Intel RA2 Assessment Summary

INTEL RA2 ASSESSMENT SUMMARY

The Risk Assessment II (RA2) is a second level risk-assessment tool developed by the Electronics Industry Citizenship Coalition (EICC) which allows corporations to evaluate specific areas of risk in their supply chain, covering management systems, labor, health and safety, environment, and ethics. It consists of over 300 in-depth questions and covers all sections of the EICC code. Intel plans to evaluate our 12 major manufacturing sites annually using this tool. The results from Intel's most recent RA2 assessments show overall low risk levels at all our major facilities, with scores ranging from 91-92%. The use of the RA2 process and provision of results further reiterate Intel's commitment to transparency and help ensure that correct risk management processes are implemented.

Child Labor

Certain Intel facilities use an external source to verify worker age in geographies where the risk of using child labor is elevated. In other more developed economies, Intel does not use an external party to verify the ages of workers; however, other pre-employment screening processes including legally-mandated employment verification processes such as the U.S. E-Verify and the I-9 employment eligibility process, serve as effective controls to prevent underage workers. Moreover, the Intel Human Rights Principles affirm Intel's commitment against child labor despite the fact that local law may permit workers under age 18 to perform certain jobs. Intel will not employ anyone under the age of 16 in any position, and workers under the age of 18 should not perform hazardous work. We expect our suppliers to comply with this expectation in placing contingent workers on Intel assignment.

Freedom of Association

Intel, as well as the EICC, recognize and respect the fact that employees have a legal and fundamental right to support or oppose representation by a labor organization. Our Human Rights Principles, active participation in the EICC and support of the EICC Code of Conduct and membership in the United Nations Global Compact reflect this commitment. Intel also supports the legal right of employees to exercise their free choice and vote in a secret ballot election administered by a neutral government agency, such as the National Labor Relations Board, on the issue of union representation. We believe the election process is a fair, democratic, and reliable indicator of the true intent of our employees.

Intel RA2 Assessment Summary

Site Location	Overall Score	Labor	Health and Safety	Environment	Management Style	Ethics
China, Chengdu	92%	90%	93%	84%	97%	94%
China, Dalian	92%	89%	93%	84%	96%	94%
Costa Rica	91%	87%	93%	83%	96%	94%
Ireland	92%	87%	93%	84%	97%	94%
Israel	91%	86%	94%	83%	97%	94%
Malaysia	92%	90%	93%	85%	96%	94%
U.S., Arizona	92%	89%	92%	82%	97%	94%
U.S., Massachusetts	91%	89%	93%	81%	97%	94%
U.S., New Mexico	91%	89%	92%	82%	91%	94%
U.S., Oregon—Aloha	92%	89%	93%	81%	97%	94%
U.S., Oregon—Ronler Acres	91%	89%	92%	82%	97%	94%
Vietnam	92%	90%	94%	83%	96%	94%

Environmental Compliance

Intel's scores in the environmental category are negatively influenced by the quantity of hazardous substances stored at our factories, though all hazardous substances are stored safely and in accordance with applicable regulatory requirements. Our research and development activities continually explore the potential for using less hazardous chemicals in our processes; however, significant quantities of certain hazardous substances continue to be necessary for semiconductor manufacturing. We also work directly with government agencies to address site-specific environmental concerns. In addition, the environmental scores of all RA2 Tool users were slightly impacted by a minor technical calculation issue regarding air quality which is in the process of being addressed by the EICC.

As part of our commitment to continuous improvement, Intel continues to work with the EICC to further develop and refine the supplier risk assessment process and tools. The EICC has committed to making its next release available during the next calendar year.

For more information regarding our supplier risk assessments, read the supplier section of our 2010 Corporate Responsibility Report.

For questions, please e-mail Suppliertransparency@intel.com