the training program.

Looking Ahead in Ireland

- Achieve 40% participation in employee volunteerism
- Continue to extend participation in the expanded matching grant program
- Actively use communications channels to regularly engage our community stakeholders

2009 Performance Summary Data

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 complete Corporate Responsibility Report at **www.intel.com/go/responsibility**.

Key Indicators	2009	2008	2007	2006	2005
Economic					
Net revenue (dollars in billions)	$35.1	$37.6	$38.3	$35.4	$38.8
Net income (dollars in billions)	$4.4	$5.3	$7.0	$5.0	$8.7
Provision for taxes (dollars in billions)	$1.3	$2.4	$2.2	$2.0	$3.9
Research and development spending (dollars in billions)	$5.7	$5.7	$5.8	$5.9	$5.1
Capital investments (dollars in billions)	$4.5	$5.2	$5.0	$5.9	$5.9
Environmental					
Global-warming emissions (million metric tons of CO_2 equivalents)	1.98	2.49	3.85	4.02	3.78
Energy use (million kWh—includes electricity, gas, and diesel)	5,110	5,649	5,765	5,793	5,292
Water use (millions of gallons)	8,025	7,792	7,517	7,651	6,756
Chemical waste generated (tons)	24,670	28,486	23,260	29,951	27,357
Chemical waste recycled/reused	71%	84%	87%	64%	58%
Solid waste generated (tons)	44,484	83,822	58,746	60,917	54,634
Solid waste recycled/reused	80%	88%	80%	74%	75%
Social					
Workplace					
Employees at year end	79,800	83,900	86,300	94,100	99,900
Women in global workforce	28%	29%	29%	30%	30%
Investments in employee training (dollars in millions)	$267	$314	$249	$380	$377
Safety—recordable rate[1]	0.45	0.47	0.48	0.43	0.44
Safety—days away case rate[1]	0.09	0.11	0.12	0.11	0.13
Community					
Employee volunteerism rate	38%	54%	38%	38%	35%
Worldwide charitable giving (dollars in millions)[2]	$100	$102	$109	$96	$111
Charitable giving as percentage of pre-tax net income	1.8%	1.3%	1.2%	1.4%	0.9%
Education					
Teachers trained through Intel® Teach Program (millions)	1.2	1.1	1.1	0.9	0.8

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

Looking Ahead: Corporate Responsibility Goals

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

Goals for 2010 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 maintain the energy-efficiency lead in the market for our next two product generations.
Workplace
Drive key improvements and hire at full availability for technical under-represented minorities and women.
Improve the organizational health of the company, as measured by improvements in our company-wide Organizational Health Survey.
Maintain our world-class safety performance, achieving a target safety recordable rate of 0.36.
Improve the early reporting of ergonomic-related injuries, specifically cumulative trauma disorders, with a targeted First Aid to Recordable Ratio goal of 9:1.
Supply Chain
Include historically under-represented businesses in 100% of all eligible bidding opportunities, and participate in international supplier diversity standards adoption and community awareness campaigns.
Continue to integrate environmental, social, and governance factors into supplier awards, Supplier Report Card, contracts, purchasing specifications, and training.
Community
Maintain at least a 40% employee volunteerism rate globally.
Continue to engage employees in high-impact, skills-based volunteering opportunities: launch one business group pilot project and integrate skills-based volunteering information into our career development course.
Education
Enable teachers to prepare students with 21st century skills by training 10 million teachers by 2011 through the Intel® Teach Program and expanding our portfolio of program options to meet local needs.
Reach an additional 250,000 learners in 2010 through the Intel® Learn Program. Extend the program by adding a new curriculum unit, Intel® Learn Technology and Entrepreneurship.
By 2011, reach the goal of 100,000 PC donations to schools in emerging markets to improve teaching and learning through ICT use.

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