

# WE ARE A WORLD LEADER

in the design and manufacturing of  
essential products and technologies  
that power the cloud and an increasingly  
smart, connected world.

## OUR VISION

is if it is smart and connected,  
it is best with Intel.

## OUR COMMITMENT

to corporate responsibility and  
sustainability leadership is deeply  
integrated throughout our business.



# Introduction to our business

We are a world leader in the design and manufacturing of essential technologies that power the cloud and an increasingly smart, connected world. We offer computing, networking, data storage, and communications solutions to a broad set of customers spanning multiple industries. In 1968, Intel was incorporated in California (reincorporated in Delaware in 1989), in what became known as Silicon Valley, and our technology has been at the heart of computing breakthroughs ever since.

We're now in the midst of a corporate transformation as we grow beyond our traditional PC and server businesses into data-rich markets addressing the explosive demands to process, analyze, store, and transfer data. The transformation is well underway, with our data-centric businesses representing an increasing share of our overall revenue.

Our vision is to build a smart and connected world that runs on Intel® solutions. This vision is supported by our commitment to corporate responsibility and our relentless pursuit of Moore's Law. As we enter Intel's 50th year in business, we continue to follow the advice of Intel co-founder Bob Noyce: "Don't be encumbered by history, go off and do something wonderful."

# A YEAR IN REVIEW

2017 was another record year for Intel and shows we have made progress on our shift from being primarily a PC-centric company to a data-centric company. We achieved record revenue in 2017 and strong operating income growth and bottom line results. Our growth was primarily driven by our data-centric businesses, while our PC-centric business exceeded our expectation and continues to be a source of profit, cash flow, scale, and intellectual property. The strategic investments we have made in data-rich markets like memory, programmable solutions, and autonomous driving are starting to pay off and are becoming an increasingly larger portion of our business.

*"We had an outstanding year—our revenue was stronger, our operating margins were higher, and our spending was lower. This shows Intel's transformation is on track."*

— Bob Swan, Intel Chief Financial Officer

## REVENUE

**\$62.8B**

up \$3.4B or 6% from 2016; up 9% excluding the Intel Security Group (ISecG)

Stabilizing PC market, solid growth in data center and adjacent businesses

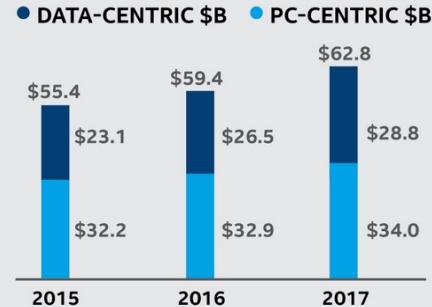
### GOAL

PC-centric business decline in low single digits and low double digit growth of data-centric businesses.

### RESULT

PC-centric business growth exceeded expectation at 3%. Excluding ISecG, data-centric businesses grew 16%.

 ACHIEVED



## OPERATING INCOME

**\$17.9B**

GAAP

up \$5.1B or 39% from 2016

**\$19.6B**

non-GAAP<sup>1</sup>

up \$3.0B or 18% from 2016

Higher revenue and gross margin along with better spending leverage and lower restructuring charges, excluded from non-GAAP operating income

### GOAL

Grow non-GAAP operating income faster than revenue.

### RESULT

On a non-GAAP basis, operating income grew at 18%, faster than revenue growth of 6%.

 ACHIEVED

### GAAP \$B

### NON-GAAP \$B



## EPS

**\$1.99**

GAAP

down \$0.13 or 6% from 2016

**\$3.46**

non-GAAP<sup>1</sup>

up \$0.74 or 27% from 2016

Higher revenue, sales of equity investments, and the one-time charge from Tax Reform<sup>2</sup>, excluded from non-GAAP EPS

### GOAL

Grow non-GAAP earnings per share (EPS) faster than non-GAAP operating income.

### RESULT

On a non-GAAP basis, EPS grew at 27%, compared to 18% growth in non-GAAP operating income.

 ACHIEVED

### GAAP

### NON-GAAP



<sup>1</sup> See "Non-GAAP Financial Measures" within Other Key Information.

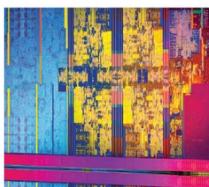
<sup>2</sup> Tax Reform refers to the U.S. Tax Cuts and Jobs Act enacted in December 2017.

