CSR and the role of Transparency in Business Innovation

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Corporate Responsibility
Jul 2008

Don’t let Terminology be a Barrier

Corporate Social Responsibility

Sustainability

Triple Bottom Line

Corporate Citizenship

Sustainable Development

Corporate Responsibility

Driving financial success in ways that honor ethical values and respect people, build communities and preserve the natural environment

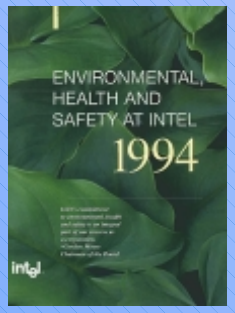
intel

Intel's CSR/ Sustainability Path

1968 — Culture and organizational values

1994 — Commitment to disclosure

First environmental reporting



1998 — Proactive investor relations

Business case and formal function – 1998-2000

2000 — Emerging Issues Management

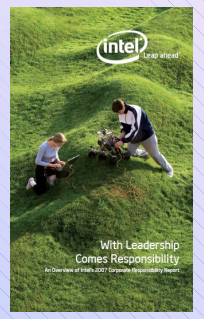
2001 — 2001 CSR reporting begins

Intel Principle's for Responsible Business

2003 — Board-level accountability

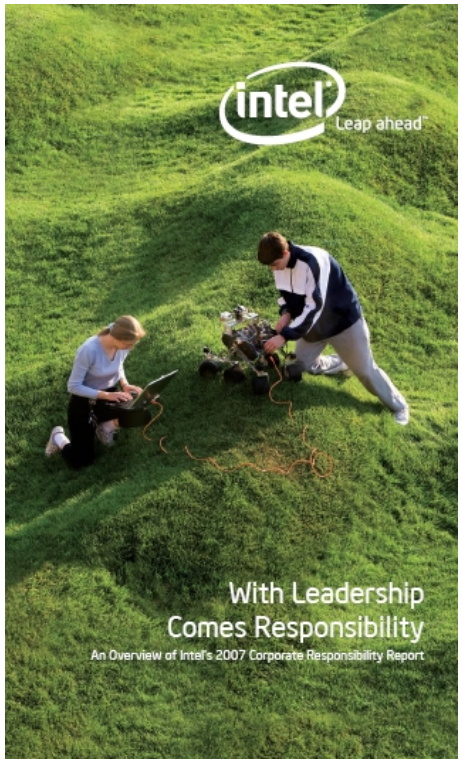
2005

2007 — Reputation and Eco-Tech Strategy Discussions



Intel CSR Timeline: A long heritage of corporate responsibility

2007 Corporate Responsibility Report



Complete Report

~90 page Global Reporting Initiative (GRI) - G3 based PDF on web site.

Summary tabs on web with download center for report sections and supporting information.

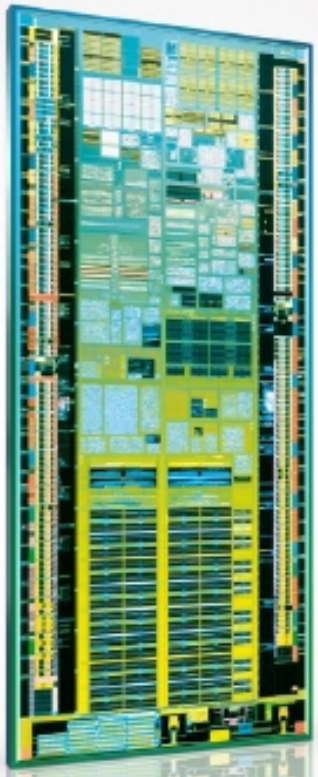
8-Page Executive Summary

Short printed report used primarily with external stakeholders and for events.

Localization and Translation

Translate and localize summary report and create additional inserts for use with local stakeholders.

Taking a leadership position in environmental action worldwide



Environment

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-
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-
-

1 Intel 45nm product is manufactured on a lead-free process. Lead is below 1000 PPM per EU RoHS Directive (2002/95/EC, Annex A). Some EU RoHS exemptions for lead may apply to other components used in the product package.

Looking Ahead: New Environmental Goals

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.
Achieve engineering and design milestones to ensure that Intel products keep the energy-efficiency lead in the market for our next two product generations.
Reduce water use per chip[1] by 2012 from 2007 levels.
Reduce generation of chemical waste per chip by 10% by 2012 from 2007 levels.
Recycle 80% of chemical and solid waste generated per year.

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

Workplace, Governance & Ethics

Continued to perform at **world-class levels** for safety, further reducing severity of injuries

Expanded Health for Life wellness program to help employees manage health risks

Invested approximately **$249 million** in employee training and development

+61,000 employees participated in the Organization Health Survey

Refreshed the Intel Code of Conduct and enhanced with new learning aids; **+95% of employees trained** on new code in 2007.

Named to the list of "100 Best Companies for Working Mothers"

Education

-
-
-
-

Community

38% worldwide volunteerism rate. Education-related hours increased by 61%.

