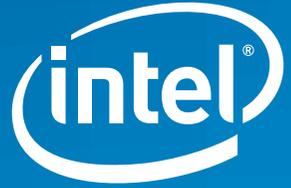


An Overview of Intel's 2008
Corporate Responsibility Report
Asia Pacific Region



What can we
make possible?

Intel operates from major locations within the Asia Pacific region, including Australia, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand and Vietnam. At the end of 2008, we employed more than 16,400 people in these countries.

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

To view or download the Intel 2008 Corporate Responsibility Report, visit:
www.intel.com/apac/csr

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 US\$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 three 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 six 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 one 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 one 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.

A handwritten signature in blue ink that reads "Paul S. Otellini". The signature is fluid and cursive, with a large initial "P" and "O".

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 US\$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 microprocessors, 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. Over the next two years, we plan to invest approximately US\$7 billion to upgrade our U.S. factory network with our next-generation 32-nanometer microprocessor manufacturing technology.

Providing a Great Place to Work

We employ more than 80,000 people in over 300 facilities in more than 50 countries. We value the wide range of perspectives that we gain by hiring and developing a diverse workforce, and strive to empower, motivate and reward the achievements of our employees.

In 2008, we invested US\$314 million in training and development—an average of US\$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. Recently expanded to Malaysia, our award-winning Health for Life wellness program enables employees to evaluate their health risks and meet with an onsite 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.

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 spend.

Groundbreaking
innovation.



A more
sustainable
future.



- 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, a global investment organization, invested more than US\$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.

Improving Sustainability

We incorporate environmental performance goals throughout our operations—from designing 'green' features into our buildings to manufacturing our products and handling waste. Since 2001, we have invested over US\$23 million on hundreds of projects to improve energy efficiency and resource conservation in our facilities, saving enough electricity to power more than 50,000 U.S. homes. In 2008, we reduced our total CO2 impact below 2007 levels, and we are on track to reach our goal of reducing our absolute global-warming gas emissions by 20% by 2012 from a 2007 baseline.

Intel's investment of more than US\$100 million in water conservation programs during the past decade has enabled us to reclaim more than three billion gallons of water a year. We also recycled or reused 84% of our chemical waste and 88% of our solid waste in 2008.

In Malaysia, Intel's water conservation program helps save 60 million gallons of water annually. In the Philippines, the program helped to achieve water savings of 45.7 million gallons during 2008.

Intel's energy conservation projects also generated a reduction of 21.7 million kWh of electricity across Malaysia, the Philippines, Japan and India over the course of 2008. As a result of a pilot program, solar hot water systems at our two largest campuses in India now supply nearly 100% of the sites' hot water requirements, saving approximately 70,000 kWh each year.

Globally, our absolute water use and waste generation increased in 2008, due in part to added complexity in some of our manufacturing processes. We plan to take new actions in 2009 to stay on track to meet our 2012 water and waste reduction targets.

Designing Products Responsibly

We strive to minimize the environmental impact of our products in all phases of their life cycle: development, production, use and disposal. With each new generation of process technology, we can build higher performing, more energy-efficient microprocessors. In fact, we estimate that the conversion to the energy-efficient Intel® Core™ micro-architecture saved 20 terawatt hours of electricity between 2006 and 2008, compared to the technology it replaced. This is equivalent to removing the CO2 emissions of three million cars from the road.

Driving Leadership Initiatives

Intel collaborates with governments, industry and other organizations on a number of initiatives aimed at reducing the climate change impact of the IT industry. As part of the Climate Savers Computing Initiative (CSCI) that Intel, Google and the World Wildlife Fund launched in 2007, 400 companies have committed to use more efficient technologies, with the goal of reducing IT-related CO2 emissions by 50% by 2010. In 2008, Intel launched CSCI in Australia and India, making commitments with CSCI partners to collectively reduce CO2 emissions and energy costs. We are also sponsoring studies and driving broad initiatives to help find and promote additional ways that IT can be used to combat climate change across all sectors of the economy.

