



intel.com/go/responsibility



**Accountability
in Action**
**Global Citizenship
Report 2002**



Contents

Intel 2002 Global Citizenship Report

CEO Statement	3
Craig Barrett, Intel CEO	
Introduction & Strategy	4
Our perspective on performance	
Organizational Profile	5
A culture and heritage of innovation	
Stakeholder Relationships	6
Accountability to many audiences	
Performance Scorecard	8
Assessing our results in 2002	
2003 Goals & Targets	9
A commitment to continuous improvement	
Corporate Governance	10
Fostering a well-run and responsible organization	
Ethical Business Practices	12
Values come first	
Economic Performance Indicators	13
Positioning for long-term strength	
Global Environmental Certification	15
Intel's successful ISO 14001 initiative	
Environment, Health & Safety	16
An across-the-board commitment to leadership	
Social Programs & Performance	22
Addressing education, diversity, community and the workplace	
Corporate Giving	33
A commitment to people and communities	
External Recognition	34
Awards and acknowledgements in 2002	
GRI Content Table	35
A cross-reference to the GRI	

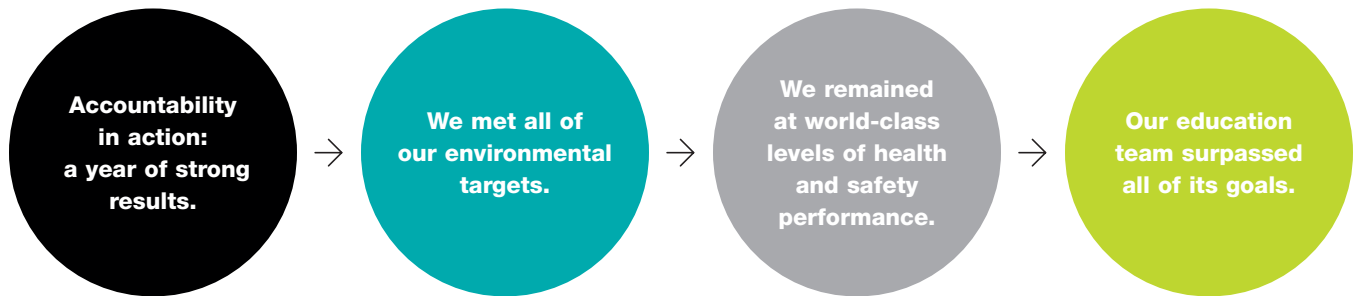
Report scope: This report contains data from 2000 through 2002. It addresses Intel's worldwide operations and was published in May 2003. To view the entire report on our web site, visit www.intel.com/go/responsibility.

Intel's previous report was published in 2002. A full discussion of the company's operations, locations and financial statements is included in our Form 10-K filing with the SEC, available on our Investor Relations web site at www.intc.com. If you have questions or comments, contact us via mail or e-mail at Responsibility@Intel.com, Intel Corporation, 5000 W. Chandler Blvd., CH7-301, Chandler, AZ 85226.

CEO Statement

Craig Barrett, Intel CEO

While the world at large may shift its attention from the environment to workplace programs to corporate governance, at Intel, we remain focused on all aspects of corporate citizenship. Doing things right is a deeply embedded value. With this report, we continue the effort we began in 2002 to provide updates on our programs and performance in the area of corporate responsibility.



On the whole, 2002 was a difficult year for the high-tech industry. As much as I'd like to profess unfettered optimism for the year ahead, I'm taking a cautious view of 2003 as well. Intel hasn't been shielded from the high-tech slowdown. Learning from the '90s, companies today have a better understanding of what technology to pursue and how to spend and invest their money. Ultimately, this supports Intel's goal to deliver innovative products in high volume at lower prices than proprietary efforts make possible. In the short term, however, the entire industry feels the effects of this conservative approach to technology and investment.

Economic conditions aside, 2002 was a year of excellent results and challenges alike:

- Intel remained at world-class levels of health and safety performance. At the same time, we are addressing a challenge to reverse an uptick we have seen in the number and severity of employee injuries in the workplace.
- We met all of our environmental targets, including our first global waste recycling goals, and achieved worldwide certification to ISO 14001 for all of our manufacturing operations.



Craig R. Barrett

Joining Intel in 1974, Craig was elected to Intel's Board of Directors in 1992 and named chief operating officer in 1993. He became Intel's fourth president in May 1997, and chief executive officer in 1998.

- Our education team surpassed all of its goals, making a real educational impact in more than 50 countries. We set out to teach 500,000 teachers worldwide how to incorporate technology tools and resources into their curricula. By the end of 2002, we had exceeded that goal by 350,000 teachers. In addition, by the end of 2002, we had opened 62 Intel® Computer Clubhouses in 13 U.S. states and Washington, D.C., and in 10 other countries.

My statements in last year's report remain true today and for the future. Corporate responsibility isn't a program to complete; it is a discipline we apply to our jobs. We are proud of what we have accomplished, and we are prepared to do more. We remain focused on accountability and transparency in our environmental, health and safety (EHS) reporting—and on our long-term commitment to being a good neighbor in our communities and a great place to work for our employees.

The skill and dedication of our employees have brought us through two tough years. Their continued commitment to Intel, our mission and our values will make us even more successful in the years ahead. I am proud to work with each and every one of them.

Craig R. Barrett
Chief Executive Officer

Introduction & Strategy

From responsibility, greater responsibility

Corporate responsibility has no endpoint. Rather, we see it as an ongoing cycle of integration, translation and alignment. Here as elsewhere, our values inform our ideas and our conduct. Quality, discipline, risk-taking, a focus on customers and results, and a commitment to being a great place to work shape our framework for action and our roadmap for gauging performance.

To improve our performance over time, we must identify emerging issues and trends, and translate that knowledge into strategies for our business groups. Our stakeholders play an invaluable role in this process. Engaging with customers, suppliers, shareholders, communities, legislators and employees provides the information and insight we need.

Moving forward, we will continue to look for new ways to improve disclosure and communicate the information our stakeholders care about.

**Accountability
in Action**
Global Citizenship
Report 2002

In June 2003, we will post
our Corporate Business
Principles on our Corporate
Governance and Social
Responsibility web site.
Look for them at
www.intel.com/go/responsibility

Report profile: This year's report is based on the Global Reporting Initiative (GRI) 2002 Sustainability Reporting Guidelines. The guidelines have served as an outline for our reporting since they were drafted in 1999. We will continue to base our report on them in the future.

This report presents financial data in U.S. dollars. Our EHS data includes widely accepted parameters and units. We discuss many of the robust management systems we have used to monitor and collect the information for this report in detail in each section.

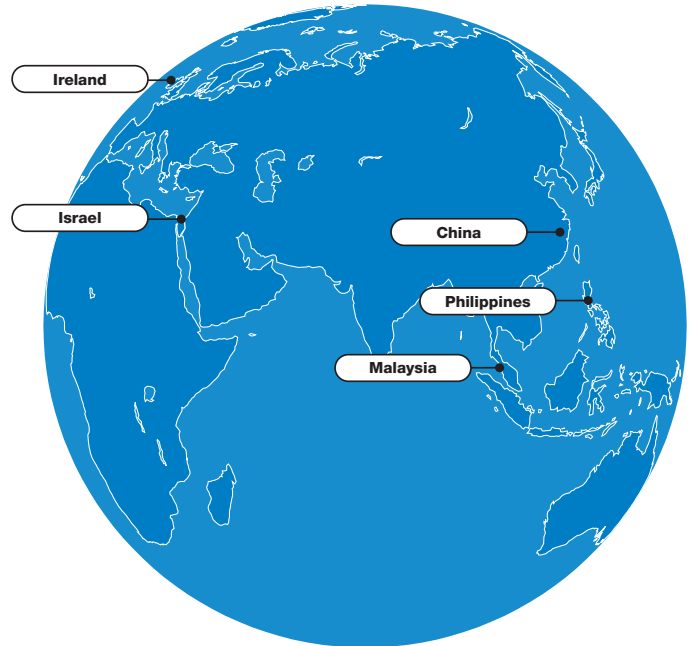
Intel is committed to continuous improvement in our performance and to sharing the knowledge that we gain with our employees, customers, suppliers, shareholders, the communities in which we live and work, the scientific community, government and industry.

A GRI content table is provided on the inside back cover of this report as a cross-reference to the report content.

Organizational Profile

Driven to innovate

We believe in innovation. We live by it.
We're driven by it. And we
have been since our beginning.



Intel manufacturing, assembly and test sites

Intel operates major sites in seven countries on four continents.

www.intel.com/pressroom/kits/manufacturing/manufacturing_at_a_glance.pdf

Innovation is our heritage. Today, Intel supplies the computing and communications industries with component-level building blocks integral to computers, servers, and networking and communications products. Intel's mission is to be the preeminent building block supplier to the worldwide Internet economy.

The business environment continues to be tough for technology. Even so, we feel that our successes in 2002 position us well for future growth. We are confident in our long-term plans to grow both revenue and profitability through our leadership in technology, products, manufacturing and the power of the Intel brand.

Intel organization at a glance

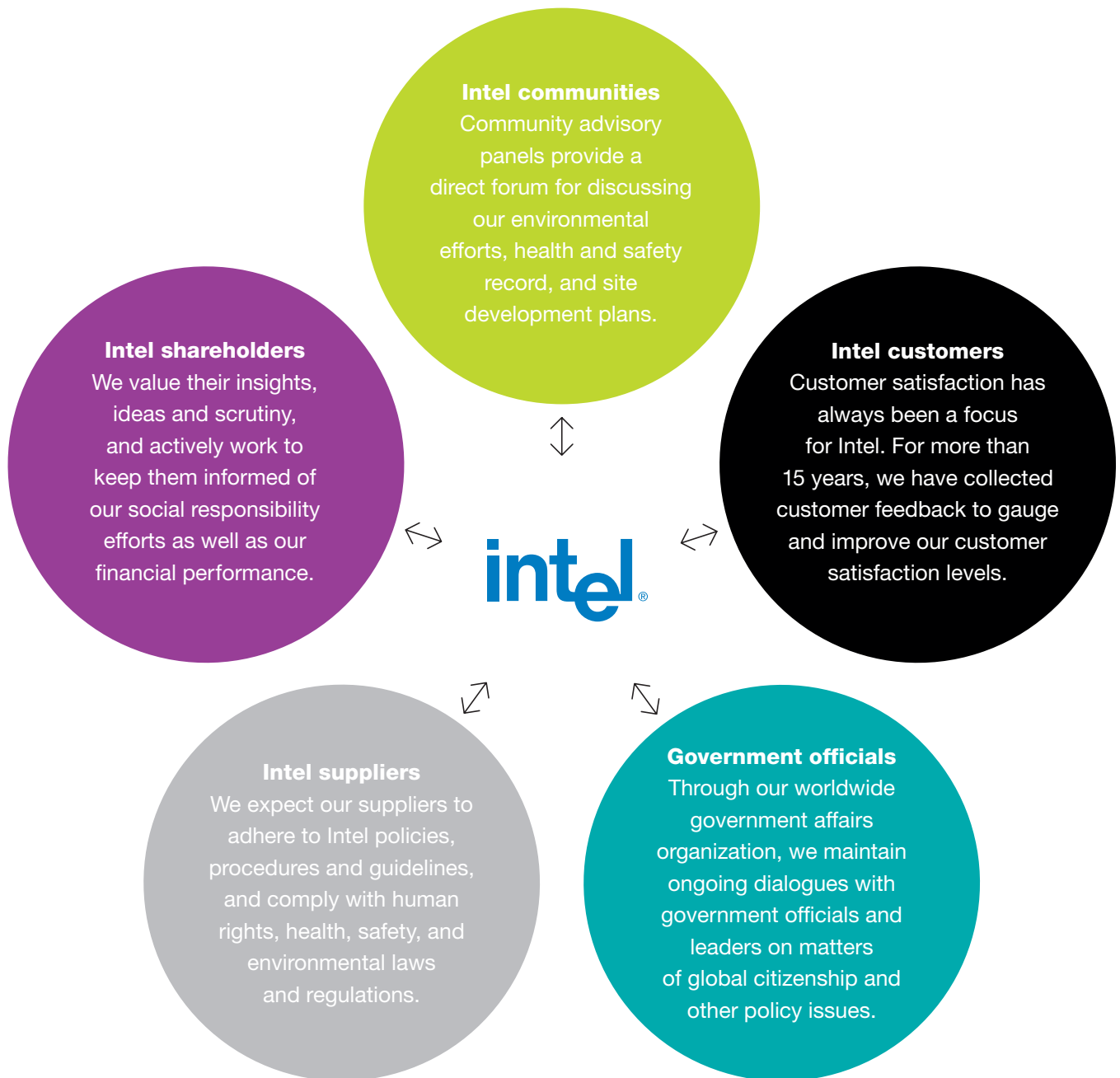
Year founded	1968
Year Intel created the world's first microprocessor	1971
Number of major manufacturing, assembly and test sites Intel operates	15
Number of countries in which Intel operates major manufacturing, assembly and test sites	7*
Including sales offices, number of countries in which Intel operates	~50
Number of corporate-level divisions Intel maintains	12
Number of major business groups for which Intel reports income results	3

*United States, Costa Rica, Ireland, Israel, China, Malaysia, Philippines

Stakeholder Relationships

Accountability to many audiences

Our employees and their families.
The communities in which we live and operate.
Our customers and suppliers.
Legislators and policymakers the world over.
Intel stakeholders are many and varied.



