

Managing Citizenship

Corporate responsibility at Intel reflects the alignment of our business strategy with our respect for people and the world around us.

It means achieving success while acting with uncompromising integrity. It means listening to, learning from, and communicating openly with our stakeholders. It's how we manage our business every day, at every Intel site around the world.

Leadership Impact

- Intel and the Asian Institute of Management (AIM) developed the Intel-AIM Corporate Responsibility Award and other initiatives to encourage excellence in corporate responsibility among businesses in Asia.

- We helped launch ALIARSE, a public-private consortium to promote corporate responsibility and sustainable development in Costa Rica.

- We co-founded the Association for the Advancement of Sustainability in Higher Education in Arizona, an association of businesses working to expand sustainability concepts and activities in the state.



Supply Chain Responsibility

An internal Intel network is dedicated to integrating corporate responsibility throughout our supply chain. We are also an active member of the Electronic Industry Citizenship Coalition (EICC), helping to set standards and create tools to ensure that companies in the electronics industry supply chain are environmentally responsible, provide safe working conditions, and treat workers with respect.

Corporate Responsibility in the Workplace

Our goal is to provide a working environment that empowers, motivates, and recognizes the achievements of our employees. The Intel Code of Conduct is the cornerstone of our culture, covering our policies regarding environmental protection, health and safety, non-discrimination, bribery and anti-corruption, conflicts of interest, and more. We communicate our expectations through annual training on our Code, briefings on emerging issues, employee newsletters and blogs, and support of employee groups.

Ethical Code of Conduct - Vietnam

Conducting business with uncompromising integrity is a key priority at Intel's planned 500,000-square-foot assembly and test facility in Vietnam.

As part of a commitment to contribute to communities in which it does business, Intel signed a Memorandum of Understanding with the government-owned Saigon Hi-Tech Park (SHTP). Both parties committed to conduct business ethically and within the bounds of applicable law; to act against corruption, bribes, kickbacks and any form of abuse of power for personal interests; and to inform relevant authorities of violations. The signing represents the first time that Intel has entered such an agreement with a government agency.

Intel held the first Intel Supplier Day in Vietnam in 2006. During the event Intel staff met with suppliers to set Intel Code of Conduct expectations, provided ethics training, and described Intel business objectives. Materials were translated into Vietnamese and case studies were used to illustrate points.

Since, then, dialogue has continued through quarterly supplier briefings and monthly training for new suppliers.

While our core focus areas of product innovation, environmental responsibility, educational advancement, community investment, and business integrity remain constant, 2007 brought some exceptional results. We brought to the market our strongest product portfolio in years. Our new product lines enable the most energy-efficient solutions to date and low-cost options for first-time computer users, especially in emerging markets.

We started producing our new 45nm products using a lead-free process and laid plans to move to halogen-free packaging technology in 2008.

Our products are built in some of the most advanced manufacturing facilities on the planet. Fab 32 in Arizona, which started production in 2007, will be our first factory to be certificated as a Green Building under new LEED criteria being developed for facilities of this kind.

Intel's education efforts achieved new milestones in 2007 as well. We continued to collaborate with educators and governments worldwide to advance 21st century education and to prepare young people for success. Since 1998, the Intel® Teach Program has been helping teachers be more effective educators and better integrate technology into the classroom. In 2007, we trained more than 1.1 million teachers and surpassed the mark of training 5 million teachers worldwide.

Intel has received a lot of recognition this past year for our CSR leadership. I believe that with leadership comes responsibility. Society and business continue to struggle with complex challenges—from addressing environmental sustainability and climate change to providing quality education and technology access to children and communities around the world.

I'm committed to viewing these challenges as future business opportunities and areas where Intel can contribute and collaborate with others in a meaningful way. In our complete report online, prepared using the Global Reporting Initiative's G3 guidelines, you will see the full scope of our corporate responsibility efforts. We attempt to offer a balanced presentation of our organization's economic, environmental, and social performance in 2007, and outline our priorities for the future.