In 2008, the Intel Foundation signed a three-year Memorandum of Understanding with the Korean Ministry of Environment and the Korea Environmental Education Association for Korea's K-12 e-Green Initiative. The initiative aims to identify students with potential to become environmental leaders, and build the pipeline of young environmental evangelists through ongoing leadership activities.

- 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 six million since the program's inception.
- Continuing our history of investment, the Intel Foundation announced its single largest commitment ever: US\$120 million in mathematics 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.

Improving Teaching and Learning with Technology

Over the past decade, Intel has invested more than US\$1 billion to help improve education in 50 countries. Our signature education program, Intel Teach, helps teachers integrate technology and 'real life' active learning into their classrooms to develop critical skills. At the end of 2008, the Intel Teach Program had trained over 1.6 million teachers across Australia, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan, Thailand and Vietnam. Launched in India in 2000, Intel Teach has, to date, trained over one million teachers.

We also invest in after-school initiatives such as the Intel® Learn Program, which enables young people in developing countries to build problem solving acumen through activities aimed at addressing community issues. In 2008, more than 40,100 children took part in the Intel Learn Program in India.

Advancing Science, Engineering and Mathematics Skills

In 2008, we extended our support for the Intel International Science and Engineering Fair (Intel ISEF), a program of Society for Science & the Public, through to 2016. Each year, thousands of high school students compete for millions of dollars in awards and scholarships while gaining valuable research skills. In 2008, Yi-Han Su from Taiwan was one of three students who won the top 'Intel Young Scientist Award' for her research into more effective hydrogen generation. The award also included a US\$50,000 college scholarship.

Through the Intel® Higher Education Program, we support initiatives to advance research and education in mathematics, science and engineering at the university level. In 2008, we expanded our parallel programming curriculum to more than 800 universities worldwide—up from 400 in 2007—to help equip students with cutting-edge skills.

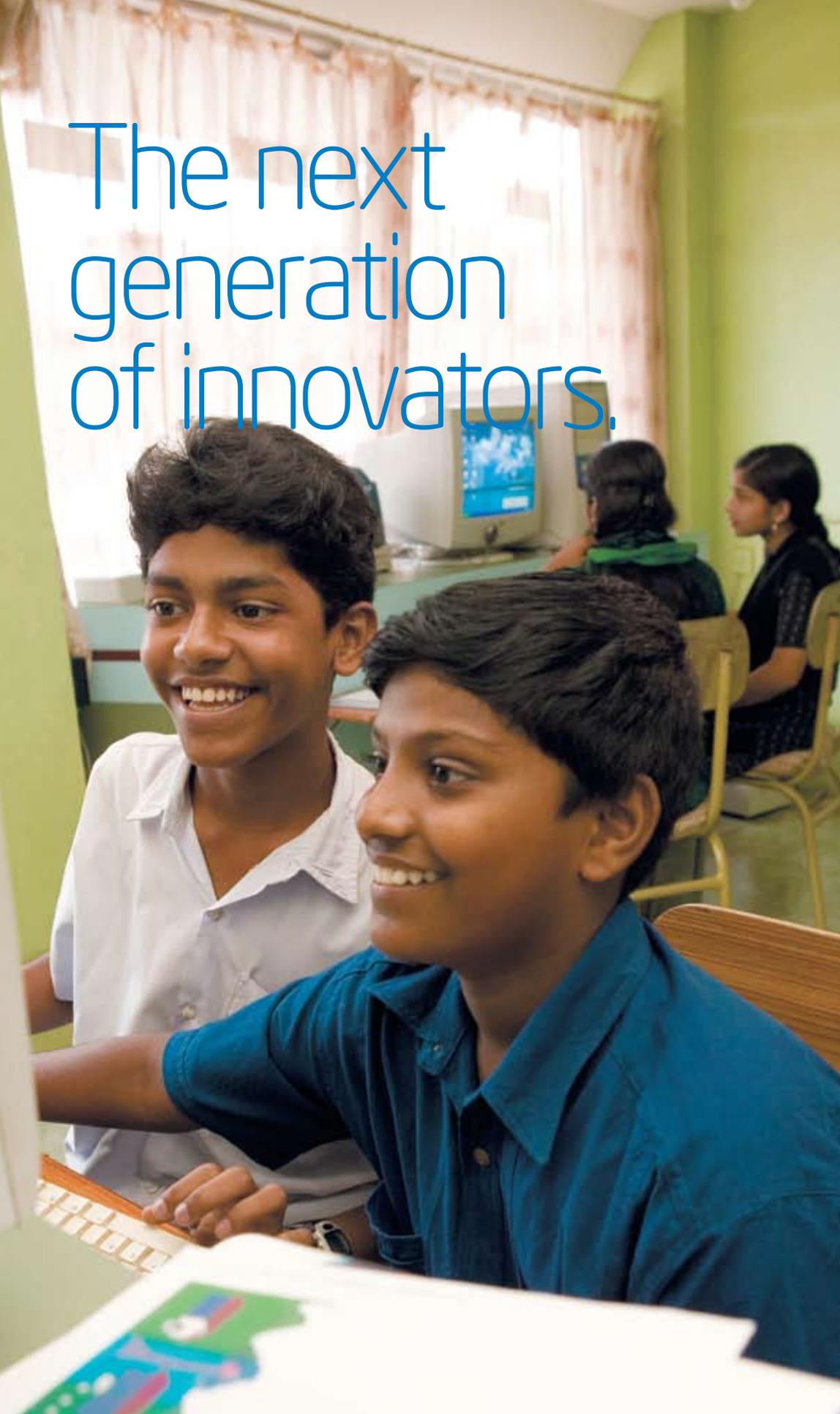
We collaborate with universities in India, Japan, Malaysia, the Philippines and Taiwan—to engage in focused research and encourage student participation in research throughout their education, especially in the areas of multi-core curriculum. In 2008, over US\$340,000 in research grants were given to promote exploration across India, Taiwan, Japan, Malaysia and the Philippines.