Stakeholder Relationships

Accountability to many audiences

Intel communities

To understand what our local communities are thinking about, we ask them directly. Intel conducts regular community surveys to gauge perceptions surrounding our social responsibility, work environment and economic impact. We share survey results with senior management at each of our sites, and use them as a planning tool for maintaining strong stakeholder relationships.

Beyond asking, we engage. Most Intel sites have formal, facilitated community advisory panels (CAPs), and many hold open houses to discuss the company's environmental efforts, health and safety record, and development plans. In addition to the CAPs, our neighbors and citizens in general can find a direct link to local site information as well as provide feedback or ask questions through our Intel in the Community web pages at www.intel.com/community.

Intel shareholders

Intel shareholders care about more than financial performance. Increasingly, they also want to know about our social responsibility efforts. To keep them informed, we hold a series of outreach meetings each year. In 2002, we met with groups in California, Massachusetts, New York, Washington, D.C and London. Harris Bretall, Citibank, Neuberger Berman, ISIS Asset Management, Trillium Asset Management, KLD, IRRRC, Innovest, Morley, Calvert Group and the Presbyterian Church USA were among those we met with. We also held discussions by teleconference and responded to surveys from Dow Jones Sustainability Index, Oekom, EIRIS, KLD, IRRRC, Innovest, ISS, Ethibel, the Carbon Disclosure Project and others. We value our shareholders' insights, ideas and scrutiny.

Intel customers

Customer satisfaction has always been a focus for Intel. For more than 15 years, we have collected customer feedback to gauge and improve our customer satisfaction levels through a program we've called Vendor of Choice (VOC).

When we established VOC, we set a goal to have at least 90% of our customers in each channel (OEM, distributor and dealer) rate Intel as their preferred supplier. Each quarter, we measured satisfaction levels from some 500 customers from all four of our sales geographies: Americas, Asia-Pacific, Japan and Europe/Middle East/Africa. We collected this data through face-to-face interviews with procurement and quality managers, prioritizing the issues they raised and then responding to them with resolution plans.

In 2002, our VOC performance exceeded our goals: We achieved a 94% VOC rating in the first half of the year. In the second half, we received a 95% VOC rating.

This past year was significant in another way, too: After reviewing customer satisfaction programs industry-wide, we redesigned our own. Superseding VOC, our new Intel Customer Excellence program went into effect in the first half of 2003.

Accountability in action: community relationships in Corrales, New Mexico

Here, where Intel established its first community advisory panel, we have worked with community members to address concerns about water use and air emissions at our local facility. In 2002, we increased our efforts by joining a 13-member task force established to monitor a year-long air quality study conducted by the New Mexico Environmental Department. In addition to Intel, the task force includes members of the regulatory agency as well as local business and community leaders. What trace levels of chemicals or pollutants are in the air? How do those levels compare with published standards and reported levels in other communities? Do potential health hazards exist? How significant are they? The study will help answer these and other questions and determine, as a community, what steps to take next. For more information, visit

www.nmenv.state.nm.us/aqb/projects/Corrales/index.html

Intel suppliers

On Intel Supplier Days, individuals representing hundreds of firms come together to discuss what we expect, and what we're focused on achieving, in the coming year. Supplier Day, an annual event since 1993, has grown out of our belief that the best way to promote excellence in our suppliers is to select the best and then work with them to raise performance even higher. We expect our suppliers to conduct themselves ethically and responsibly. One of the ways we monitor how well they're doing is through a supplier assessment process that we helped develop for industry-wide use. Working with members of Semiconductor Equipment and Materials International (SEMI), Intel helped to incorporate our assessment criteria into a Standardized Supplier Quality Assessment tool. To review the criteria and use the process, visit www.semi.org/web/wcontent.nsf/url/ssqa_SSQA.

After performing more than 500 assessments worldwide, we have made an important observation about our global

supply chain: The expectations we set for our suppliers are often as comprehensive as our customers set for us.

Government officials

Our worldwide government affairs organization fosters a supportive public policy environment. We maintain ongoing dialogues with government officials and leaders on matters of global citizenship, especially within the high-tech sector, and engage directly on the many initiatives relating to corporate responsibility. We also work with government officials worldwide on other policy issues, including benefits and workforce development, trade issues, digital rights management, broadband deployment, privacy, education, and energy and environmental policy.

Intel has a "no-soft-money" policy. We do not give contributions to political parties. We manage contributions to political candidates at the U.S. federal level through the Intel Political Action Committee (PAC). The Intel PAC approves contributions to candidates based primarily on quantitative criteria and files reports of its giving, as required by federal law. We do not make contributions to candidates or parties outside the United States.

Performance Scorecard

Measurable goals, meaningful achievements

2002 goals vs. performance

● Met or exceeded goal

● Partially met goal ● Working to meet goal

2002 Goals	2002 Performance
Environment	
Recycle 45% of the chemical waste generated from our worldwide facilities.	● Recycled 56% of the chemical waste generated worldwide.
Recycle 60% of the solid waste generated from our worldwide facilities.	● Recycled 67% of the solid waste generated worldwide.
Offset at least 25% of our total incoming freshwater supply needs with reclaimed water and more efficient systems.	● Achieved 35% freshwater savings.
Incorporate energy-efficiency design requirements into our design and procurement processes.	● Developed technology that allows motherboards to consume less than 1 watt of power in off mode. ● New blade servers consume less power and potentially allow more servers in a comparable space, with less waste heat. ● New computers and monitors purchased for Intel's internal use are Energy Star* compliant.
Register all of our semiconductor facilities worldwide to ISO 14001.	● Received corporate-wide registration to ISO 14001 on July 30, 2002.
Health & safety	
Serve as the world-class benchmark for employee health and safety performance.	● Achieved world-class results for the fifth consecutive year, although our recordable rate trend rose for the first time in nine years.
Education	
Install 25 new Intel Computer Clubhouses in 2002, increasing global presence from 15% to 25%.	● Opened 23 new Intel Computer Clubhouses, increasing global presence from 15% to 28%.
Deliver Intel® Teach to the Future teacher development program to 500,000 teachers worldwide by the end of 2002.	● Trained more than 850,000 teachers worldwide through the Intel Teach to the Future program.
Human resources & diversity	
Redesign our performance review system to strengthen meritocracy, reduce cycle time and better support Intel's strategic objectives.	● Successfully redesigned the performance review system as planned.
Keep our undesired turnover below market rates in all of our markets.	● Successfully maintained undesired turnover below market rates in all of our markets.
Regardless of business conditions, retain or increase representation of women and under-represented minorities in key technical positions.	● Exceeded senior technical minority retention goal in 2002. Missed our senior female retention goal. Did not increase our representation of women and under-represented minorities in key technical positions at Intel.
Hire diverse technology college graduates in the U.S. at an above-availability level.	● Did not meet above-availability hiring goals. Hired college technical under-represented minorities at availability in 2002. Did not hire college technical females at availability.
Continue support of Historically Black Colleges and Universities (HBCUs) via donations, retention and enrollment grants, and hiring goals.	● Dedicated labs at all of the HBCUs, and funded enrollment and retention grants at these schools.
Increase spending with minority and women-owned suppliers, and ensure inclusive bidding process.	● Increased annual spending with historically underutilized businesses (HUBs) an average of 20% since 1998. In 2002, HUB purchasing increased by 100%.

2003 Goals & Targets

A commitment to continuous improvement

Our global citizenship objectives for 2003 reflect Intel's long-term commitment to being a good neighbor in our communities and a great place to work.

2003 Goals and Targets
Environment
Recycle 45% of hazardous waste generated worldwide.
Recycle 60% of solid waste generated worldwide.
Reduce volatile organic compound (VOC) emissions per unit of production for the seventh consecutive year.
Recognize customers and employees for "green" design performance.
Purchase 30% recycled content paper for all U.S. copiers and printers.
Offset at least 25% of our total incoming freshwater supply needs with reclaimed water and more efficient systems.
Join the EPA's Energy Star* Million Monitor Drive.
Develop overall goals for reducing energy use and carbon dioxide emissions.
Health & safety
Be the world-class benchmark for employee health and safety performance.
Education
Deliver Intel Teach to the Future professional development to 1 million teachers worldwide.
Deliver a suite of interactive web tools for use by teachers in classrooms, promoting higher order thinking and effective use of technology and the Internet.
Install 10 new Intel Computer Clubhouses in 2003, increasing global presence from 28% to 33%.
Human resources & diversity
Sustain relationships with key national organizations that support retention and development of women and under-represented minorities.
Invest in pipeline programs focused on increasing the pool of diverse students to meet Intel's global workforce needs.
Retain or increase representation of females and under-represented minorities in key technical positions, regardless of business conditions.
Build and hire a diverse pool of interns and recent college graduates equal to or higher than availability.
Continue to develop and strengthen the partnerships between Intel and Historically Black Colleges and Universities, and provide support via donations, retention, and/or enrollment grants and hiring goals.
Increase spending with diversity suppliers by 30%, strive for 100% inclusion of historically under-utilized businesses in all bidding opportunities and deploy more effective sourcing tools to our purchasing decision-makers.

How Intel corporate governance works.

The positions of
Chief Executive Officer
and Chairman of the
Board are distinct and
held by different
individuals.

The full Board of
Directors is elected annually
(non-classified).

The majority
(8 of 11) of
Intel's Board of
Directors
are independent
directors.

Independent
directors meet twice
a year without
employee directors
present.

Independent directors
do not receive additional
compensation from
Intel beyond what they
receive for their service
as directors.

There is a lead
independent director,
who serves
a maximum of
five years.

Independent
directors perform
a formal
annual review
of the CEO.

The Audit,
Compensation,
Nominating, and
Corporate Governance
Committees of the
Board are composed
entirely of independent
directors.

Board members
have the authority
to retain outside
advisors.

No more than 5% of
the stock options granted
in a given year will be
given to the company's top
five officers, as listed in
the company's annual
proxy statement.

The company
discloses information
on stock options
quarterly in its 10-Q.

Corporate Governance

Fostering a well-run and responsible organization

“We take corporate governance seriously, expecting to achieve the same continuous improvement as in all of our business operations.”

For corporate America, 2002 was the year of corporate governance, accounting-industry discipline and overhaul, and housecleaning of Wall Street practices—in Congress, in the courts and in the press. Corporate scandals, bankruptcies and investigations culminated in the Sarbanes-Oxley Act, the most significant expansion of the federal securities and corporate law since World War II. We have followed all of this activity very closely, and we are actively participating in the national debate, making our views known to legislators, regulatory bodies and the general public.

Corporate governance is typically defined as the system that allocates duties and authority among a company’s stockholders, board of directors and management. The stockholders elect the board and vote on extraordinary matters; the board is the company’s governing body, responsible for hiring, overseeing and evaluating management, particularly the chief executive officer (CEO); and management runs the company’s day-to-day operations. The end result is intended to be a well-run, efficient company that identifies and deals with its problems in a timely manner, creates value for its stockholders, and meets its legal and ethical responsibilities.