For Intel's 40th anniversary year, I've challenged our employees worldwide to continue to build on our strong culture of volunteerism and donate one million hours of service in our communities. This is the most direct way that we can thank the communities that have welcomed Intel as a neighbor over the past 40 years. In addition, we will be matching volunteer hours at both local schools and nonprofit organizations with cash grants from the Intel Foundation.

I'm extremely proud of our employees, and as we work together throughout 2008, I'm confident that they will continue to carry on Intel's commitment to deliver the best technology while being one of the world's leading corporate citizens.

Paul S. Otellini
President and Chief Executive Officer

Selected Awards and Recognition

Environment, Health, and Safety

Ministry of Natural Resources and the Environment. Intel Malaysia won the Hibiscus Award for Environmental Performance.

Philippines Department of Energy. Intel Philippines won the Don Emilio Abello Energy Efficiency Award.

The American Chamber of Commerce. Intel Philippines was awarded an Environmental Excellence Citation.

Education

Loomba Foundation (India) Award. Intel Chairman Craig Barrett was presented with a humanitarian award at the United Nations for commitment to the education of disadvantaged children.

Tsukuba Board of Education. Intel Japan received recognition for its contribution to schools in the city of Tsukuba.

Departments of Education & Science and Technology and the Municipality of General Trias. Intel Philippines received multiple recognitions for its contribution to improving the quality of education through the Adopt-a-School-Program, Volunteer Matching Grants Program and the Intel Philippines Science Fair.

Korean Society for Educational Technology (KSET). Intel Korea was recognized for its contribution to ICT in pre-service education.

Federal Minister for Education, Pakistan. Intel Pakistan was congratulated on the success of the 2007 winners of the Intel ISEF (International Science and Engineering Fair).

Taiwan Ministry of Education. Intel Taiwan was recognized for its efforts to promote and enhance local science education.



Thailand Minister of Education. Intel Thailand was recognized for its high value contribution to local education.

Vietnam Ministry of Education & Training. Intel was awarded for its contribution to teacher training and the great support given to the transformation of higher education in Vietnam.

Community

Prime Minister of Malaysia CSR Award. Intel Malaysia won the inaugural Prime Minister's Award for CSR in the Community and Social Welfare category.

Essel Zee (Karnataka) CSR Award. Intel India won the prestigious Social Service Award for its work in all areas including Education, Volunteering, Environment and Community Outreach in Karnataka.

National Centre for Promotion of Employment for Disabled People. Intel India received the Helen Keller Award for technology education and job training for its work with the Centres for Economic Empowerment of the Intellectually Challenged.

Business/Workplace

Corporate Knights/Innovest. Intel was again included on the list of the "100 Most Sustainable Corporations in the World."

The Philippine Economic Zone Authority. Intel Philippines received the Hall of Fame Award, for Outstanding Employer, Outstanding Exporter and Outstanding Community Projects.

Taiwan Ministry of Economic Affairs. Intel Taiwan gained this award for being a top 10 investor in Taiwan for its industry engagement and for local procurement.

Penang Chief Minister's K-ICT Award. Intel Malaysia received an Inaugural Award within the Knowledge Worker category.

¹ Our 45nm products are manufactured on a lead-free process. Lead is below 1,000 PPM per European Union Restriction of Hazardous Substances (RoHS) Directive of July 2006 (2002/95/EC, Annex A). Some RoHS exemptions for lead may apply to other components used in the product packaging.

² Halogen-free applies only to halogenated flame retardants & polyvinyl chloride (PVC) in components. Halogens are below 900 PPM bromine and 900 PPM chlorine.

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With Leadership Comes Responsibility

An Overview of Intel's 2007 Corporate Responsibility Report — Asia Pacific



Asia Pacific Region

Major locations include Australia, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, and Vietnam.

Key operations cover assembly and test; communications; logistics; research and development; software development; sales and marketing; and systems manufacturing.

At the end of 2007 we employed more than 16,500 people in these countries.

Doing the Right Things the Right Way



In 2008, we are celebrating Intel's 40th anniversary. Over that 40-year span, our company's products have enabled some of the most important human innovations.