We strive to be the driving force of the data revolution across technologies and industries. Our data-centric businesses are the company's growth engine and provide great value to our customers. During the year, we've taken strategic actions and made significant progress in strengthening the businesses, including introducing new products, pursuing emerging opportunities, and making strategic acquisitions. At the same time, our PC business remains focused on an annual rate of innovation and thoughtful segmentation.

*"I'm excited about our progress and our future. Intel's product lineup is the strongest it has ever been, with further innovation on the way for artificial intelligence, autonomous driving, and more."*

— Brian Krzanich, Intel Chief Executive Officer

## KEY MILESTONES



**Introduced the 8th generation Intel® Core™ processor family** (formerly code-named Coffee Lake), maintaining our annual rate of innovation.



**Introduced the Intel® XMM™ 8000 series modem**, our first family of 5G new radio (5G NR) multi-mode commercial modems, representing substantial advances in the wireless product roadmap to accelerate the adoption of 5G.



An Intel Company

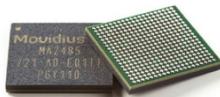
**Acquired Mobileye, an industry leader in computer vision and machine learning.** Announced that Waymo's newest self-driving vehicle\* featured Intel®-based technologies for sensor processing, general computing, and connectivity.



**Shipped the revolutionary Intel® Optane™ memory**, which is designed for the data center and client computing to drive the evolution of computer architecture.



**Completed the divestiture of ISecG** to focus on long-term growth areas of the company. We maintain an investment in the newly formed company, called McAfee.



**Achieved advancements in Artificial Intelligence** with the launch of the Intel® Movidius™ Myriad™ X vision processing unit (VPU), the world's first VPU.



**Shipped the Intel® Stratix® 10 FPGA**, the industry's first 14-nanometer (nm) FPGA, built on Intel's process technology.



**Introduced and shipped the Intel® Xeon® Scalable processor**, offering data center customers performance gains needed for artificial intelligence and other data-intensive workloads.

# HOW WE ORGANIZE OUR BUSINESS



## KEY PRODUCTS AND MARKETS

Includes platforms designed for notebooks and desktops (including 2-in-1, thin-and-light, high-end desktop, and all-in-one PCs) and wireless and wired connectivity products.



## HIGHLIGHTS

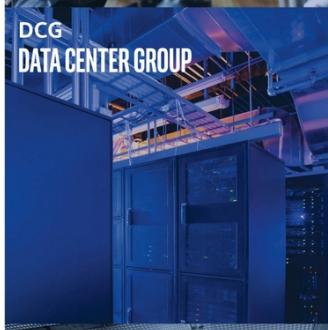
We introduced several products in 2017, such as the Intel® Core™ X-series and the 8th Gen Intel® Core™ processor families, delivering premium performance to consumers. Profitability continued to improve significantly for the year.

## CHALLENGES

Annual PC shipments declined at a single-digit rate, even though the decline slowed in 2017.

## OPPORTUNITIES

We continue a disciplined focus to deliver operating margin. In our expanded market opportunity, we are less than 40% of TAM<sup>1</sup> and see opportunities in connectivity, memory, and graphics.



## KEY PRODUCTS AND MARKETS

Includes workload-optimized platforms and related products designed for enterprise, cloud, and communication infrastructure market segments.



## HIGHLIGHTS

In 2017 we introduced our biggest data center platform advancement in a decade with the Intel® Xeon® Scalable processors and exceeded our commitment of delivering high single-digit revenue growth.

## CHALLENGES

Our enterprise and government market segment continues to decline as workloads move to the public cloud.

## OPPORTUNITIES

We have a significant data center TAM<sup>1</sup> opportunity where we have less than a 40% market share. We see opportunities in cloud, networking, and analytics/AI driving higher growth.



## KEY PRODUCTS AND MARKETS

Includes high-performance Internet of Things platforms for retail, automotive, industrial, and a broad range of other embedded applications.



## HIGHLIGHTS

This business has been one of our fastest growing businesses, with an annual growth rate of 15% over the last five years.

## CHALLENGES

The Internet of Things market continues to expand and evolve. Agility to meet customer requirements and compete globally within this complex marketplace is essential for our continued growth.