We take corporate governance seriously, expecting to achieve the same continuous improvement as in all of our business operations. Eight of our 11 directors are “independent” from the company except for their service on the board. They are not employees and do not have other business or consulting engagements with the company. We rely on our independent directors to bring us a diverse portfolio of knowledge and personal perspectives as well as business judgment.

We expect that our directors will be engaged with us both inside and outside of board and committee meetings. Our directors meet with senior management on an individual basis, and attend and participate in employee forums. Unaccompanied by senior management, individual directors visit Intel sites around the world—an excellent opportunity for them to assess local site issues directly. These activities help to keep the board better informed, and make the board’s oversight and input more valuable.

Our independent directors regularly meet as a group, led by an elected lead independent director who conducts and reports



Andrew S. Grove

Andy was named president of Intel in 1979 and CEO in 1987. In May 1997, he was named chairman and CEO. In May 1998, he turned over his CEO title to Craig Barrett and became chairman of the board.

on the meetings. The lead independent director also chairs the board’s Executive Committee and Corporate Governance Committee. The board’s Audit, Compensation, Corporate Governance, Finance and Nominating committees consist solely of independent directors, with the expectation that this independence will assist them in objectively overseeing the company’s management.

Business and society must re-establish the balance of power between the CEO and the board of directors. Separating the roles of chairman and CEO is an important step toward better corporate governance. As CEO, Craig Barrett is the highest ranking member of management, and is accountable for the corporation’s management and performance. My job as chairman is to help ensure that the board is organized to fulfill its responsibilities. I preside at board meetings, make sure that the board receives the right information, set board meeting agendas and

ensure that the directors have sufficient time for discussion.

As chairman, I am also responsible, in conjunction with our lead independent director, for managing our board and CEO evaluation processes. In an annual self-assessment process, I meet with each director individually, and we discuss how each director performs his or her tasks, how they can improve, and what we should do to help them and the board be more effective. Our CEO is subject to the same “360” evaluation by which all Intel employees are evaluated: the independent directors and employees who work for and with the CEO all provide feedback on his performance.

I feel very comfortable that the board personifies our key Intel values. They have a results orientation and constructively confront and solve problems. They work as a team with respect and trust for each other. They embrace change and challenge the status quo in a business environment where technology and external conditions constantly change. They are quality oriented. They continuously learn, develop and improve their own performance, and look for the same in management. Most importantly, the board demonstrates through its operations and values the key Intel value to conduct our business with uncompromising integrity and professionalism.

For more information on Intel’s corporate governance and social responsibility activities, visit www.intc.com.

Andrew S. Grove

Andrew S. Grove
Chairman

Ethical Business Practices

Values come first

Intel's strong ethical reputation is one of our most important assets. Every employee has a responsibility to protect and enhance it, and we provide a number of methods for employees to raise concerns about ethical and legal matters.

Cultivating a broad perspective

To help ensure the best corporate responsibility practices, we work with a number of organizations, including CSR Europe, the Global Environmental Management Initiative, The Nature Conservancy, Conservation International, the Kenan Institute in Washington and many more. Intel also belongs to a number of high-tech trade groups worldwide, many of which focus on corporate responsibility-related matters. In addition, we present at, and participate in, a significant number of relevant conferences and meetings. In 2002, these events included Ethical Corporation USA, SRI in the Rockies, CERES, GEMI, Triple Bottom Line Investing, Envirotech, and the Danish Presidency Conference on Corporate Social Responsibility.

Corporate business principles

At an operational level, Intel's Corporate Business Principles lay out our expectations in terms of respecting human rights across all of our business operations globally. These guidelines are part of every employee's orientation at Intel; many components require periodic refresher training. All managers receive training on these policies as well, and online tools and Human Resources support provide additional guidance.

These principles address subjects such as:

- Conflicts of interest, disclosure, antitrust, insider information and supplier expectations.

- Non-discrimination; diversity; employee, product and facility environment, health and safety; security and privacy.
- Information security, remuneration, bribes and gratuities, compensation and whistleblowing.

Intel's Corporate Business Principles and Human Resource Guidelines are uniform around the world. They compare favorably with many other external human rights and labor performance standards, including the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

Intel's Corporate Business Principles are currently being updated for broader, public disclosure. They will be posted by June 2003 at www.intel.com/go/responsibility.

For more information

Although we discuss a wide range of policies and management systems throughout this report, this document can only summarize the many ways in which we operate an ethical, globally responsible organization. For further details, visit the following web sites:

Product Ecology Initiatives

www.intel.com/intel/other/ehs/Product_Eco.htm

Intel's Position and Policy on Privacy

www.intel.com/sites/corporate/privacy.htm

Intel's EHS Policy

www.intel.com/intel/other/ehs/policy.htm

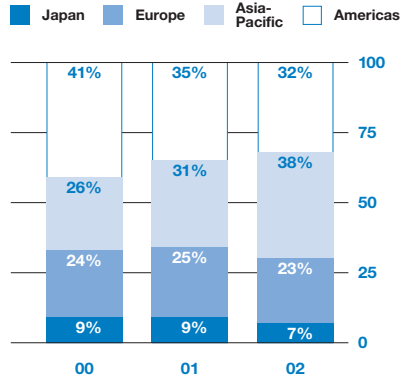
Human rights conventions of the International Labour Organization		Addressed in Intel practices and/or policies
No. 29	Forced Labour (1930)	Yes
No. 87	Freedom of Association and Protection of the Right to Organize (1948)	Yes
No. 98	Right to Organize and Collective Bargaining (1949)	Yes
No. 100	Equal Remuneration (1951)	Yes
No. 105	Abolition of Forced Labor (1957)	Yes
No. 111	Discrimination (Employment and Occupation) (1958)	Yes
No. 138	Minimum Age (1973)	Yes

Economic Performance Indicators

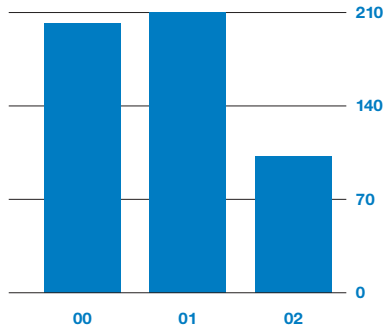
Positioned and poised for recovery

Company Profile Data

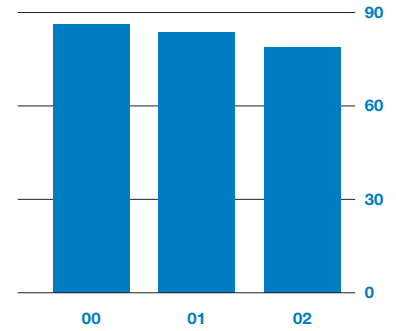
Geographic breakdown of revenue
Percent



Market capitalization
Dollars in billions

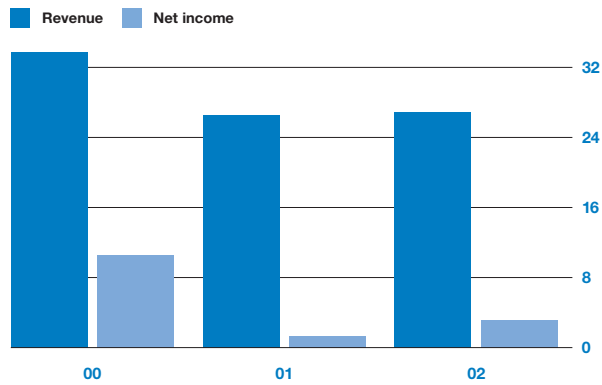


Employees worldwide
Thousands

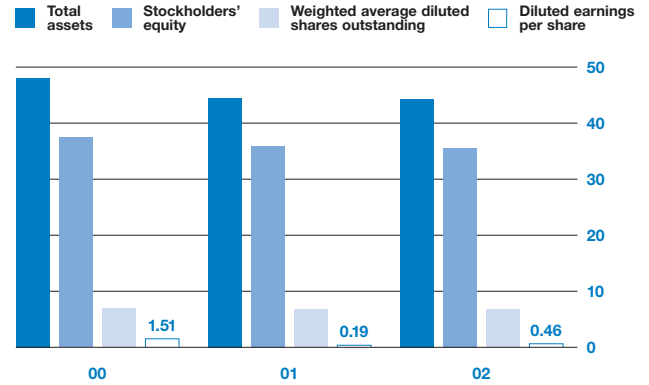


Economic Performance Data

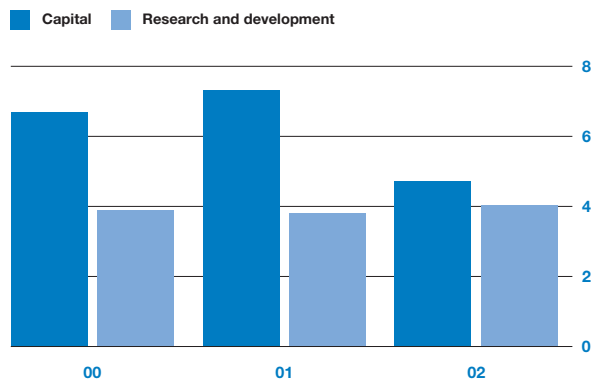
Revenue and net income
Dollars in billions



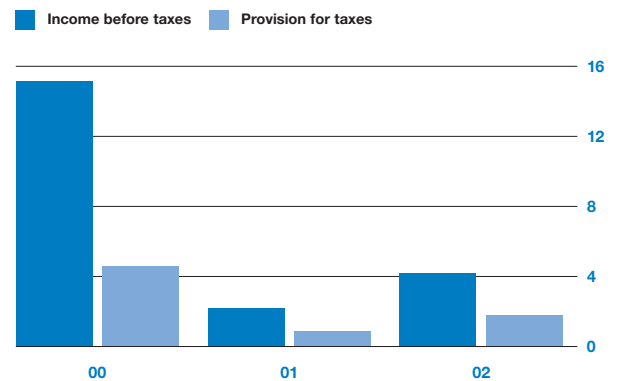
Assets and capitalization
Dollars in billions except EPS



Capital and R&D expenditures
Dollars in billions



Income before taxes and provision for taxes
Dollars in billions



To download a spreadsheet of the data in this report, view on the online version at www.intel.com/go/responsibility

Economic Performance Indicators

Positioned and poised for recovery

Over the past two years, we have positioned ourselves with economic recovery in mind. In 2003, we are working to deploy advanced technology, further our silicon leadership, deliver industry-leading products, and improve competitiveness and cost structure to continue to perform now and when the economic picture improves.

2002 performance: In our factories and in our products, the technology is in place. Intel opened its first high-volume 300-millimeter factory and announced Intel® Centrino™ mobile technology, which includes a microprocessor, related chipsets and 802.11 (Wi-Fi) wireless networking capability. The company also broke the 3-GHz barrier with the latest version of the Intel® Pentium® 4 microprocessor, which operates at 3.06 GHz.

Revenue for 2002 was \$26.8 billion, up 1% from \$26.5 billion in 2001. Net income was \$3.1 billion, up 141% from \$1.3 billion in 2001. Diluted earnings per share were \$0.46, up from \$0.19 in 2001. Amortization of goodwill reduced diluted earnings per share in 2001 by \$0.22.

Research and development spending in 2003 will be about \$4 billion, the same level as 2002. Most of this spending will go toward advanced technologies for future fab processes, future microprocessor designs and a variety of communications initiatives.

Capital spending for 2003 is expected to be between \$3.5 billion and \$3.9 billion, compared to \$4.7 billion in 2002. Decreases in spending on construction and on the 200-millimeter manufacturing process are driving the reduction. In 2003, benefiting from the efficiencies of the 300-millimeter process, Intel will spend approximately \$1 billion less than if we were to build equivalent capability on the 200-millimeter process.

Intel's workforce was reduced to 78,700 employees worldwide in 2002, down 6% from the 83,400 employees the company had at the end of 2001.