Today, our microprocessors are at the heart of an ever expanding digital world—allowing people to connect in amazing new ways and to achieve previously unimagined gains in productivity.

Corporate responsibility is an essential ingredient in how we do business. It has been critical to our success in the past and will continue to be so in the future. It's fundamentally about doing the right things the right way—from setting high ethical expectations for our employees and suppliers, to providing a progressive and inclusive workplace, to delivering products that can change the world.

We have long focused on reducing our emissions, recycling waste, conserving water, and designing products with the environment in mind. Intel chips are made of silicon, the principal ingredient in beach sand. I've outlined a long-term vision for Intel that I've termed "Sand to Sand," a decision-making framework that embodies the concept of sustainability and gives us ongoing motivation to make the right choices for the environment.

On the cover: Students from one of the schools that won a 2007 Intel Schools of Distinction Award work together on a science project.



Environment

We have a passion for innovation that we apply not only to developing new technologies, but also to managing complex, global environmental issues. We incorporate environmental performance goals throughout our business activities-from how we design and manufacture our products to how we build and operate our facilities, manage our resources, and handle our waste materials.

Leadership Impact

- Intel and Google co-founded the Climate Savers Computing Initiative to drive the adoption of more energy-efficient computing by both individuals and organizations in order to address the issue of climate change.
- Intel President and CEO Paul Otellini joined the Copenhagen Climate Council, which aims to advance a new global climate treaty slated to go into effect in 2012.
- We are helping to sponsor a study to identify ways that technology can help the European Union meet its goals to improve energy efficiency and reduce global-warming emissions.



Intel Malaysia recycled 93 percent of its solid waste and its water conservation program saved an estimated 60 million gallons of water. Intel Philippines recycled 70 percent of its solid waste and saved over 27 million gallons of water.

In addition, we consider green building standards in new design and construction of Intel facilities, including our new Vietnam assembly and test facility.

Addressing Climate Change

For many years, we have been working to mitigate our impact on climate change. One of the many steps that we took in 2007 was becoming a member of the Chicago Climate Exchange, a voluntary, legally binding greenhouse gas emissions reduction registry and trading program. In an effort to conserve energy in our operations, we have implemented more than 250 energy conservation projects since 2001, saving more than 500 million kWh of electricity in our facilities. During 2007, we saved over 50 million kWh in our facilities in Malaysia and the Philippines.

Driving Operational Sustainability

We are committed to continuously improving sustainability throughout our operations. Over the past 10 years, we have invested more than US\$100 million in water conservation programs, and now reclaim over three billion gallons of wastewater each year. In 2007, we recycled or directly reused 87 percent of our chemical waste and 80 percent of our solid waste.

Designing Products Responsibly

Intel is a leader in designing products with the environment in mind. For example, our new 45nm processors set industry performance benchmarks while consuming less power compared to earlier generation products, and they are manufactured using a lead-free² process. In 2008, we are introducing halogen-free² packaging technology for our processors and chipsets. We have also incorporated more recyclable materials into our packaging and have reduced packaging sizes-saving paper and plastic, reducing shipments, and cutting fuel and emissions per unit.

In Recognition of Excellence

In 2008, Intel was included for the tenth straight year in the Dow Jones Sustainability Indexes and was named Technology Super-sector Market Leader for the eighth year in a row. Intel Malaysia was awarded the Malaysian Prime Minister's Hibiscus Award for Environmental Performance.

Setting Industry Standards

In 2007, Intel became a founding member of the Green Grid, a global consortium of information technology companies and professionals seeking to lower the overall power consumption in data centers around the globe. The Green Grid seeks to provide industry-wide recommendations on best practices, metrics, and technologies that will improve overall data-center energy efficiencies.

Intel and Friends Recycling Program – Malaysia

Intel Malaysia organized a solid-waste recycling competition among 63 schools and several colleges in Penang and Kulim. The recycling event featured a strong educational component, with Intel employees speaking with students about the importance of environmental protection, and encouraging students to reduce, reuse and recycle.