Thousands of employees volunteered in **~50 Intel events** for Global Earth Day.

Applied state-of-the art technology to number of community projects including one to improve delivery of disaster relief

U.S. Community Giving Campaign set new Intel record; **+$20 million** in 2007

Intel and Intel Foundation gave **+$109 million** to improve education, support communities, and respond to natural disasters in 2007

Supply Chain

Continued in leadership role in the Electronics Industry Citizenship Coalition; served as chair from March 2005 – October 2007.

Completed more than **100 high-level risk assessments**, representing **80%** of our high-risk purchasing spends.

Held country-specific supplier days in several countries, including China, Costa Rica, Malaysia, and the Philippines.

Included at least one diversity supplier in more than **98%** of our eligible U.S. bids.

Established a green purchasing team to develop new green purchasing goals for the company in 2008.

What's our Mission?
CSR @ Intel – It's how we do business

CSR is the set of policies, practices and programs that enable Intel to be a responsible corporate citizen and improve people's lives through technology.

Key pillars:

- Reducing our environmental footprint
- Improving the communities in which we operate
- Creating opportunities through technology and education

Calvert Online
INVESTMENTS THAT MAKE A DIFFERENCE®
INrate
ethical assessments by INFRAS and NEST
CoreRatings
A Member of the DNV Group
KLD
Dow Jones
Sustainability Indexes
Member 2007/08
EIRiS
maala
עסקים מנהיגים אחריות חברתית
Business for Social Responsibility
CRO
10
CRO's 10 Best
Corporate Citizens
by Industry • 2007
intel
FTSE
THE INDEX COMPANY
oekom research
Hewitt Associates
sam
Innovest
Strategic Value Advisors
SiRi

3rd Party Assessment of Results

Technology Market Sector Leader by Dow Jones Sustainability Index for 7th year run

#1 Best Corporate Citizen – The CRO

Global 100 Most Sustainable Company - 4 yrs running

AAA Ratings from Innovest for Intangible Asset Value

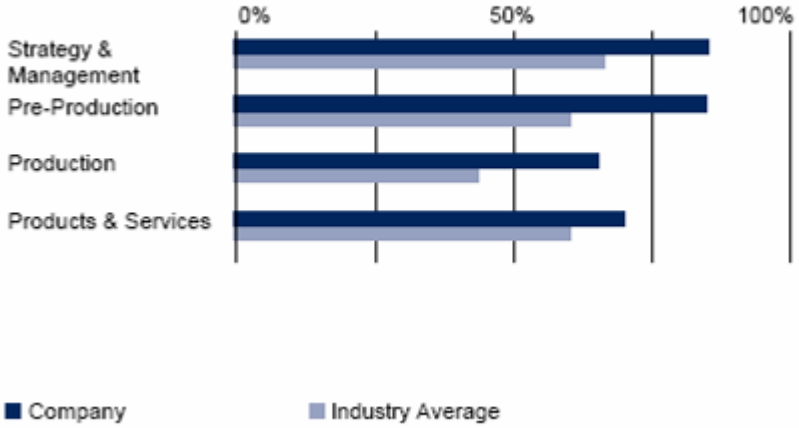
Corporate Responsibility Leader from Calvert Group

Sector Leader in Corporate Citizenship – TheCRO

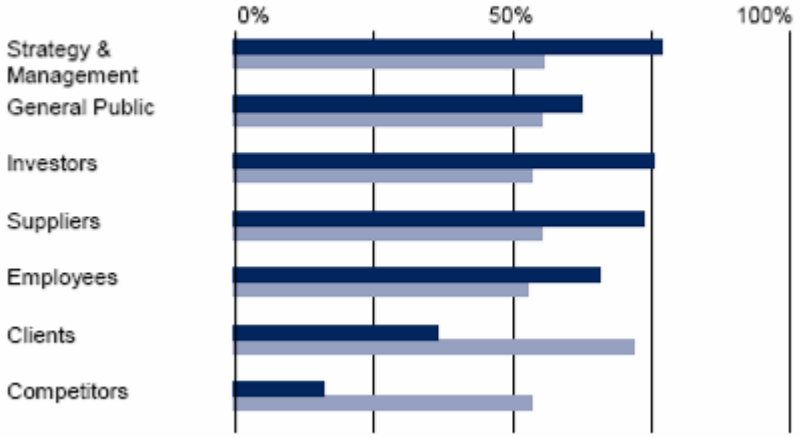
Index member of **Portfolio 21, FTSE4Good, Sarasin, LOHAS-50, Fast Company 21 Profit through Impact**

Company Sustainability: Strengths and Weaknesses

Environmental Profile



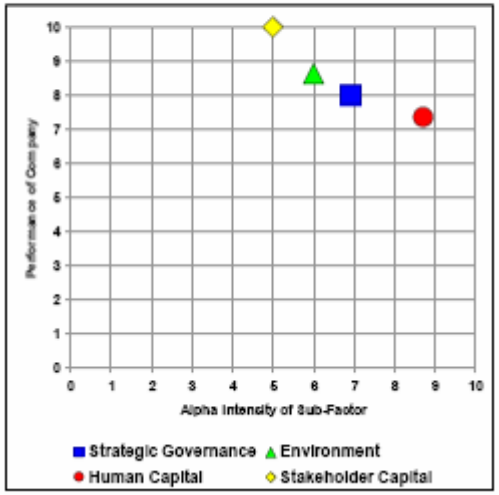
Social Profile



Intel Corp.