Global Environmental Certification

A swift, smooth path to certification

What is the effect of employees' cars on the environment during the commute to work? What are the most effective ways to recycle paper? Electronic waste? Try as they might, auditors responsible for certifying the Intel Santa Clara facility as ISO 14001 compliant couldn't stump the facility's environmental team with their questions. Best of all for Intel, Santa Clara wasn't alone in satisfying the certification team. Auditors scrutinized the processes at Intel's wafer fabrication (fab) and assembly/test facilities for environmental friendliness, including amounts and types of chemicals used, emissions controls, recycling programs, and the use of resources such as water, energy and natural gas. "It was the first time in my life that I've ever had an audit without any findings," says Richard Hadfield, senior auditor for the National Standards Authority of Ireland. "And it's not a short time that I've been doing audits."



Auditors visited Intel Santa Clara's wafer fab in the course of ISO 14001 certification for Intel's semiconductor manufacturing sites worldwide.

For many companies seeking ISO 14001 international environmental management certification, the effort can easily last a year and a half and cost \$100,000 per factory. Within eight months, Intel had successfully certified all of its semiconductor manufacturing facilities at a total cost of \$60,000.

By meeting the voluntary ISO 14001 standard, Intel ensures that it complies with all environmental laws and regulations, and continuously improves the environmental "footprint" of its manufacturing processes.

Intel's commitment to being environmentally conscious is nothing new. Chairman Emeritus Gordon Moore signed the first EHS policy in 1991.

Intel's serious stance on environmental management is practical as well as ethical: Organizations that meet the highest international standards are less likely to expose themselves to damaging publicity or experience significant compliance challenges.

1
**Prevent all injuries
in the workplace.**

Intel's
safety level
today
is truly
world-class.



In 2002,
Intel registered all
manufacturing
facilities worldwide
to ISO 14001.

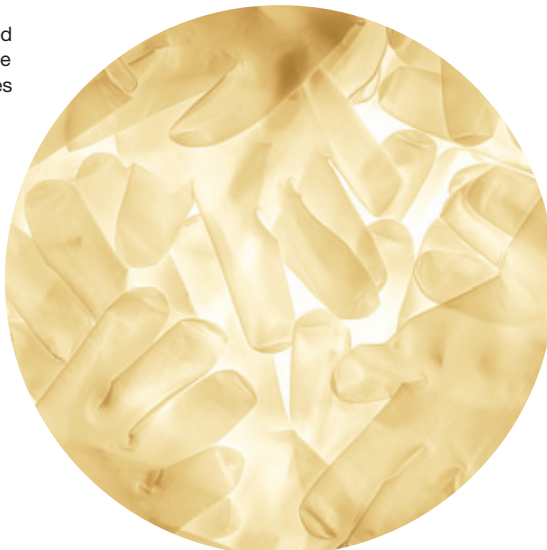


2
**Be an EHS
leader in our
communities and
our industry.**

In 2002,
Intel increased
its solid waste
recycling rates
worldwide.



3
**Reduce the
environmental
footprint of our
products, processes
and operations.**



Environment, Health & Safety

Living by principles, committed to leadership

What does it mean to commit to EHS leadership in everything we do? It means working hard to reduce emissions from our factories, minimizing our use of natural resources, and creating injury- and illness-free environments. We think leadership also means more. A true “EHS mindset” involves considering issues at the beginning of technology development, not at the end.

For Intel, EHS leadership means working with our materials suppliers to find safer, more environmentally sound processes. It also means partnering with equipment suppliers to design manufacturing tools with built-in safety and environmental features.

Beyond that, EHS leadership means working from a shared set of principles to achieve long-range goals, not adopting a piecemeal, problem/solution-oriented approach. These are our guiding principles: to make our products in a safe, environmentally sensitive manner; to bring social and environmental benefit to our communities, employees, suppliers and stockholders; and to reduce our environmental footprint and prevent injuries. We consider these principles the foundation of good corporate citizenship and long-range business success.

100% injury prevention

A decade ago, our safety level was just average. Today, it is world-class. What happened? First, consider what didn't happen: Intel didn't simply launch a few programs. We knew that we needed to make safety an integral part of our processes. We knew that we needed to transform our company culture. So we set out to foster a pro-safety attitude companywide and around the globe. We embarked on extensive training. We encouraged our managers to lead by example. Intel senior managers perform between 60 and 80 safety audits—“safety self-assessments”—each year.

We even transformed the tools we use. Through a program that we call Design for Environment, Health and Safety, we work to ensure that our tools are ergonomically sound—before we start using them on the factory floor.

In the past, if our employees experienced physical problems with poorly designed tools, the company spent millions of dollars to bring tools up to safe standards. Today, we address those kinds of issues up front. For example, when Intel began shifting to 300-millimeter silicon wafer manufacturing, EHS



Safety by design

The stand-alone hoist can be used to remove large tool components if they fail. This eliminates the need for manual lifting of these heavy parts, minimizing the risk of ergonomic injury such as back strain.

representatives worked with process tool suppliers to engineer ergonomic problems out of the tools before installation.

Does design make a difference? Without question. In the past four years, Intel has not had to retrofit a single tool. At Intel, safety is now an integral part of our culture, and our 400 EHS employees pursue safety initiatives with unrelenting energy as a matter of course.

Health and safety program priorities

In 2002, OSHA recordkeeping rules underwent a dramatic change—and our Occupational Health organization kept pace. We seamlessly integrated new definitions and classifications worldwide. We made necessary upgrades to our databases. And we implemented other business process improvements such as eMedical Monitoring, converting a cumbersome, paper-based system into an efficient web-based application.

New management challenges also emerged, including the need for biothreat and business continuity responses. To meet these challenges, our worldwide Occupational Health team partnered with our industrial hygiene professionals to develop programs and training for the use of anthrax testing equipment and for first-response procedures for Intel. This joint team also worked with Intel site response teams to refine our approach to managing potential local responses and to enhance our site-based business continuity processes.

Also in 2002, the American Psychological Association recognized Intel with Resilient Workplace Honors for the quality of our business practices and also for the employee support systems that we put into place following the September 11 terrorist attacks.

Our health and productivity initiative grew substantially in 2002. We provided more than 30 health initiative programs ranging from fitness challenges and flu clinics to mammogram events for our worldwide employees. And use of our interactive health web site increased by 50%, with 24,000 users.

Environment, Health & Safety

Living by principles, committed to leadership

Industry health research project

What is the state of worker health industrywide? To answer this vital question, Intel continues to work closely with our company peers and the Semiconductor Industry Association (SIA) on the industry's Worker Health Project.

In March 2002, the association announced plans to move forward with the recommendations of an independent Scientific Advisory Committee. The organization also green-lighted a program to examine additional measures to enhance chemical risk assessment and exposure reduction strategies.

In June, the SIA selected Charles W. (Chuck) Axten to serve

The Intel-supported Semiconductor Industry Association (SIA) Worker Health Project is under way.

If you are interested in project details and documentation, visit the web site administered by the SIA:
www.sia-online.org/iss_whs.cfm

as the project manager for the ongoing study. In this role, Dr. Axten administers the three initiatives proposed by the SIA Board of Directors.

In October, the SIA issued a formal request for proposal (RFP) to conduct a scoping study and feasibility analysis for a retrospective epidemiologic study of fabrication

workers. This scoping study will help experts explore whether sufficient records, providing needed detail about employees, exist for the time periods that would be relevant to allow for a statistically meaningful study of cancer risk. In addition, the SIA has assembled an independent Scientific Advisory Board to act as a peer reviewing body. As a key member of the SIA, Intel fully supports—and stands to benefit from—this research.

Responsible water use

Second to silicon, water may be the most important component of the wafer manufacturing process. We use water at every stage of fabrication, assembly and testing. And we use a lot of it.

Clearly, environmentally responsible water management is a huge task for us. Despite our efforts, water use remains a subject of public debate, especially when a site is located in the middle of a desert, such as in Arizona or New Mexico.

In most cases, the water we use comes from the same local city drinking systems that supply private residences. Once water enters an Intel campus, we divert it for different purposes. It can supply domestic uses (cafés, restrooms, drinking fountains) without further treatment. However, if we are using it for fab or assembly floor processes, it must meet an entirely different standard of cleanliness.

To keep wafers free from contamination during production, we must get water as close as possible to simple hydrogen and oxygen molecules (H₂O). To reach this ultra-pure state, water must pass through rigorous processing that includes a system of multimedia filters, repeated reverse osmosis and, finally, ion exchange to remove even the smallest amounts of potential contaminants. For assembly production-line use, we also treat de-ionized water by reverse osmosis and ion exchange, but to a lesser extent.

Wastewater reuse: Once water in the fab or assembly line contacts chemicals in the wafer or package washing process, it becomes wastewater. Since this wastewater contains chemical residue, we cannot discharge it directly into the community's treatment plant, unlike everyday household wastewater.

At the same time, we are able to reuse much of this wastewater at our sites. In recent years, Intel has made huge strides in reusing our wastewater, thus reducing our freshwater needs. For instance, the rejected water that results from our ultra-purification treatment processes goes to cooling towers, air scrubbers and other "non-product-related" industrial processes.

In Arizona, Fabs 12 and 22 helped the city of Chandler fund a reverse osmosis system that treats wastewater to drinking water standards and then re-injects the clean water



Intel Costa Rica has received the Preventico Global award every year since the inception of its employee-developed "Let's Save the Planet" program, which teaches environmental stewardship.

EHS in action—Costa Rica: Intel, one of 200 companies located in and around the city of Belén, is determined to contribute to the rapidly developing zone's environmental well-being.

To promote environmental stewardship, a team of Intel employees developed a program called "Let's Save the Planet, You Are Part of the Solution." To assemble the content and train volunteers, they received help from education professionals with the National University and Intel personnel as well as a local design firm, which developed the final textbook.

Designed for fifth- and sixth-grade students of Belén public schools, "Let's Save the Planet" teaches young people how to contribute to community development in a safe and sustainable manner. Now in high schools as well as grade schools, three additional cities added "Let's Save the Planet" to their curricula in 2002.

Environment, Health & Safety

Living by principles, committed to leadership

back into the ground, directly regenerating the groundwater supply. In addition, Intel's New Mexico fabs reuse about 50% of their water through ongoing water conservation projects.

In keeping with Intel's worldwide environmental, health and safety commitment to "conserve natural resources and reduce the environmental burden... to the air, water and land," Intel has undertaken several projects that reused approximately 3.3 billion gallons of water—roughly 35% of our total water need through 2002.

Reducing solid waste

In 2002, Intel increased its solid waste recycling rates worldwide. In Israel, Fab 18 boosted its recycle rate to almost 50%. For its efforts, the site received the Minister of Environmental and National Council Award for volunteerism in Israel.

Intel Costa Rica, energized by a "Commitment to Reduce,

Reuse, Recycle" campaign endorsed by managers, employees and contractors, boosted its recycling numbers to more than 70%. The effort included management training, communication programs and infrastructure improvements. The site also started a home recycling program to encourage employees to bring recyclables to the plant for recycling.

Intel's U.S. manufacturing sites also made record strides. Many embarked on cross-site recycling of equipment and electronics to schools and nonprofits, and recycling of latex gloves into latex paint. Many began to use recycled carpet materials and copier paper, and donated building materials for community projects.

In 2002, Intel reached a number of additional milestones:

- Intel New Mexico's recycle rate surpassed 70% near year end, generating more than \$150,000 in revenue from recycled items and saving \$250,000 in landfill and reuse charges.

Regulatory Inspections

	1998	1999	2000	2001	2002
Safety Inspections	37	48	36	48	28
Environmental Inspections	75	44	69	78	63
Total Inspections	112	92	105	126	91
Citations	17	2	5	2	3

Compliance Record 2002

Location	Type	Violation	Fine	Intel's corrective action
Arizona	Environmental	Change notification not completed in permitted time frame	No fines or penalties	Procedure updated & personnel trained
New Mexico	Environmental	Wastewater pH excursion	No fines or penalties	Technician training & procedures improved
Oregon	Environmental	Wastewater Cu excursion	No fines or penalties	Improved procedures for initial drawings & revisions



Intel Ireland volunteers have initiated several recycling and environmental waste collection programs in conjunction with local organizations and businesses as well as the Kildare County Council.

EHS in action—Ireland: Over the past two years, Intel Ireland volunteers have teamed with civic groups to increase awareness and diminish waste. Through a program called Bike Link, they have found a way to reroute bicycles destined for landfills to rural South Africa—and to accelerate the recycling of 10-speeds tenfold.