Water Saving Initiative - India

Intel India implemented a number of water initiatives in 2007, including a wastewater treatment plant (WWTP) and a rain-water harvesting (RHW) unit. The WWTP treats and recycles about 15,000 gallons of sewage water collected from buildings every day. The solid waste that is separated at the WWTP is converted into bio-fertilizer for use in the site's gardens. The lush green plants and approximately 750 trees surrounding the campus thrive on the bio-waste. The RHW project routes water from the site's rooftops into underground tanks. This water is then used to irrigate the site's gardens, ponds and fountains.



Global Earth Day

Each year in April, Intel employees demonstrate their commitment to the environment by performing volunteer work in conjunction with Global Earth Day. In 2007, hundreds of Asia Pacific employees participated in Intel sponsored events.

Employees in the Philippines held environmental education activities that included a climate change awareness campaign and Project WET (Water Education for Teachers). Employees in Malaysia planted trees, held nature walks and sponsored a recycling campaign. In Taiwan, employees created floating eco habitats for migrant birds, and continue to be involved in environmental protection programs.

Education

We believe that students deserve to have the skills they need to be part of the next generation of innovators. We form partnerships with governments, ministries of education, universities, and nonprofit organizations to build education programs that address the needs of different communities. Over the last decade, Intel has invested more than \$1 billion toward improving education worldwide.

Leadership Impact

- We joined the Clinton Global Initiative, launching an online version of our Intel Teach Program to reach an additional 1.5 million teachers.
- Intel and the U.S. Agency for International Development kicked off a joint effort in Indonesia to provide training to primary school teachers.
- Intel, along with other global technology companies and organizations, developed UNESCO guidelines to help teachers harness information and communication technology (ICT) to improve education. The guidelines were presented in early 2008 to education ministers from around the world.

New Skills for Teachers and Students

Through the Intel Teach Program, we achieved the milestone of training five million teachers in more than 40 countries on how to effectively integrate technology and project-based learning into their classrooms. By the end of 2007, more than 1.3 million teachers had been trained across Australia, India, Indonesia, Japan, Korea, Malaysia, Pakistan, the Philippines, Sri Lanka, Taiwan, Thailand and Vietnam.

Students of teachers trained through Intel Teach have completed projects ranging from developing an AIDS awareness program to finding new sources of potable water.

The Intel Learn Program provides informal educational opportunities for young learners in developing communities around the world to prepare them with the 21st century skills needed for future success. The program works in cooperation with governments and local organizations to create after school programs. More than 50,000 learners have benefited from the program in India alone.



Student collaboration – Australia and the U.S.

Motivated by the Intel Teach Program, two teachers from Australia and the US engaged their students in a cross-cultural, environmental research project. This project enabled students to acquire a more global perspective on environmental issues and they were inspired to make positive changes in their communities such as water saving and recycling.

Students lead change in a village - India

When a teacher at a rural Indian village school participated in the Intel Teach Program, she learned to integrate technology into her teaching. Through a social science project, she motivated her students to take up a cause and improve their community.

Her class convinced parents of young school dropouts to have their children return to school instead of working as farm laborers. The students used critical thinking, problem solving and collaboration skills to help them educate adults about the value of education. Their efforts resulted in several families

allowing their children to return to school to gain an education.

Motivation through Technology

The Intel Computer Clubhouse Network is an after-school, community-based learning program that enables youth in underserved areas to access cutting-edge technology and become self-confident, motivated learners. The network includes 25,000 youth at more than 100 clubhouses in 20 countries including Australia, New Zealand, India, the Philippines and Taiwan.

Promoting Mathematics and Science

High school students from more than 50 countries competed for over US\$4 million in awards and scholarships at the 2007 Intel International Science and Engineering Fair (Intel ISEF).

skooool™

Students and teachers in Australia, Sri Lanka and Thailand are using the online skooool™ interactive learning and teaching program resources for Mathematics and Science.

Supporting Higher Education

In 2007, as part of our broad program to advance higher education, we funded more than 525 grants totaling over US\$22 million to enable research at leading universities around the world.

