



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



It's Been Said...
Pushing Reality

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

Gordon Moore Intel Co-founder

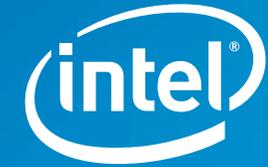
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An Overview of Intel's 2008
Corporate Responsibility Report
Focus on Ireland

What can we make possible?

A world of possibilities.



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

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

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

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

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

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

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

Paul S. Otellini, President and Chief Executive Officer

- Extending our technology leadership, we introduced the high-performance, energy-efficient Intel® Core™ i7 processor family.
- While the global economic climate significantly impacted our fourth-quarter financial results, we generated \$10.9 billion in cash from operations in 2008, enabling us to continue to invest in innovation, even during the economic downturn.
- We continued to work with the Electronic Industry Citizenship Coalition (EICC) to effect lasting social and environmental improvements in the global electronics supply chain.

Fueling the Innovation Economy

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

Providing a Great Place to Work

We employ more than 80,000 people in over 300 facilities in more than 50 countries. In 2008, we invested \$314 million in training and development—an average of \$3,700 and 37.3 hours, or close to a full week of training per employee. We also provide multiple programs, tools, and conveniences to help employees balance their work and personal responsibilities, and develop healthier lifestyles. Our newly expanded, award-winning Health for Life wellness program, for example, enables employees to evaluate their health risks and meet with an on-site health coach to develop individual health action plans.

Maintaining the Highest Integrity

The Intel Code of Conduct serves as the cornerstone of Intel culture, helping to ensure that our employees, officers, and directors maintain the highest ethical standards in all of their actions. In 2008, over 98% of our employees received formal training on the Code.

Because we believe that the most reliable, sustainable companies respect their employees and care about the environment, Intel is also working with others in our industry to promote corporate responsibility throughout the global electronics supply chain. As part of that process, in 2008 we provided corporate responsibility training to more than 160 of our suppliers, representing about 80% of our purchasing spends.

FOCUS ON IRELAND

Ireland is Intel's center of manufacturing excellence in Europe. Since 1989, Intel has invested €6 billion turning a former 360-acre stud farm into the most advanced industrial campus in Ireland. The Leixlip, Co. Kildare site is the most technologically advanced industrial location in Europe and employs approximately 5,000 people. In addition, there are 200 people employed at Intel Communications Europe, located in Shannon, Co. Clare, which is the Ireland product development arm of our Communications Product Group.

Our Leixlip campus is the location of four semiconductor wafer fabrication facilities; Fab 10 and Fab 14, which operate jointly as Ireland Fab Operations, and Fab 24 and Fab 24-2 which operate jointly as Fab 24. These facilities produce latest generation silicon microprocessors on 200mm and 300mm wafers. These microprocessors power platforms and technology advancements which are essential to the way we learn, live and work today.



Groundbreaking
innovation.

- We signed a multi-year commitment to purchase over 1.3 billion kilowatt-hours of renewable energy certificates a year, making us the largest purchaser of green power in the U.S., according to the U.S. EPA.
- Intel Capital, global investment organization, invested more than \$100 million in solar energy, and we installed solar hot water and electricity systems at three Intel sites.
- For the first time, in 2008 we tied a portion of each employee's variable compensation to the achievement of our environmental objectives.

FOCUS ON IRELAND

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

The Intel Ireland environmental management system is accredited to the ISO 14001 standard (since 1996) and particular focus areas include energy conservation, waste reduction and water conservation. We have invested over €6 million in energy reduction projects.

Natural gas consumption on site was reduced by 4.3% in 2008, while we reduced electricity consumption by 3.8% and water usage was reduced by 5%. In 2008, reduction projects resulted in a total annualized saving of 7,400 MWhr of electricity.

In 2008, the site continued to build on the IS 393 accreditation by undergoing a successful surveillance audit. The site has received much recognition for its energy conservation works, including Energy Manager of the Year, from Sustainable Energy Ireland.