## OPPORTUNITIES

We see opportunities for high growth across multiple market segments as devices become connected and businesses deploy analytics and automation solutions to improve operations.



## KEY PRODUCTS AND MARKETS

Includes Intel® Optane™ technology and 3D NAND flash memory, primarily used in solid-state drives (SSDs).



## HIGHLIGHTS

2017 was a record year for NSG. We launched Intel® Optane™ technology, were first-to-market with 64-layer 3DNAND, accelerated our Fab 68 expansion, and improved operating costs.

## CHALLENGES

While profitable with our 3D NAND technology, we experienced challenges associated with fab expansion costs and accelerating the adoption of our new Intel® Optane™ Technology.

## OPPORTUNITIES

We expect costs for Intel® Optane™ technology to improve, NSG to become profitable in 2018, and Fab 68 to reach higher capacity providing more supply at a lower cost per gigabyte.



## KEY PRODUCTS AND MARKETS

Includes programmable semiconductors, primarily FPGAs, and related products for a broad range of markets, such as communications, data center, industrial, military, and automotive.



## HIGHLIGHTS

Strong customer interest drove the largest design win pipeline ever. We launched our first hardware programmable platform, enabling rapid deployment of acceleration solutions.

## CHALLENGES

As new software developer tool introductions have increased FPGA adoption, we must continue to address the demands of all developers for greater productivity and ease of use.

## OPPORTUNITIES

The tight coupling of FPGA and IA technology allows customization for changing workloads, enables new users, and provides market-ready solutions making us the multi-function accelerator of choice.

<sup>1</sup> Source: Intel calculated TAM derived from industry analyst reports. NOTE: Mobileye results are reported within the "All Other" category.

# CAPITAL ALLOCATION

Our capital allocation strategy focuses on building value. We do this by first investing in ourselves and growing our capabilities. We then look to supplement and strengthen our capabilities through acquisitions and strategic investments. And finally, we provide the return realized by these investments to our stockholders.

## OUR CAPITAL ALLOCATION DECISIONS ARE DRIVEN BY THREE PRIORITIES

### INVEST IN THE BUSINESS

We invest in R&D and capital spending to strengthen our competitive position. We have shifted our R&D focus as we transform to become a more data-centric company, while efficiently maintaining our investment at approximately 20% of revenue. Our capital investment in logic (silicon wafer manufacturing of our platform products) remained roughly flat, but our capital investment in memory increased significantly year over year as we ramped our Dalian, China manufacturing facility (Fab 68). We obtained customer prepayments of over \$1.0 billion in 2017, which helped to offset our initial investment in memory.

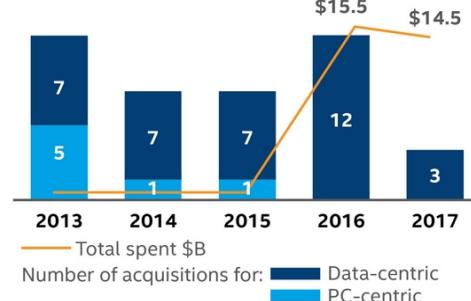
### R&D AND CAPITAL INVESTMENTS \$B



### ACQUIRE AND INTEGRATE

Our second capital allocation priority is to invest in companies around the world that will complement our strategic objectives and stimulate growth of data-centric opportunities. We look for acquisitions that further leverage our capital and R&D investments. In 2017, we completed three acquisitions, most notably, the acquisition of Mobileye, which strengthens our leadership in autonomous vehicles. Intel Capital equity investments also support our strategic objectives.

### ACQUISITIONS



### RETURN CASH TO STOCKHOLDERS

Our third capital priority is to return cash to stockholders. We achieve this through our dividend and share buyback programs. During 2017, we paid \$5.1 billion in dividends, increased dividends per share by 4% from 2016, and announced a 10% increase for 2018. We also repurchased \$3.6 billion in shares, up from 2016, and have maintained a consistent level of diluted shares outstanding over time.