Intel collaborates with universities in India, Malaysia, Philippines, Taiwan and Japan to engage in focused research and encourage student participation in research throughout their education, especially in the areas of multi-core curriculum. Over US\$800,000 in



research grants were given to promote cutting edge exploration across the five countries during 2007.

By the end of 2007, more than 150 engineering schools across Asia Pacific were offering a multi core curriculum, equipping students for the ever-changing world of technology.

The annual Asia Academic Forum (AAF) fosters an environment for networking, interaction and collaboration between academia and Intel technologists. The 4th AAF, held in New Delhi, was attended by 80 faculty from over 55 Asian universities.

Expanding Technology Access

Through programs such as Intel World Ahead, we help make affordable PCs available, facilitate Internet connectivity, and cultivate sustainable local capabilities. By the end of 2007, we had initiated pilot projects for 1:1 e-learning environments in more than 30 countries.

E-learning Environment - Malaysia

In 2000, Intel partnered with the Education Ministry in Malaysia to train teachers how to integrate technology in the classroom.

In 2007, we jointly undertook an 'ICT for Education' initiative that supports the country's goal to help Malaysians become more competitive in today's knowledge-based global economy by initiating a 1:1 e-learning program in 3 primary and 7 secondary schools nationwide.

Together the Ministry of Education in Malaysia and Intel are spearheading a new 1:1 e-learning model. This model equipped schools with 21st century classrooms, to support 21st century teaching and learning. Intel donated 460 Intel based Classmate PCs to the students. Teachers were trained using the Intel Teach curriculum, encouraging technology use, and project based learning in the classroom.

Connecting a Remote Village to the World - Vietnam

Intel is reaching into rural communities with broadband and voice services aimed at improving socioeconomic conditions, in collaboration with the United States Agency for International Development (USAID), and the Vietnam Data Communication Company (VDC).

The project has brought broadband internet and Voice over IP (VoIP) telephony to the remote village of Ta Van, which previously had only two fixed-line phones, enabling it to establish Internet links with the surrounding region and the rest of the world.

Community

We collaborate with community members, nonprofit organizations, regional leaders, and policy makers to build inclusive, economically empowered communities. We look for projects that combine Intel's technical expertise and the energy of our employees, striving for maximum impact in the areas of education and technology inclusion, environmental stewardship and safety, and community engagement and support.

Leadership Impact

- Intel helped the Fritz Institute develop HELIOS logistics software to improve the way emergency response agencies worldwide manage resources when responding to natural disasters.
- Intel and four other companies are working to bring long-term economic growth and stability to Lebanon, providing IT equipment for hospitals, schools, and community centres, and funding for startup technology companies.
- We hosted nine electronics recycling events, providing a convenient way for communities to recycle more than two million pounds of e-waste.

Employee Volunteerism

Through our Intel Involved volunteer program, 38 percent of our employees worldwide contributed hundreds of thousands of hours to education and environmental programs, as well as to other local community needs in 2007. For education-related activities alone, our employees volunteered more than 550,000 hours, resulting in US\$2.9 million in donations from the Intel Foundation to 1,189 schools through our Intel Involved Matching Grant program.

In celebration of our 40th anniversary in 2008, we will be giving one million hours of volunteer service to our communities worldwide and enhancing our Matching Grant program.

During 2007, India, Japan, Malaysia, Philippines, Taiwan and Vietnam took part in the Intel Involved program, generating 295,000 volunteer hours with a 75 percent employee participation rate. Within six months of joining the program, over 20 percent of Intel Taiwan employees had actively participated in community programs, including Global Earth Day activities, blood drives, and school visits.



Community Solutions

We look for creative ways to apply Intel technology to help increase economic growth, protect the environment, improve healthcare, enhance education, and make government more efficient in communities around the world. In 2007, Intel Community Solutions projects included training micro-entrepreneurs in the Philippines on how useful technology could be in running a business.

Supporting Local Needs

Intel and its employees contribute not only time and expertise, but also millions of dollars responding to local community needs each year. Intel donated funds and employees volunteered to help in response to many emergencies around the world, including earthquakes in Japan and Pakistan; and a typhoon and mudslides in the Philippines.