Collaborating for Greater Impact

Intel works with governments, multilateral organizations and nonprofits to advocate for the systemic improvements that are necessary in education. In 2008, Intel formed alliances with entities including the World Bank Institute (WBI) in Korea, with the aim of promoting collaboration across nations.

Through one program, ICT for Education, we have donated more than 59,000 PCs to 600 schools around the world. The Intel-designed, Intel-based classmate PC is a low-cost, rugged, mobile learning device designed for students. By the end of 2008, proof-of-concept projects and deployments of classmate PCs had been initiated in 46 countries.

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 US\$6.9 million.

Reaching out through Volunteerism

When Intel President and CEO Paul Otellini challenged employees to donate one million hours of service in a single year, it took the Intel Involved volunteer program to a new level. Employees responded to the challenge enthusiastically, donating over twice the number of hours in 2008, compared to those donated in 2007. Thousands of employees who had not volunteered through Intel Involved before stepped up to provide service.

In 2008, Intel in the Asia Pacific region donated more than 416,000 volunteer hours in Australia, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan, Thailand and Vietnam to programs such as:

- Intel Involved Matching Grants Program (IIMGP) in the Philippines, which resulted in funds of US\$1.9 million for 31 public schools in the Cavite province;
- Saving Malaysia's Green Turtles, an environmental conservation program with the World Wildlife Fund (WWF) in Malaysia, which resulted in 178 baby turtles being released into the sea and the adoption of 68 nests; and
- The launch of 'Ankur', Intel India's first social entrepreneurship program, which created a platform where technology companies, Intel employees, volunteers, research institutions, investors and relevant government departments banded together to find solutions to solve socially-relevant problems.

Supporting Local Communities

Many Intel employees volunteer their time and skills in response to specific needs in their local communities.

HIV/AIDS poses a global crisis that requires local solutions. Intel provides financial support and volunteers' time for outreach efforts in countries including India, Malaysia and the Philippines to raise awareness on the issue.

