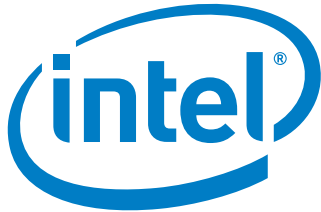


Intel Corporation: Employee Engagement Links to Business Success



Company name: Intel Corporation
Location: Santa Clara, California
www.intel.com/intel/corpresponsibility
Founded: 1968
Scope: Global
Employees: More than 80,000
in 50 countries

Intel expects its suppliers to adhere to strict policies concerning human rights issues, such as working hours, compensation, and worker health and safety.

When a married couple celebrates their 40th anniversary, the occasion is traditionally marked by the gift of a ruby. In 2008, Intel Corporation chose something equally precious to celebrate its 40th year in business: the gift of volunteerism. Paul Otellini, president and chief executive officer, challenged employees worldwide to build on Intel's already strong volunteer culture by donating 1 million hours of service to the communities in which the corporation operates.

"For previous significant anniversaries, we had parties and distributed keychains to employees. To do something different for our 40th, we set an aggressive goal to engage people in having community impact," says Suzanne Fallender, communications manager, corporate responsibility. Intel's employees responded enthusiastically, logging 1,370,810 volunteer hours and achieving the goal one month ahead of schedule.

At the same time, the manufacturer of processors, chipsets, and computing technology also expanded its program to match employees' volunteer hours at local schools and nonprofit organizations with cash grants from the Intel Foundation. Volunteer coordinators at numerous Intel sites helped steer employees to opportunities as diverse as working in after-school music programs, assisting at homeless shelters, and sharing their technology expertise with environmental nonprofits.

Fallender notes, "We're especially encouraging skills-based volunteering, such as having HR professionals help unemployed people with their résumés or having tech people set up school computer labs. Those are the type of areas in which our highly skilled employees can have the most impact."

Spreading the News

Intel emphasizes its belief that corporate responsibility is essential to its business success by publicly reporting on environmental, health, and safety performance (since 1994) and publishing a detailed annual report on corporate responsibility (since 2001).

The latter, which conforms to GRI G3 Sustainability Reporting Guidelines, provides a glimpse into Intel initiatives such as:

- Participating in the Electronics Industries Citizenship Coalition (EICC), which enables technology-related corporations to agree on common expectations for suppliers. For example, EICC has developed standards for processes to assess suppliers for environmental compliance, plus tools for reducing risks associated with labor, health, and safety issues. Intel expects its suppliers to adhere to strict policies concerning human rights issues; the policies, in part, prohibit child or forced labor, support non-discriminatory actions toward employees, and ban the use of certain materials that may harm workers or the environment.
- Collecting information on Intel's carbon footprint and green-purchasing practices, which is then shared with the companies that use Intel as a supplier. In 2008, Intel became the largest corporate purchaser of green power in the United States when it committed to purchase Renewable Energy Certificates (RECs) to support the generation of 1.3 billion kilowatt hours each year of power from wind, solar, small hydro-electric, and biomass sources as part of a multi-year agreement.
- Tying part of every employee's variable compensation to Intel's environmental performance based on its products, energy use, and reputation for sustainability.

- Responding to customer demand for environmental sensitivity by revamping product lines to be more energy efficient, decreasing energy and water usage, recycling waste, and partnering with local communities to make environmental improvements. As just two examples, Intel shifted to a lead-free manufacturing process for one of its products and, in one year alone, collected more than 2 million pounds of electronic waste at community events.

- Participating in policy development and research projects related to global climate change. Intel, for example, helped sponsor "Smart 2020: Enabling the Low Carbon Economy in the Information Age," a study conducted by The Climate Group and the Global e-Sustainability Initiative (GeSI) on the role that the information communications technology industry can play in helping to reduce society's carbon footprint.

- Periodically reviewing the Intel Code of Conduct, which calls on all employees to consider both short- and long-term impacts on the environment and community when making decisions.

- Developing corporate strategies that reflect the United Nations' Millennium Development Goals (MDGs). The eight goals emphasize a commitment to global initiatives such as improving access to clean water, reducing poverty, and halting environmental degradation.

- Continuing to expand the Intel Teach Program, which trains teachers how to better use technology in their classrooms. Introduced in 1998, Intel Teach has trained more than 6 million teachers in more than 40 countries. Another program, Intel World Ahead, focuses on providing students with access to a quality education and affordable technology so they'll be well-equipped to

become innovators in the future.

- Provides more than \$5 million annually in scholarships and prizes to students competing in the Intel International Science and Engineering Fair and the Intel Science Talent Search, both programs of the Society for Science & the Public. The pre-college competitions recognize students' research abilities, scientific originality and innovation, and creative thinking.

The Feedback Loop

Intel did not focus its socially responsible initiatives on community impact, the environment, and education by happenstance. To ensure its initiatives resonate with stakeholders, the company regularly checks in with its suppliers, community neighbors, and stockholders via surveys, face-to-face meetings, and a Web site and blog dedicated to corporate responsibility.

In addition, says Fallender, "Our sites around the world use mechanisms including community advisory panels and working groups, which provide members with a regular, established forum to ask questions, raise issues, and provide feedback. We also proactively engage with investors and NGOs to understand emerging issues and areas of concern." In response to such open and ongoing dialogue, Intel expanded its work related to supply chain responsibility and increased its disclosure of political contributions.

Now Intel is widening its approach to identify new ways to apply its expertise and technological innovations. Rather than just looking at how to reduce its own carbon footprint, for example, the company is investigating how to use its products' technology to address climate change on a global scale.