Intel Ireland is one of several ESIA (European Semiconductor Industry Association) companies that have signed a MoA to reduce member companies' total absolute PFC emissions to 10% (on a MMTCE basis) below the 1995 baseline PFC emissions by 2010. Intel Ireland is on track to reduce its absolute emissions by 2010 by 10% even though current manufacturing capability at the site is approximately seven-fold greater than in 1995.

Our non-hazardous waste recycle rate (2008) is 84%, while our hazardous waste recycle rate (2008) is 78% and both are projected to continue to trend upwards in 2009.

In Feb 24, the newest fabrication plant on-site, the water usage, on a production basis, was flat to that used in 2007. There was a decrease in 2007 usage of approximately 38% when compared with 2006 usage, and 2006 usage was approximately 20% below that of 2005.

Looking Ahead in Ireland

- Our corporate goal is to reduce our annual normalized energy consumption by an average of 5% each year through 2012. As a site, we strive to match the corporate goal.
- We will strive to support environmental projects in the community.
- We will continue to improve recycling rates on campus.



A more
sustainable
future.

- Through the Intel® Teach Program, we provided professional development for more than 1.1 million teachers, bringing the total number of teachers trained globally to over 6 million since the program's inception.
- Continuing our history of investment, the Intel Foundation announced its single largest commitment ever: \$120 million in math and science education over the next 10 years.
- Intel worked with UNESCO, Microsoft, and Cisco to launch a guide for policy makers to use in shaping their country's approach to applying technology in education.

FOCUS ON IRELAND

Intel Ireland is directly involved in education today to inspire and enable innovation tomorrow. Intel believes that students everywhere deserve to have the skills necessary to become the next generation of innovators. We are actively involved in education programs, advocacy and technology access to enable tomorrow's innovators.

Our focus is on long-term planning and actively encouraging developments in key education areas. Using a two-pronged approach, K-12 targets primary and post-primary education and is strategically focused on math and science. Higher education aims to drive best-in-class research leading to innovation and post-grad pipeline programs.

Intel is a Gold sponsor of the BT Young Scientist and Technology Exhibition. Intel awards a prize for the best-placed project in the chemical, physical and mathematical category. The Intel® Teach Program is a worldwide initiative through which 7,500 teachers have been trained in Ireland to date.

Our science in schools program consists of a number of curriculum interventions at post-primary level designed to encourage uptake of the physical sciences and engineering subjects among students. There is a range of programs, including SciFest, Intel Junior Physics Investigations, Design and Discovery, and Intel Senior Physics, which has been rolled out in Ireland and in EMEA.

Intel supports university-based research in nanotechnology, ICT, technology manufacturing and digital health research, and the company mentors over 50 PhDs in Irish and European Universities. Intel also has close research links with many leading European universities and research centers through bilateral and European framework programs.

Looking Ahead in Ireland

- Continue to drive innovative ways to support science, mathematics and technology education.
- Expand the SciFest program into Northern Ireland.
- Continue to support technology innovation and research in collaboration with universities and governments EMEA-wide.
- Migrate the Intel Advanced Teach Online to the Moodle platform.
- Host the European Research and Innovation Conference - "Intel Leadership in Europe in technology manufacturing research, innovation and independent living".



The next generation of innovators.



Better places
to live and work.

- To celebrate Intel's 40th anniversary, our employees donated more than 1.3 million hours of service in over 40 countries to thank our communities for their many years of support.
- Intel worked with NetHope to develop technology solutions for healthcare, economic development, and disaster relief programs of non-governmental organizations (NGOs).
- Following a devastating earthquake in China's Sichuan Province, employees donated over 35,000 volunteer hours, as well as relief funding matched by the Intel Foundation, for a total of \$6.9 million.

FOCUS ON IRELAND

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

To mark Intel's 40th anniversary, Paul Otellini, Intel President and CEO, posed a million-hour volunteer challenge to employees, of which Intel Ireland employees volunteered 56,957 hours. To align with this challenge, Intel announced a major broadening of the Intel Foundation program that matches dollars for employee volunteer hours. The program, which was previously open only to schools, now extends beyond education to various non-profit organizations. This resulted in substantial payments to organizations and, in total the payout surpassed €300,000.