Specifically, Intel has been involved in awareness campaigns in high prevalence areas through partnerships with NGOs and voluntary counseling and testing agencies. In Bangalore for example, the Intel HIV/AIDS peer education program has reached out to 16,500 adolescents in 2008 alone.

Giving to Support Local Needs

Intel and its employees contribute not only time and expertise, but also millions of dollars each year to help support local community needs.

2008 Performance Summary Data

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/apac/csr

Key Indicators					
	2008	2007	2006	2005	2004
Economic					
Net revenue (dollars in billions)	US\$37.6	US\$38.3	US\$35.4	US\$38.8	US\$34.2
Net income (dollars in billions)	US\$5.3	US\$7.0	US\$5.0	US\$8.7	US\$7.5
Provision for taxes (dollars in billions)	US\$2.4	US\$2.2	US\$2.0	US\$3.9	US\$2.9
R&D spending (dollars in billions)	US\$5.7	US\$5.8	US\$5.9	US\$5.1	US\$4.8
Capital investments (dollars in billions)	US\$5.2	US\$5.0	US\$5.9	US\$5.9	US\$3.8
Environmental					
Global-warming emissions (million metric tons of CO ₂ equivalent)	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)	US\$314	US\$249	US\$380	US\$377	US\$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	US\$102	US\$109	US\$96	US\$111	US\$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

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 chip¹ 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 1 cm² (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 from 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 – The Global 100 Most Sustainable Corporations in the World list (fourth year)
- *Corporate Responsibility Officer* magazine’s 100 Best Corporate Citizens 2008 (ranked first)

Asia Pacific Corporate Responsibility

Environment

- Green IT Award 2008 from the Commerce and Information Policy Director - General (Ministry of Economy, Technology and Industry) – Japan
- Certificate of Commendation from Tsukuba City for neighbourhood clean-up volunteering activities – Japan
- Outstanding Award for Energy Efficiency from the Department of Energy – the Philippines

Business/Workplace

- Asia Pacific Responsible Entrepreneurship Award 2008 in recognition of Intel’s corporate responsibility programs – Malaysia
- Launch of *‘Corporate Social Responsibility in Asia: Getting it Done, the Intel Way’* by the Asian Institute of Management (AIM) – The book recognizes Intel’s case study programs in India, Malaysia, the Philippines, Taiwan and Vietnam
- Taiwan Ministry of Economic Affairs – Recognition for being a ‘top 10 investor’ - Taiwan

Education

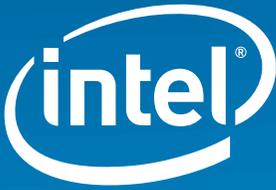
- Chandigarh State Administration – Recognition award for the category ‘NGO/Private Partner to the Chandigarh Education Department’ – India
- GTI Specialist Publishers’ 100 Leading Graduates Employer – Malaysia
- Recognition award from Deputy Prime Minister Nguyen Thien Nhan – Training Students for Social Needs – Vietnam
- Taiwan Ministry of Education – Recognition for efforts to promote and enhance local science - Taiwan
- Ho Chi Minh Department of Education and Training – Recognition award for the ‘Promotion and Application of ICT in Vietnam Education’ – Vietnam

Community

- 2008 Philippine Quill Excellence Award for Communication Management (Special Events) for Intel Involved Matching Grants Program – the Philippines
- 2008 Philippine Quill Merit Award for Communication Management (Audio-Visual) for ‘CAG TV: The Power of an Internal Broadcast Channel’ activity
- National Award for Outstanding Volunteerism (Corporate Sector) from the National Economic and Development Agency (NEDA) – the Philippines
- Best Partner Award for contribution to the community of Lions Home for the Elders – Singapore

A culture of
corporate
responsibility.





To learn more about the content in this overview, visit www.intel.com/apac/csr to view or download our 2008 Corporate Responsibility Report, prepared using the Global Reporting Initiative* 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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