In another effort, Intel teamed up with the Kildare County Council and Chemcar, a hazardous waste collection company, to enable citizens of Leixlip to dispose of household hazardous materials. Citizens deposited a total of 1,200 liters of waste oil, 1,800 liters of waste paint, 345 liters of pesticides, 20 liters of waste medicines, 1,294 kilos of waste batteries, and 36 fluorescent tubes.

When Intel volunteers set up three days of electronic equipment recycling in February 2002, response again overwhelmed them. By midday, citizens had already filled the collection truck to the brim.

Environment, Health & Safety

Living by principles, committed to leadership

- Intel Santa Clara, for the sixth time, and Folsom, for the third time, received Waste Reduction Awards from the State of California. The Santa Clara site recycled 80% of its waste. Together, the sites donated 10,000 computers to primary and secondary schools. Some local programs even used recycled materials for student art projects.
- Intel Oregon achieved a sustained recycling rate of close to 90% of its chemical waste, which is better than any other Intel site so far.
- The Arizona site initiated several programs that are designed to increase recycling. The programs included installing reusable floor tiles made of recycled carpet materials, recycling landscaping debris for off-site composting, and donating wooden crates to Habitat for Humanity and the Institute of Urban Gardening.

Product ecology

Getting the lead out—lead-free

products debut: In our ongoing efforts to reduce the amount of lead in our products, we achieved several milestones in 2002. We shipped our first lead-free products (flash memory) to customers. Continuing research and development efforts yielded lead-free solutions for four additional packaging technologies. Intel product teams developed a lead-free network interface card, our first board-level product to use lead-free solder. And our technical teams continued their involvement in industry consortia that are defining lead-free solders and setting industry guidelines for lead-free manufacturing.

Powering down—energy-efficient products: Energy-efficient products and technologies are an Intel hallmark.

In 2002, we incorporated two new technologies into the Mobile Intel® Pentium® 4 Processor-M. Enhanced Intel SpeedStep® technology helps to optimize application performance and power consumption, while the Deeper Sleep Alert State adjusts voltage during brief periods of inactivity—even between keystrokes—for longer battery life.

Intel's Instantly Available PC technology is now mainstream. With this technology, PCs can power down to a very low state (less than 5 watts) and yet still awaken with a single keystroke or network signal. Recently, people have focused on the amount of power that electronic devices consume when they are "off." To address this concern, Intel has developed technology that enables the motherboard to consume less than 1 watt of power in its lowest power state, the "off" mode.

New life for old PCs—computer

recycling commitment: For a third consecutive year, Intel has organized computer recycling events in conjunction with Students Recycling Used Technology (StRUT) and other nonprofit organizations. More than 1,700 people took part in Ireland as well as in two locations in the United States, diverting more than 60 tons of PC-related

equipment from landfills. In Arizona alone, computer recycling events over the past three years have led to the recycling of more than 130 tons of equipment and the involvement of more than 3,600 local residents.



Packaging progress

2002 continued a trend in packaging reduction.

The new packaging, used to ship processed wafers between Intel sites, is made of 100% recycled polyethylene and can be reused multiple times before recycling. As a result, Intel will save more than 50 tons of plastic packaging material each year and see substantial cost savings.

The design won the World Packaging Organization's Star Competition.

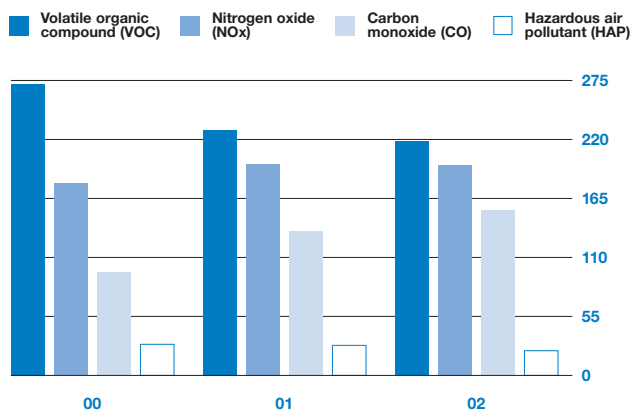


Working with Conservation International, Intel has helped to create the Biodiversity Hotspots web site to help distribute scientific data and support the monitoring of trends:
www.biodiversityhotspots.org

EHS in action—environmental partnerships: Created through a joint effort between Intel and *The Nature Conservancy*, the latest in the popular series of Last Great Places web sites was announced in 2002. Compiled by the staff of The Nature Conservancy's Berkshire Taconic Landscape program, the Taconic Landscape site (www.lastgreatplaces.org/berkshire) serves as an educational resource for residents, students, teachers and anyone interested in the Berkshire Taconic Landscape. Meanwhile, in the Philippines, Intel is supporting the development of a network of scientists and institutions to monitor trends at the hotspot level. The network will serve as a model for other hotspots. This monitoring project is part of a larger initiative by *Conservation International* and other organizations together with Intel to use computer and Internet technology to advance conservation science and field work worldwide.

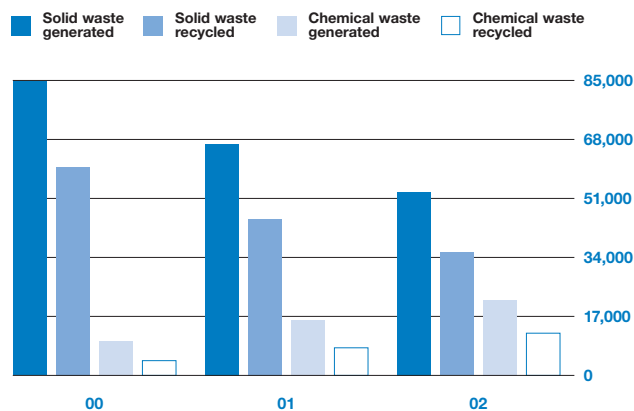
Environmental, Health & Safety Performance Data Worldwide

Air emissions Tons



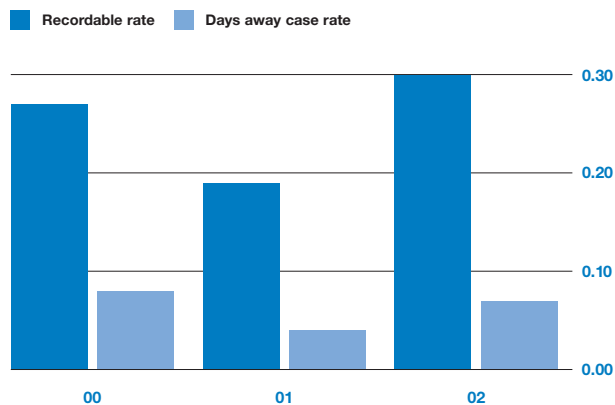
VOC emissions continue to decline, with a 2002 decrease of more than 5%. Worldwide HAP emissions decreased 18% in 2002. NOx and CO emissions increased due to added production.

Waste generated & recycled Tons



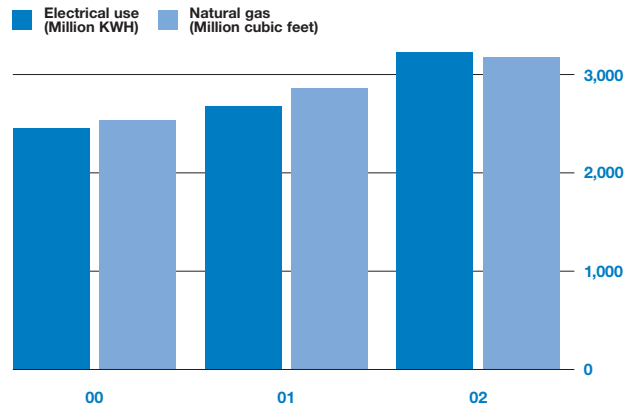
Intel generated less solid waste but more chemical waste in 2002. By focusing on recycling strategies, we were able to achieve significant increases in our waste recycling percentages.

Recordable & days away injury rates Injuries per 100 employees



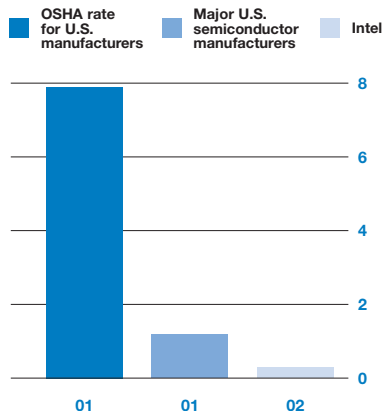
Robust health and safety programs yielded world-class results for a fifth consecutive year, although the recordable rate trend rose for the first time in nine years.

Energy use Million kilowatt hours and cubic feet



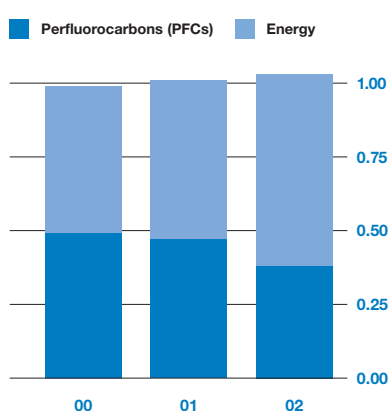
Total worldwide energy use grew in 2002. Intel's energy management team is working to reduce energy consumption and develop companywide energy reduction goals.

Recordable case rate benchmarks Recordable rates



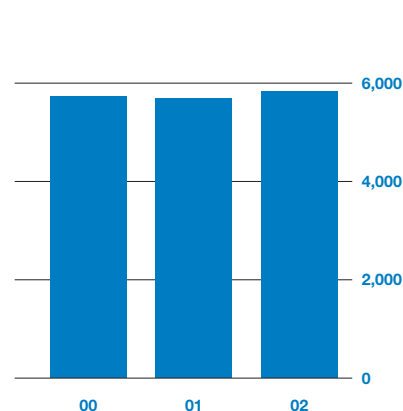
The safety performance of Intel employees remains at world-class levels compared to industry and manufacturing benchmarks.

Carbon equivalents from energy & PFCs Million metric tons carbon equivalent



Emissions of PFCs continue to decline, while overall global warming emissions, including energy use impacts, increased at a rate less than company growth.

Water use Million gallons



Intel's water use increased at a rate less than production growth. We have a goal to offset at least 25% of our incoming freshwater needs through more efficient systems and reuse methods.

To view Intel's Environmental, Health and Safety Report, including additional performance indicators, visit www.intel.com/go/ehs
To download a spreadsheet of the data in this report, view the online version at www.intel.com/go/responsibility



Intel provides a range of benefits not available at many companies.



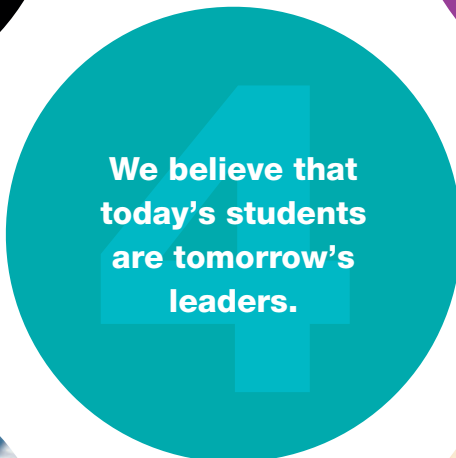
Intel uses its technology leadership to strengthen communities everywhere.



Intel social performance is focused in four key areas.



We are dedicated to improving education around the world.



We believe that today's students are tomorrow's leaders.

Intel seeks to attract and retain the most talented people worldwide.



Intel is committed to preparing students for the knowledge economy.



Social Programs & Performance

Pursuing a fourfold focus

At Intel, we focus our social performance in four key areas. Our internal efforts are directed at our workplace environment and the diversity of our workforce. Externally, we focus on community involvement and our commitment to improving education. We invest in our employees by providing continuous development, career growth and challenging work. Through bonus programs and stock options, we ensure that our employees share in our success. We manage our business in a way that makes our employees proud to say they work here.

Every day, we put our dedication to diversity and multiculturalism into practice. We are committed to fostering an inclusive environment where unique perspectives, talents and skills can thrive—an environment firmly rooted in meritocracy where people of all kinds can be comfortable and do their best work.