Dividends per share	
2017	\$1.0775
2016	\$1.04
2015	\$0.96

6% CAGR

Diluted shares outstanding (In Millions)	
2017	4,835
2016	4,875
2015	4,894

### CASH TO STOCKHOLDERS \$B



# Our Strategy

Data is a significant force in society and will be essential in shaping the future of every person on the planet. From large complex applications in the cloud to small low-power mobile devices at the edge, our customers are looking for solutions that can process, analyze, store, and transfer data—turning it into actionable insights, amazing experiences, and competitive advantages.

We strive to unlock the power of data so people can ride in self-driving cars, experience virtual worlds, connect with each other over fast mobile networks, and be touched by computer-assisted intelligence in ways yet unimaginable.

We are well-positioned to be the driving force of this data revolution. Intel technology powers the devices and infrastructure that power the data-centric world, from PCs and the cloud to telecommunications equipment and data centers. Our computing solutions from the cloud to the edge enable a Virtuous Cycle of Growth. Our strategy is to provide the technological foundation of the new data world—a world that is always learning, smarter and faster.

*"Intel's strategy is to provide the technological foundation of the new data world."*

—Brian Krzanich, Intel Chief Executive Officer

## COMPUTE PERFORMANCE FROM CLIENT TO CLOUD

The most important trend shaping the future of the data-centric world is the cloud and its connection to billions of smart devices, including PCs, autonomous cars, and virtual reality systems. When smart devices are connected to the cloud, the data can be analyzed real-time, making these devices more useful. Our continuous innovation of client and Internet of Things products, designed to connect even more seamlessly, is shaping this trend.

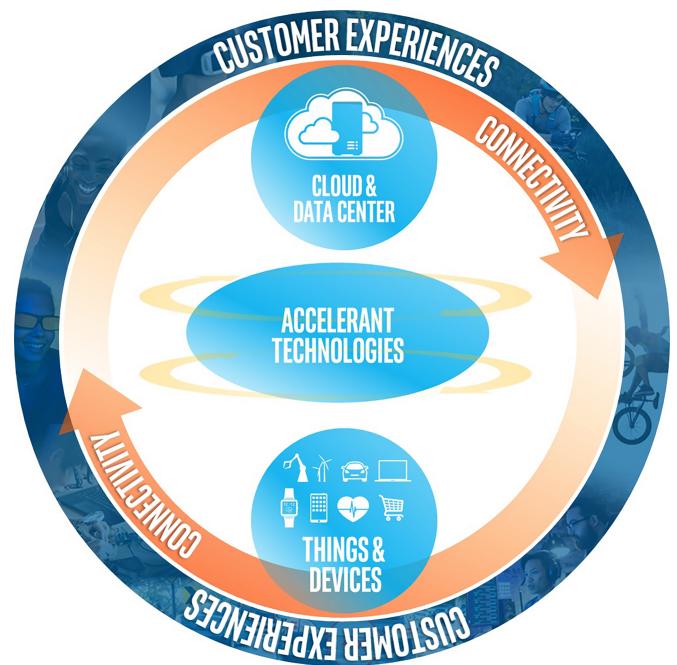
Our data center products are optimized to deliver industry-leading performance and best-in-class total cost of ownership for cloud workloads. We add new products and features to our portfolio to address emerging, high-growth workloads such as artificial intelligence, virtual reality systems, and the 5G network.

## ACCELERANT TECHNOLOGIES

Advancements in memory technology and programmable solutions, such as FPGAs, drive performance in smart devices as well as data centers. Intel's 3D XPoint™ technology significantly improves access to large amounts of data. FPGAs can efficiently manage the changing demands of next-generation data centers and accelerate the performance in other applications. The combination of memory and FPGAs with client and cloud products enables new solutions such as deep learning acceleration engines.