Log On, Learn (LOL) is a schools-based program in which teenagers provide one-to-one mentoring to help older adults become confident technology users. To date 250 schools, 3,000 seniors and 3,000 students are involved. For more information visit www.logonlearn.ie.

We continue to engage with all stakeholders in the community. For example, our Community Advisory Panel is now entering its 15th year. We also endeavor to engage with past members of the panel on an annual basis.

The River Rye flows through the back of the Ireland campus and The Friends of the Rye River continue to ensure its bio-diversity is sustained. This was recognized by Business in the Community, which named Intel Ireland as environment winner in the Inspiring Excellence Awards 2008 for "Bio-Diversity on River Rye". To view the accompanying video, visit www.bitc.ie.

As a technology and business leader, Intel Ireland is committed to doing the right things, the right way. As part of this strategy, Intel Ireland engages in a "Seeing is Believing" program. The Seeing is Believing sessions provide an opportunity to showcase Intel Ireland's leadership in Corporate Responsibility (CR) and Environmental Sustainability to business leaders.

Looking Ahead in Ireland

- Intel Ireland celebrates its 20th Anniversary in 2009.
- Log On, Learn to continue to proliferate both nationally and internationally.
- Continue the extended matching grant program.
- Actively use communications channels to regularly engage our community stakeholders.

2008 Performance Summary Data—Worldwide

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

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

¹ Rate based on 100 employees working full time for one year.

² Includes total giving (cash and in-kind) by Intel Corporation and the Intel Foundation.

Looking Ahead—Worldwide

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

Goals for 2009 and Beyond
Environment
Reduce water use per chip ¹ below 2007 levels by 2012.
Reduce absolute global-warming gas footprint by 20% by 2012 from 2007 levels.
Reduce energy consumption per chip 5% per year from 2007 through 2012.
Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.
Recycle 80% of chemical and solid waste generated per year.
Achieve engineering and design milestones to ensure that Intel products keep the energy-efficiency lead in the market for our next two product generations.
Workplace
Drive key improvements in the hiring and retention of under-represented minorities and women to reach full parity in workforce representation.
Achieve organization-specific recordable rate goals for targeted groups. Improve early reporting of ergonomic-related injuries, specifically cumulative trauma disorders, with a targeted first aid to recordable ratio goal of 9:1.
Supply Chain
Work with our commodity teams and managers to ensure that they continue to integrate Electronic Industry Code of Conduct processes and criteria into supplier management practices.
Continue to complete risk assessments and implement continuous improvement plans where required for our top-tier suppliers, in pace with the EICC's shared audit process timing.
Continue to participate in EICC work groups and task forces. Co-lead the supplier training event in Shenzhen, China.
Require our top-tier suppliers within our corporate Supplier Continuous Quality Improvement Program to publish their "green" metrics, and encourage all of our suppliers to put transparent green initiatives in place.
Participate in the pilot of the EICC's carbon footprint tool, and publish the results.
Include historically under-represented businesses in 100% of all eligible bidding opportunities, and participate in international supplier diversity standards adoption and community awareness campaigns.
Community
Maintain at least a 40% employee volunteerism rate.
Develop an enhanced skills-based volunteering program and increase skills-based volunteer opportunities.
Education
Expand the Intel® Teach Program to reach 1 million more teachers.
Work to ensure that at least 500 universities offer two or more undergraduate courses on parallel programming concepts.

¹ Assuming a typical chip size of approximately 1cm² (chips vary in size depending on the specific product).

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

Overall Corporate Responsibility

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

Environment

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

Business/Workplace

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

Community and Education

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

FOCUS ON IRELAND

- Chambers Ireland President's Award 2008—Outstanding Achievement in Corporate Social Responsibility
- Chambers Ireland President's Award 2008—Responsible Employer Award for Employee Wellbeing Program
- Business in the Community Ireland—Top 10 examples of Inspiring Excellence 2003-2008; selected as the winner in the Environment section
- Annual ICT Excellence Awards 2008—Best ICT Company to Work For
- *Irish Times* Top 1000 companies for 2008
- Sustainable Energy Ireland Awards—Energy Manager of the Year
- The Irish Healthcare Awards 2008—Best use of information technology award for TRIL Clinic



A culture of corporate responsibility.