From the very beginning, our founders made “being an asset to our communities” a key facet of our culture. Through Intel Involved, our global community outreach program, our employ-

ees volunteer hundreds of thousands of hours every year.

It’s a truism to say that today’s students are tomorrow’s leaders. But it’s also a truth, which is why we dedicate ourselves to improving education around the world. The Intel® Innovation in Education initiative focuses on preparing today’s teachers and students for tomorrow’s demands by strengthening mathematics, science and engineering education worldwide.



Paul S. Otellini
President and
Chief Operating Officer

Leadership begins at home: In 2002, *Chief Executive* magazine listed Intel as one of the “Best Companies for Leaders.” For an example of Intel leadership development at work, look no further than President and COO Paul Otellini. Paul came to Intel directly from graduate school in 1974 and moved up the ranks to his present position. Paul’s career illustrates Intel’s preference for developing managerial talent in-house rather than bringing in leaders from the outside. In fact, internal candidates make up 90% of managerial promotions. Says Paul, “When you have that kind of continuity, you have not just a depth of experience but a depth of interrelationships and comfort that’s unparalleled in the industry.”



Paul S. Otellini
In 2002, Paul became Intel’s fifth president and chief operating officer.

Social Programs & Performance

Pursuing a fourfold focus

Workplace environment

Employee benefits: Stock options and an eight-week paid sabbatical after every seven full years of service. An Employee Cash Bonus Program, paid out every six months. An Employee Bonus Program, paid out annually. These are just a few of the benefits that Intel makes available to every employee—benefits not available at most other companies.

Intel's profit-sharing Sheltered Employee Retirement Plan works as a partnership between the company and the employees. Through it, the employee makes a pre-tax contribution to which Intel adds, based on an annual determination of company profitability. Over the past decade, yearly contributions have ranged between 8% and 12.5%, exceeding similar profit-sharing subsidies offered by other companies.

Intel also provides non-traditional benefits such as a retiree medical plan and a work-life program featuring childcare, tuition reimbursement, flexible work options (such as part-time, job share and telecommuting), discount programs, and resource and referral services.

At many locations, on-site fitness centers and nursing mother's rooms reflect the priority we place on health and wellness. Occupational health professionals provide support with occupational and non-occupational injuries and illnesses, "return to work" programs, Americans with Disabilities Act assistance (in the United States) and medical accommodations. In addition, a customized Mayo Clinic web site provides access to a wealth of health information and resources. Intel also offers an annual health assessment and an annual fitness challenge. How health-minded are we? In 2002, U.S. employees alone logged 1 million minutes in meeting the challenge.

Labor relations: Throughout our history, Intel has operated in a non-union environment. We believe that employees organize when management fails to keep them informed. Likewise, we believe that employees do not feel the need to organize when management responds to legitimate concerns, applies policies consistently and equitably, and provides real opportunities for advancement and growth. We believe that employees, their managers and the company reap many benefits from a well-managed workplace that is fair, responsive and open.

Keeping employees informed: In 2002, our senior leaders—Craig Barrett and Paul Otellini—addressed our employees about the state of our business more frequently than ever. Given the economic downturn, the news hasn't always been upbeat, but we took our Chairman Andy Grove's advice to heart: "The worse the news, the more effort should go into communicating it."

During 2002, we opened new communications avenues:

- Craig Barrett now addresses employees via satellite following our earnings announcement. This way, he can provide real-

time interpretation at the same time that the news media is delivering information to the general public.

- "Exec Connect" communications include face-to-face open forums, executive Q&A sessions delivered via webcast, and updates hosted by Craig and Paul. We also post content on *Circuit*, our primary employee communications intranet site.

- In 2002, we held more than 20 open forums worldwide.

During these sessions, employees can ask any questions they want. The answers are honest, unscripted and direct. There is rarely an empty seat in the house.

- *Circuit News* now features a "Letters to the Editor" section that encourages employees to respond to anything posted on the site. The editors post favorable and critical views alike.

Continuous learning: Each year, more than 10% of Intel employees change jobs within the company. With so much internal movement, ongoing skills development is a must. Employees can choose from a wide range of internal and external classes; they also receive full tuition reimbursement for job-related classes and degree programs.

In other words, Intel encourages employees to keep learning throughout their career. Ask virtually any group of employees what they like best about working at Intel, and this is surely one of the answers they will give.

Personal development plans: Each year, employees write a development plan and review it with their manager. The plan lays out areas for future development as well as the ways employees plan to learn their new skills.

Learning by teaching: In 2002, more than 10,000 employees taught courses through Intel University. Employee instructors provide real-life examples that students can apply in their own work situations. Program motto: "The best at Intel teach at Intel!"

Employee learning: In 2002, each employee spent an average of 41 hours in formal learning through Intel University. With rotation programs, internships, mentoring and earned degrees, the average goes even higher.

Extended education: In the U.S., more than 5,400 employees took advantage of Intel's tuition reimbursement program to earn undergraduate and graduate degrees.

Taking the reins: To help meet a critical need for top managerial talent, Intel uses two classroom tools: the Survey of Management Practices and the Survey of Leadership Practices. These tools help managers identify strengths and development areas based on 360-degree feedback. More than 7,000 managers took these classes in 2002.

In addition to our coaching and mentoring network, well-known management professors give classroom instruction, and Intel executives teach personal leadership courses. Intel's leadership development programs include experience-based "Action Learning" projects that allow future leaders to make recommendations on real-time strategic business issues.



Intel employee news portal praised

The League of American Communications Professionals recognized Intel's employee news portal, *Circuit News*, with a Platinum Award for Intranet Newsletters. The judges praised the degree to which Intel management shares company information with its employees.

Social Programs & Performance

Pursuing a fourfold focus

Redeployment: During times of economic difficulty, managing costs is critical, and workforce reduction may become necessary. Intel's approach is atypical: We offer voluntary separation programs and support, not pink slips. Our separation packages include not only separation pay and benefits but career counseling as well.

Since the early 1990s, Intel's redeployment program has provided employees affected by business change with up to four months of salary and benefits in addition to training and outplacement assistance. Career resource centers and learning centers also provide support. During 2002, we identified 27,000 external jobs and held 50 career events for redeployed employees. They gave us >90% satisfaction ratings on the support we provided.

Raising issues/getting answers: Intel employees can easily raise work-related concerns. Under our world-wide Open Door process, an employee may raise a

concern directly to a manager or, if he or she prefers, to Human Resources (HR), to another manager or to the Executive Office. The Open Door issue will be addressed with promptness, confidentiality and honesty. In some cases, we assign an independent investigator to research facts and make recommendations. If an employee is not satisfied with the result, he or she may appeal. If the employee has any perception of retaliation, he or she can immediately contact Intel's HR legal group for counsel. During 2002, employees raised 767 Open Door issues worldwide, 451 of them in the United States.

Intel's longstanding companion to Open Door, the Write to Know program, allows employees to ask challenging questions anonymously and get a confidential, personal response from the appropriate Intel manager. In 2002, Write to Know received 2,294 questions and provided 2,314 responses (including a few held over from the previous year).

Employee Data Year-End 2002

Type	Category	U.S.	Other Americas	Asia-Pacific	EMEA*	Total
Contract/ Intern	Exempt Full Time	84	2	15	75	176
	Exempt Part Time	19			789	808
	Total	103	2	15	864	984
	Non Exempt Full Time	120	33	300	142	595
	Non Exempt Part Time	32	2		17	51
	Total	152	35	300	159	646
Regular	Exempt Full Time	33,904	936	7,484	6,421	48,745
	Exempt Part Time	220	1	6	108	335
	Total	34,124	937	7,490	6,529	49,080
	Non Exempt Full Time	16,191	994	9,742	3,586	30,513
	Non Exempt Part Time	90	2	1	67	160
	Total	16,281	996	9,743	3,653	30,673

*Of the 1,023 contractors/interns in Europe, Middle East, and Africa (EMEA), 1,019 were interns (with 789 located in Israel).

Employee Development 2002

Intel University at a glance	
Courses offered	8,580
Sessions delivered	37,694
Total training hours delivered*	3,368,865
Training hours for exempt employees	1,540,742 = 45.7% of total hours
Training hours for non-exempt employees	1,384,156 = 41.1% of total hours
Training hours for management	239,601 = 7.1% of total hours
Students attending classroom sessions	465,000
Students attending e-learning classes	295,000
Average number of training hours per employee**	41 hours
Number of employee volunteer instructors	10,083 instructors teaching 57,781 sessions
Total cost for training	\$335,620,000
Tuition reimbursement (U.S.)	\$16.56 million for 5,426 employees

*Also includes training delivered to temporary and contract employees on ethics and safety.

**Number is not exact, because calculation is based on training hours per quarter and employee headcount at year-end.

Social Programs & Performance

Pursuing a fourfold focus

Diversity and opportunity

Recruiting and retaining a diverse workforce: At Intel, respect for the individual is an essential ingredient of innovation and excellent business performance. Our goal is to attract, welcome and retain the most talented people worldwide. To do this, we must foster an environment where everyone can be comfortable. The wide-ranging perspectives, abilities and experiences of our workforce are key to the success of our company and our people, and fundamental to our role as a technology leader and a global citizen.

After making solid progress toward our goal of hiring more under-represented minorities and women in key technical positions, our forward momentum slowed in 2001 and 2002 due to the business downturn and Intel's limited external hiring. Despite current business conditions, increasing representation of women and minorities remains an important goal. In the meantime, we are committed to maintaining the current levels of representation and avoiding erosion of the gains we have made over the last few years. For more information on diversity at Intel, visit www.intel.com/jobs/diversity.

Integrating diversity at Intel: During 2002, Intel made continued improvement in the effort to integrate diversity into existing business systems, processes and expectations of all employees. Specifically, we:

- Promoted a new Corporate Global Diversity Manager, who is responsible for overall strategy and linking of efforts across the country and around the world.

- Expanded the scope and charter of the diversity organization, significantly increasing the number of positions dedicated to diversity.
- Conducted an extensive evaluation of our diversity programs. To ensure commitment to plans at the highest level, an executive management committee reviewed the evaluation together

with resulting plans for improvement.

Supplier diversity: To strengthen Intel's global competitive advantage, we develop and engage a diverse supplier network and promote broader sourcing opportunities. Our worldwide Supplier Diversity Team helps us achieve this objective. In 2002, the team set challenging goals and achieved good results. To drive supplier diversity principles within the semiconductor industry, we led the development of the Semiconductor Best Practices standards through International Sematech. Once again, we increased our annual spending with historically under-utilized businesses, achieving a 100% increase in 2002 and an average increase of 20% each year since 1998.

We met our goal of promoting supplier diversity within the Intel supply chain. We use semi-annual reports on diversity spending that our suppliers provide to track their commitment. We also delivered training and coaching to vendors needing assistance.

In spite of these successes, we did not meet our 2002 goal to ensure that Minority/Women/Disabled-Vet Business Enterprises were included in all bidding opportunities. Though many business groups achieved this goal in 2002, we are working to ensure that every business group achieves 100% inclusion. This is one of our highest priorities in 2003.

Diversity in action: Intel Malaysia dressing for diversity

On the eve of Malaysia's Independence Day in August, hundreds of Intel Malaysia employees arrived at work clad in Malay baju, Indian sari and Chinese cheongsam. "We wanted to commemorate our Independence Day, celebrate our diversity and showcase Intel Malaysia's rich culture," says Mohd Radzi bin Alias, Intel Malaysia's HR manager. In the spirit of muhibbah (unity in diversity), employees walked the hallways in traditional garb. Observes John Gladding, an IT customer service Internet communications expert visiting from Intel Folsom, "Even though everyone seems to have different religious and cultural backgrounds, Intel Malaysia is an excellent example of using that combination as a strength rather than a weakness."



Intel pursues a site-customized childcare strategy. By making quality childcare widely available, we address employee needs and strive to be a great place to work.

Childcare solutions around the world: All over the world, working parents face a variety of challenges. In response, Intel has created a site-customized childcare strategy. The solutions are as varied as the needs: a kindergarten near our campus in Malaysia, a community center in Israel, discounts to local nurseries in England and Japan, in-house referral coordinators in Ireland, summer and holiday camps in Ireland and Israel.