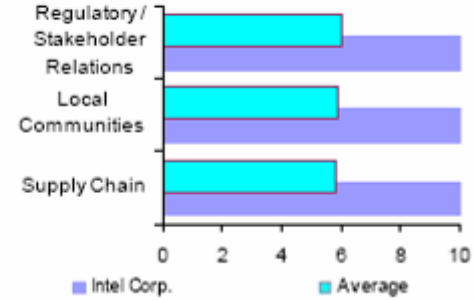
Country:	United States
Ticker Symbol:	INTC
Industrial Sector:	Semiconductor Equipment & Products
Combined IVA Rating:	AAA
Sub-Factors:	
Strategic Governance:	8.0
Human Capital:	7.3
Environment:	8.6
Stakeholder Capital:	10.0
Analyst:	Heather Langsner 646-237-0212 hlangsner@innovestgroup.com

PERFORMANCE / ALPHA INTENSITY MATRIX



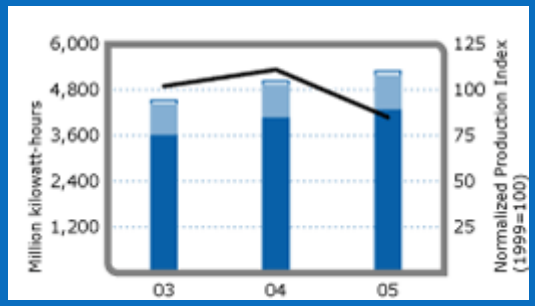
STAKEHOLDER CAPITAL: 10.0

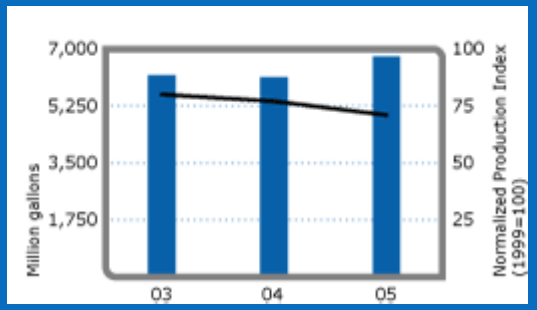
Trend: Up

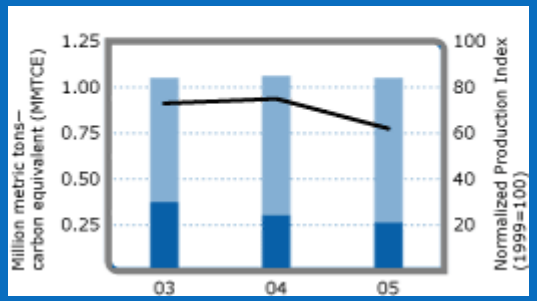


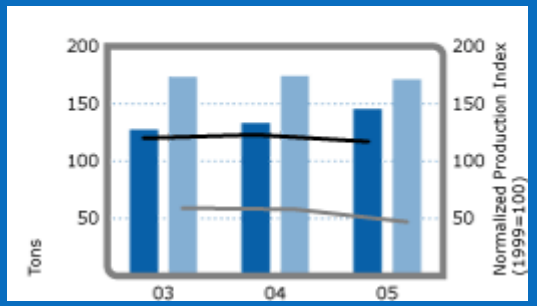
How we Measure ourselves

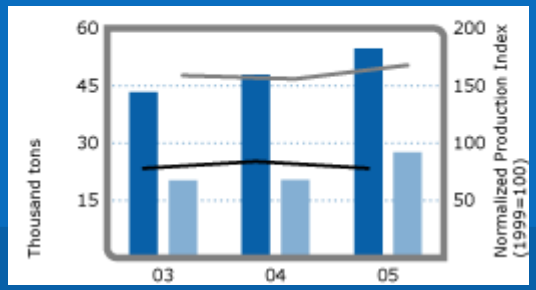
- Effective Identification and Mitigation of Risks
- Investor Lists and Indices
- Global Leaders as Intel Spokespeople
- Benchmarking
- Performance to Organizational Goals











New CSR Web Site

- More coherent CSR story and higher visibility on Intel.com
- More visibility for videos, CSR blog
- New separate Corporate Governance and Ethics page
- New CSR awards page

New CSR Web Site:
New Corporate Governance & Ethics Page

Summary

- Corporate responsibility has been part of Intel's culture for many years
- Intel has focused on CSR results and very little on marketing
- Higher expectations for companies around CSR
- Return on investment for CSR is difficult to quantify
- Transparency drives continuous improvement