In the U.S., childcare resources include priority placement for our employees and backup care at most sites. Many sites around the world offer free backup care and financial support to help local childcare providers expand their programs and create networks of in-home childcare providers.

With options like these, we address employee needs—and live up to our "great place to work" value.

Social Programs & Performance

Pursuing a fourfold focus



Comprehensive Braille signage is part of a supportive environment that enables Prateek Dujari to continue his work as a quality and reliability engineer at Intel Oregon.

Diversity in action—Intel Oregon: In 2001, Intel Oregon employee Prateek Dujari was blinded in a mountaineering accident. Yet today, he works in the same position, as a quality and reliability engineer, as he did before the accident. In late 2002, the state of Oregon honored Dujari's achievements by recognizing him with the Blind Worker of the Year Award, which is given annually to a visually impaired person who is a role model for others.

After leaving the hospital, Dujari attended training at the Oregon Commission for the Blind and met regularly with his Intel colleagues. Intel's occupational health representatives ensured that Dujari would have all the equipment he needed to do his job. "Coming back to Intel as a disabled employee has been a really smooth process," he says. "Within two weeks of returning, I was up and running at top speed."



Intel provides meeting space, support staff and funding for a network of chartered employee groups organized at Intel sites worldwide. Any employee can join.

Employee groups celebrate diversity: Intel's network of 18 chartered employee groups, with 89 chapters at our various sites, gives employees opportunities to get together for support, networking and integration. In 2002, some groups began offering professional development conferences open to all employees. The company provides space for meetings, study or prayer, as well as support staff and funding for activities. In exchange, employee groups help recruit, integrate and mentor employees, and educate the entire Intel workforce through celebrations, bulletin board displays and intranet sites. Membership in all groups is voluntary and open to all employees. Intel encourages senior managers to act as champions or sponsors for employee groups. Most groups have a sponsor at the vice president or executive staff level.

Intel Employee Groups 2002

Abbreviation	Intel employee group	Abbreviation	Intel employee group
ACI	Asian Cultural Integration	ILN	Intel Latino Network
ARABIC	Arab Intel Community	IMEG	Intel Muslim Employee Group
AVI	American Veterans at Intel	IMN	Intel Mother's Network
IBA	Intel Bangladesh Association	INAN	Intel Native American Network
IBCN	Intel Bible Based Christian Network	IPEG	Intel Pakistani Employee Group
IDAN	Intel Diverse Abilities Network	IVG	Intel Vietnamese Group
IGLOBE	Intel Gay, Lesbian, Bi-sexual & Trans-gender Employees	NIA	Network of Intel African Americans
INDIA	Intel India Employees	RCGN	Recent College Graduate Network
IJC	Intel Jewish Community	WIN	Women at Intel Network

Social Programs & Performance

Diversity and demographic data

Senior Management and Corporate Governance Bodies 2002

		Male					Female				
	Total	Caucasian	African American	Hispanic	Asian/Pacific Islander	Native American/Alaskan	Caucasian	African American	Hispanic	Asian/Pacific Islander	Native American/Alaskan
Board of Directors	11	9	0	0	1	0	1	0	0	0	0
		82%			9%		9%				
Corporate Officers	32	22	0	0	6	0	4	0	0	0	0
		69%			19%		12%				
Top 50* in Total Comp	50	38	0	0	6	0	5	0	0	0	0
		76%			12%		10%				

*One person refused to identify ethnicity.

U.S. Officials and Managers 2002

	African American	Asian/Pacific Islander	Caucasian	Hispanic	Native American	Refused to identify	Total
Female	28	141	1015	72	4	35	1,295
Female %	2	11	78	6	.4	3	21.2
Male	86	637	3,693	207	19	171	4,813
Male %	2	13	77	4.3	.4	3.4	78.8
Grand Total	114	778	4,708	279	23	206	6,108
Total %	1.9	12.7	77.1	4.6	.4	3.4	

U.S. Professionals 2002

	African American	Asian/Pacific Islander	Caucasian	Hispanic	Native American	Refused to identify	Total
Female	176	1,743	5,065	477	34	233	7,728
Female %	2.2	22.5	65.5	6.2	.4	3	23
Male	470	6,417	16,696	1,168	80	1,213	26,044
Male %	1.8	24.6	64	4.5	.3	4.6	77
Grand Total	646	8,160	21,761	1,645	114	1,446	33,772
Total %	2	24	64.4	5	.3	4.3	

U.S. Total Workforce 2002

	African American	Asian/Pacific Islander	Caucasian	Hispanic	Native American	Refused to identify	Total
Female	363	2,436	7,808	1,191	114	373	12,285
Female %	3	20	64	9.7	.9	3	
Male	1,139	7,729	23,940	3,043	265	1,635	37,751
Male %	3	20.4	63.4	8	.7	4.3	
Grand Total	1,502	10,165	31,748	4,243	379	2,008	50,036
Total %	3	21	66	8.8	.8		

U.S. Minorities and Women

Year	Total number of employees hired	Total number of minority employees hired	Total number of women hired (including caucasian and minority)
2000	15,564	33%	26%
2001	4,774	43%	20%
2002	1,700	43%	19%

Social Programs & Performance

Pursuing a fourfold focus

Community

Technology meets community: On the Navajo Reservation, Intel wireless technology links students while maintaining the special integrity of the Hogan classroom, a traditional Navajo structure. In New Mexico, the National Hispanic Cultural Center houses the largest Hispanic genealogical library in the world as well as a distance learning classroom that allows American students to compare environmental notes with children living in the rainforest. In Arizona, Intel design teams developed a High Performance Computing Center to conduct research on human genetic building blocks. In the world of healthcare, Intel chips power a robot named Rosie, an automated pharmacy that helps save lives by accurately packaging drugs for delivery to patients.

Diverse as they are, these programs share one thing: they are all part of Intel Community Solutions, initiatives that combine Intel's commitment to good corporate citizenship with technology leadership to meet the specific needs of communities everywhere.

Tracking the environmental state of the sea: On yachts, cruise ships, cargo ships and piers around the world, sophisticated sensor modules collect and transmit data about the health of the world's oceans. The modules, put in place by the International SeaKeepers Society with the consent of vessel owners and operators, play a critical role in helping the group monitor ocean and marine atmospheric conditions worldwide and make real-time data available to research institutions, government agencies and scientists throughout the world.

As technologies that conserve and protect our planet's

ecosystems go, the SeaKeepers effort is both innovative and important. That's why they received the 2002 Intel Environment Award, an Intel-sponsored prize that's one of The Tech Museum Awards Benefiting Humanity. Founded in 2001, the awards program aims to accelerate the use of technology to improve the human condition and to inspire current and future generations of scientists to create technology that serves human needs.

In 2002, innovators from 59 countries on six continents submitted 460 programs in five categories: education, equality, environment, health and economic development. The Tech Laureates shared \$250,000 in cash prizes. Laureates in 2002 hailed from India, Canada, Switzerland, the United States and Kenya. For more information on the program, visit www.techawards.thetech.org.

Exploring proactive approaches to health: How can computing support the health and wellness needs of patients and caregivers? This is the question that drives Intel's Proactive Health Research Project, launched in April 2002.

Project researchers are currently pursuing three main areas of interest. They are studying the needs of people in physical and cognitive decline. They are looking at ways to address the needs of patients who have common chronic conditions such as cancer and cardiovascular disease, with a holistic focus on wellness, including nutrition, physical fitness, and mental health. Finally, the team is building an advanced smart-home system that will integrate four types of technology: sensor networks, home networks, activity tracking and ambient displays. When the team's prototype is complete, they will test it in patients' homes.



The 2002 National 4-H Conference acknowledged Intel's Web Wizards program as a national education role model and encouraged all states to emulate it. The program also received the Net-Generation Youth Leadership and Service Award from the U.S. Congressional Black Caucus.

Community in action—Intel Oregon: Imagine a technology-focused educational program so effective that 90% of the students involved improve their GPA, and only 5% drop out of school—compared to a drop-out rate of 67% for the target group in general.

Remarkably, that's what an Intel-initiated and led program called Web Wizards has accomplished. Through contributions from Intel Oregon's Intel Latino Network (ILN) and Public Affairs, the program stimulates math and science learning in young Latinos, their families and their communities. ILN volunteers have donated thousands of hours establishing curriculum content, instructing classes, and developing strategies that reached 150 high school and middle school students and 300 youth in elementary grades in 2002. The group also provides life-changing mentoring to under-represented youth.

Graduates of the program have helped more than 450 students in K-8 learn to apply PC technology, use advanced digital tools and appreciate the value of graduating from high school. Graduates have also served as technical instructors to more than 3,600 family and community members, with a waiting list for future sessions.

Social Programs & Performance

Pursuing a fourfold focus

**Intel on
education.
What we
believe.**

Effective use of
computer technology
improves teaching
and increases
student learning.



Governments and
ministries of education
and science are
critical partners for
effective and
systemic education
improvement.

Teachers are the
most effective
leverage point for
improved
education results.

Everyone needs
to understand
mathematics,
science and technology
to succeed in a
global knowledge-
based economy.

To be successful,
Intel needs to use the full
diversity of talent and
viewpoints available.



Intel's success is
essentially linked to the
success of both K-12
and higher education.



Communities and
cultures matter. Intel
understands the need
to localize our efforts
using the talents
of local experts.

Social Programs & Performance

Pursuing a fourfold focus

Improving education

In a knowledge-based economy, good thinkers get ahead. As a global technology leader, we understand this. We also know that educators need resources and training to do their jobs well. To prepare students for the demands of the future, we help them develop the higher level thinking skills they will need to succeed in the future. That's the thinking behind Intel Innovation in Education, our ongoing, worldwide, multimillion-dollar initiative that seeks to:

**Wendy Hawkins,
Intel Director of
Education**

"It was an amazing year for the Intel Innovation in Education initiative. We blew away our goals and made a real educational impact in more than 50 countries throughout Asia, Latin America, Europe, and North America."

- Increase the effective and innovative use of technology in teaching and learning.
- Celebrate and promote success in teaching and learning science, mathematics and engineering.
- Accelerate the advancement of university curricula and research in strategic technology areas.
- Improve technical fluency and problem-solving skills among under-served youth through effective community-based education.

- Increase the numbers of young women and under-represented youth successfully pursuing careers in high technology.

We collaborate with educators around the world to deliver programs that focus on teaching and learning with technology. Exemplary teachers help us write professional development materials that promote success in the classroom. Community-based organizations help us reach youth in under-served communities and deliver programs that develop their skills and confidence. We work with higher education institutions to undertake leading-edge research and promote career opportunities. And we bring tools and resources to local science teachers to encourage projects that promote inquiry and

inspire students to learn by exploring their own questions.

Intel has been involved in education since our founding. However, our large-scale involvement with education began in 1989 and has increased dramatically during the past several years. Through 2002, we have invested in excess of \$700 million worldwide in our education efforts. We will continue to deepen our efforts through a sustained commitment of time and resources. Working with people from government, industry and education, we look forward to the continued growth of our current programs and the creation of exciting new ones.

Intel Teach to the Future: In 28 countries on six continents, teachers are learning from other teachers how to incorporate technology tools and resources into their lesson plans. Intel Teach to the Future, a worldwide program created for teachers by teachers, helps them integrate technology into the classroom to enhance student learning. Teachers also learn how to create assessment tools and align lessons with educational learning, goals and standards. Through 2002, more than 850,000 teachers worldwide had completed the Intel Teach to the Future training—far exceeding our goal of half a million teachers.

Intel Computer Clubhouse: The Intel Computer Clubhouse is a community-based education program that gives youth in under-served communities access to high-tech equipment, mentoring and instruction. At 62 Intel Computer Clubhouses around the world, students find a friendly place to express themselves with technology and increase their self-confidence. Successful experiences in these safe, creative environments help young people explore new ideas, improve their ability to solve problems, work in teams and complete complex projects.

**Atta-ur-Rehman,
Minister of Science and
Technology, Pakistan**

"My thanks on behalf of my government for this very valuable initiative to redefine the education system. We look forward to its continued growth."



Intel Science Talent Search winner Ryan Patterson was inspired to design "The American Sign Language Translator" after seeing a girl use sign language to order a meal at a local restaurant.

Intel ISEF up close: In 2002, the three top winners of the Intel International Science and Engineering Fair received more than a college scholarship prize of \$50,000 each. They also attended the Nobel Prize awards ceremony in Stockholm. In Asia and Taiwan, Intel ISEF winners enjoyed extra benefits. The Chinese and Taiwanese governments announced that all Intel ISEF winners would be exempt from college entrance exams and would gain direct entry into college. At the Intel Science Talent Search in Washington, D.C., winner Ryan Patterson received a \$100,000 college scholarship for "The American Sign Language Translator," a glove that converts American Sign Language to text. Finalists of both Intel-sponsored science events also received personal congratulations from the President of the United States. For finalists in Intel's science competitions, participating opens the door to defining their next scientific and technological challenges.

Social Programs & Performance

Pursuing a fourfold focus

Dagmar Schipanski,
President of Conference
of Ministers of
Education, Germany

"The Intel Teach to the Future initiative is a great example of public-private partnership."

to pursue careers in fields related to engineering, mathematics and science.

The Intel International Science and Engineering Fair (ISEF) is the world's largest pre-college science competition. It provides an opportunity for the world's best young scientists and inventors to come together to share ideas and showcase cutting-edge science projects. Students in grades 9–12 from 40 countries compete for \$3 million in scholarships and prizes.

The Intel Science Talent Search is the oldest and most highly regarded pre-college science competition for high

Intel science competitions:

Intel is dedicated to keeping a passion for science alive and well by sponsoring two competitions that recognize and reward the achievements of promising young scientists. The high-profile initiatives are also geared to inspire students

school seniors in the United States. Intel contributes \$1,250,000 in awards and scholarships each year for students and their schools.

Higher education: As technology advances at an accelerated rate, so does Intel's collaboration with top universities around the world to support technology research and curricula. We foster partnerships between industry and academia through equipment grants, scholarships, fellowships, research grants and lectures by senior Intel technologists. Our efforts focus on silicon and nanotechnology, communications, architecture, global manufacturing, applications, interfaces and media. Intel's support of higher education curricula and research extends to more than 75 schools in 25 countries.

Reyes Tamez,
Secretary of Education,
Mexico

"Intel Teach to the Future is a major effort because we know that we can transform the quality of education with adequate training for teachers and access to technologies."



Rap artist Hemen Barzangy used the Clubhouse music room to produce and record a CD of original music.

Intel Computer Clubhouse in action: Ever since he was a boy in the Kurdish region of Iraq, Hemen Barzangy has made music. But not until last year did the high school senior, now living in the United States, imagine that he would be able to lay down the tracks for a studio-quality CD. That is, not until a friend brought him to the music room at the Intel Computer Clubhouse in Salt Lake City. With the help of Clubhouse mentors, Barzangy spent a few months polishing and recording songs for an album in his native language. He also used Clubhouse equipment to design CD labels and inserts, and launch his own web site. In late 2002, the Clubhouse hosted Barzangy's release party. Under the professional name Hama Doshka, Barzangy now has a second album in the works.



Free content, tools and resources for educators, and a tour of Intel's education efforts worldwide.

Intel Innovation in Education web site: With this web site (www.intel.com/education), access to Intel's education programs is more far-reaching than ever. Site traffic has increased 59% over 2001, with a total of 9.7 million hits in 2002. A global tour on the site highlights a country-by-country view of Intel's efforts. With more countries submitting stories, and with content in several languages, the site will be truly international in 2003. Some site highlights: "Seeing Reason" helps students gain a better grasp on cause-and-effect relationships in complex systems. "It's a Wild Ride" takes the design of roller coasters as a starting point for an interdisciplinary, technology-rich learning experience. "An Innovation Odyssey" showcases technology-enriched projects from classrooms around the world.

Corporate Giving

A commitment to people and communities

In 2002, Intel Corporation and the Intel Foundation contributed more than \$100 million to organizations and initiatives focused on bettering education, supporting Intel communities, improving life with technology and protecting the environment. The Intel Foundation, funded exclusively by Intel Corporation, supports programs that “advance math, science and engineering education, promote women and under-represented minorities entering science and engineering careers, and increase the effective use of technology in education.”

\$98,895,743

2002 total
corporate gifts

\$4,303,602

2002 employee donations
to United Way campaigns
at U.S. sites

\$103,199,345

2002 grand total
donations

Corporate Giving

	Total cash gifts (including direct & Intel Foundation) U.S.	Cost value of total in-kind giving (products & services) U.S.	Value of cash gifts to programs or organizations that primarily benefit minorities U.S.	Cost to company of in-kind giving (products & services) to programs or organizations that primarily benefit minorities U.S.	Value of cash gifts to programs or organizations that primarily benefit women U.S.	Cost to company of in-kind giving (products & services) to programs or organizations that primarily benefit women U.S.
2000	\$67,109,115	\$43,099,403	\$4,864,119	\$319,126	\$1,886,198	\$37,847
2001	\$55,704,002	\$29,794,496	\$5,503,698	\$670,272	\$1,526,457	\$67,062
2002	\$44,720,739	\$21,721,326	\$5,031,319	\$980,239	\$1,332,172	\$36,572
	Total cash donations outside U.S.	Total equipment grants outside U.S.				
2002	\$22,317,539	\$2,755,837				
Total 2002	\$67,038,278	\$24,477,163	\$5,031,319	\$980,239	\$1,332,172	\$36,572

External Recognition

Intel awards in 2002

In 2002, Intel earned important acknowledgements, many of which reflect our commitment to employees, even in challenging times.

Corporate

- *Fortune* “Blue Ribbon Company” (one of only three)
- *Working Mother* “100 Best Companies for Working Mothers”
- Social Accountability International Corporate Conscience Awards, “Great Workplace” winner
- *Fortune* “100 Best Companies to Work For in America”
- *Computerworld* “100 Best Places to Work in IT 2002”
- *Fortune* “Most Admired Companies”
- *Fortune* “50 Best Companies for Minorities”
- *Fortune* “Global Most Admired Companies”
- *Business Ethics* “Best Corporate Citizens”
- Harris Institute, “Best Corporate Reputations”
- *Training Magazine* “Training Top 100”
- *Fortune* selected Intel Ireland as one of “10 Great Companies to Work for in Europe.”
- *Money Magazine* “Best Benefits”
- Key component of Domini, Citizens, NASDAQ, FTSE4Good, Calvert and other social indexes
- Intel was named Sector Leader in the Dow Jones Sustainability Group Index for the second year in a row.

Diversity

- Minority Corporate Council Association, Employer of Choice Award
- Human Rights Campaign, 100% rating on Corporate Equality Index
- *Hispanic Engineer* “Hispanic Power Hitters” (Gustavo De La Torre)
- *Hispanic Magazine* “Corporate 100 Companies Providing the Most Opportunities to Hispanics”
- Black Engineer of the Year (Rosalind Hudnell) from the National Society for Black Engineers
- *Minority MBA* “Top Companies for Minority MBAs”
- Gay Financial Network, “50 Most Powerful and Gay Friendly Companies”

Environment, health & safety

- Intel Arizona won two Construction User Round Table safety awards: Overall Safety Program and Construction Industry Safety Excellence.
- Intel’s Fab 22 in Arizona won a prestigious Crescordia Award for its innovative water/wastewater treatment system.

- Intel Philippines won the *Gawad Kaligtasan at Kalusugan* Institutional Award for demonstrating exemplary compliance with Occupational Safety and Health standards.
- Intel Costa Rica received the Premio Global Preventico Award for the fourth consecutive year for practicing and promoting high EHS standards.
- Intel Colorado Springs received the Water Saver Champion Award from Colorado Springs Utilities for “Outstanding Water Conservation Efforts.”
- The New Mexico Recycling Coalition recognized Intel New Mexico as Business Recycler of the Year.
- The City of Albuquerque awarded Intel New Mexico the Gold Pretreatment Award for exceptional pollution reduction and prevention.
- Intel Ireland won an Irish Business and Employers Confederation Environmental Award for its commitment to waste management.
- Intel Israel employees received the Shield of the Minister of the Environment 2002 for outstanding community volunteerism.

Community

- Intel Malaysia received the National HR Excellence Award for “sustained commitment to the development of its human capital.”
- Intel Philippines was recognized as Outstanding Exporter, Employer and Community Project by the Philippine Economic Zone Authority.
- The Intel Computer Clubhouse Network was selected for the Silicon Valley Partnership’s Best Programs Guide for Diversifying the Employment Pipeline.
- Sacramento Hispanic and Asia-Pacific Chambers of Commerce recognized Intel’s partnership and stewardship efforts to improve education, diversity and the local community.
- Junior Achievement of Southern Colorado “Exceptional Volunteer Participation Award”
- Tacoma Urban League “Distinguished Corporate Citizen Award” for outstanding dedication to serving needs of youth
- Greater Colorado Springs Chamber of Commerce “Partnership for Educational Excellence Award”
- Utah Association of Public Schools Foundation “Golden Apple Award” for exceptional support of Utah Public Schools
- Republic of Costa Rica and Ministry of Education “Recognition for Education Initiatives from Private Sector” for serving as a role model for other companies

GRI Content Table

Cross-referencing Intel and the GRI

Section #	GRI Section	Intel Report Reference	Page #
1.1	Vision & Strategy	Introduction & Strategy	4
1.2	CEO Statement	CEO Statement	3
2.1–2.9	Organizational Profile	Organizational Profile	5–6, 14
2.10–2.16	Report Scope	Report Scope	2
2.17–2.22	Report Profile	Report Profile	2, 4
3.1–3.8	Structure & Governance	Corporate Governance	10–11
3.9–3.12	Stakeholder Engagement	Stakeholder Relationships	6–7
3.13–3.20	Overarching Policies & Management Systems	Ethical Business Practices	12
4.1	GRI Content Index	GRI Content Table	35
	Performance Scorecard	2002 Performance Scorecard 2003 Goals & Targets	8–9
5.0	Economic Performance Indicators	Economic Performance Indicators	13–14
5.0	Environmental Performance Indicators	Environment, Health & Safety	17–21
5.0	Social Performance Indicators	Social Programs & Performance	22–34

♻️ This year's report is printed on 100% post-consumer-content recycled paper. No new stock went into this report, and it is fully recyclable. Intel specifically chose a printing company that utilizes an enclosed printing facility, which results in near-zero VOC emissions. The report is printed with soy-based inks and meets the Environmental Defense definition of Totally Chlorine-Free.

Intel, the Intel logo, Intel Centrino, Intel SpeedStep and Pentium are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries. *Other names and brands may be claimed as the property of others. Copyright © 2003, Intel Corporation. All rights reserved. Printed in the USA. 0503/5K/DS/TK/MD/AL.

Intel around the world

North America

Intel Corporation
Robert Noyce Building
2200 Mission College Boulevard
P.O. Box 58119
Santa Clara, CA 95052-8119
USA
Phone
General information: (408) 765-8080
Customer support: (800) 628-8686

Europe

Intel Corporation (UK) Ltd.
Pipers Way
Swindon
Wiltshire SN3 1RJ
UK
Phone
England: (44) 1793 403 000
France: (33) 0 1588 77171
Germany: (49) 89 99143 0
Ireland: (353) 1 606 7000
Israel: (972) 2 589 7111
Italy: (39) 02 575 441
Netherlands: (31) 20 659 1800

Asia-Pacific

Intel Semiconductor Ltd.
32/F Two Pacific Place
88 Queensway, Central
Hong Kong, SAR
Phone: (852) 2844 4555

Japan

Intel Kabushiki Kaisha
P.O. Box 300-8603 Tsukuba-gakuen
5-6 Tokodai, Tsukuba-shi
Ibaraki-ken 300-2635
Japan
Phone: (81) 298 47 8511

South America

Intel Semicondutores do Brasil
Av. Dr Chucri Zaidan, 940-10th floor
Market Place Tower II
04583-906
Sao Paulo-SP-Brasil
Phone: (55) 11 3365 5500

For more information

To learn more about Intel Corporation, visit
our site on the Internet at www.intel.com.