## CONNECTIVITY

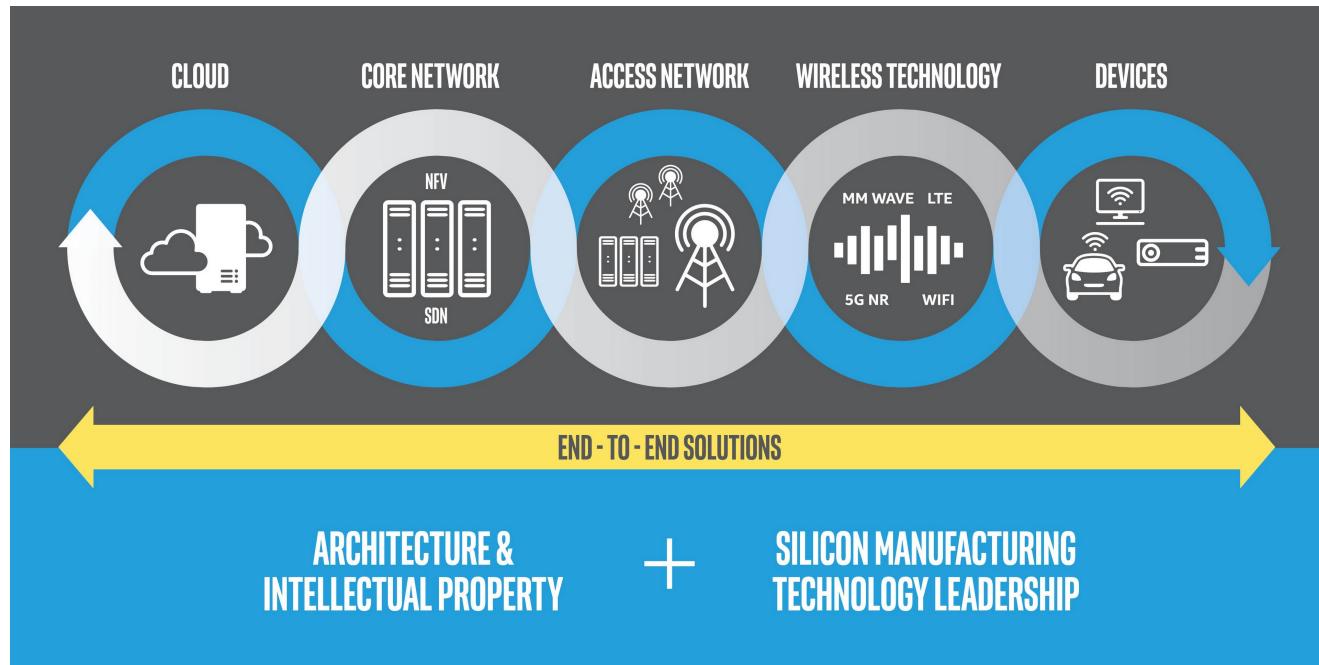
With our wireless, computing, and cloud capabilities, we are driving the development of technologies and collaborating on the rapid definition of open standards that will help define the 5G market. Our collaborations shape the connectivity ecosystem and enable new opportunities to meet the diverse connectivity needs of data. From smart devices to network infrastructure to the cloud and back, we aim to offer scale, innovation, and expertise to our customers.



## STRATEGIC ENABLERS

We meet our customer needs with discrete platforms and platforms that are integrated with software and other technologies to provide end-to-end solutions. Our solutions are enabled by:

- **Shared architecture and intellectual property.** We have developed a common architecture and intellectual property across our platforms. We continue to invest in improving our architecture and product platforms that deliver increasing value to our customers. Our proprietary technologies make it possible to integrate products and platforms that address evolving customer needs and expand the markets we serve. Sharing a common architecture and intellectual property enables us to spread our costs over a large manufacturing base of products, which reduces our costs and increases our return on capital.
- **Silicon manufacturing technologies.** We make significant investments and innovations in our silicon manufacturing technologies. Unlike many semiconductor companies, we primarily develop and manufacture our products in our own facilities using our proprietary process technologies. This competitive advantage enables us to optimize performance, shorten time-to-market for new product introduction, and more quickly scale products in high volume.
- **Moore's Law.** Intel's advancement of Moore's Law has driven significant computing power growth and better economics. Through Moore's Law we enable new devices and capabilities that meet our customers' needs for balancing performance, power efficiency, and cost.



## CORPORATE TRANSFORMATION

We are in the midst of a corporate transformation. Over the last four years, we've grown outside our traditional PC and server businesses, where we had roughly 90% market share. By making key investments and decisions to enter data-rich markets, we have redefined our target market well beyond our traditional businesses and estimated a total addressable market (TAM) of \$260 billion<sup>1</sup>, where we have greater opportunity to grow. The expanded TAM leverages our manufacturing technologies and intellectual properties and provides growth opportunities in our revenue and profit. We have evolved from a PC company with a server business to a data-centric company, and have begun the next phase of our journey—to build a world that runs on Intel.

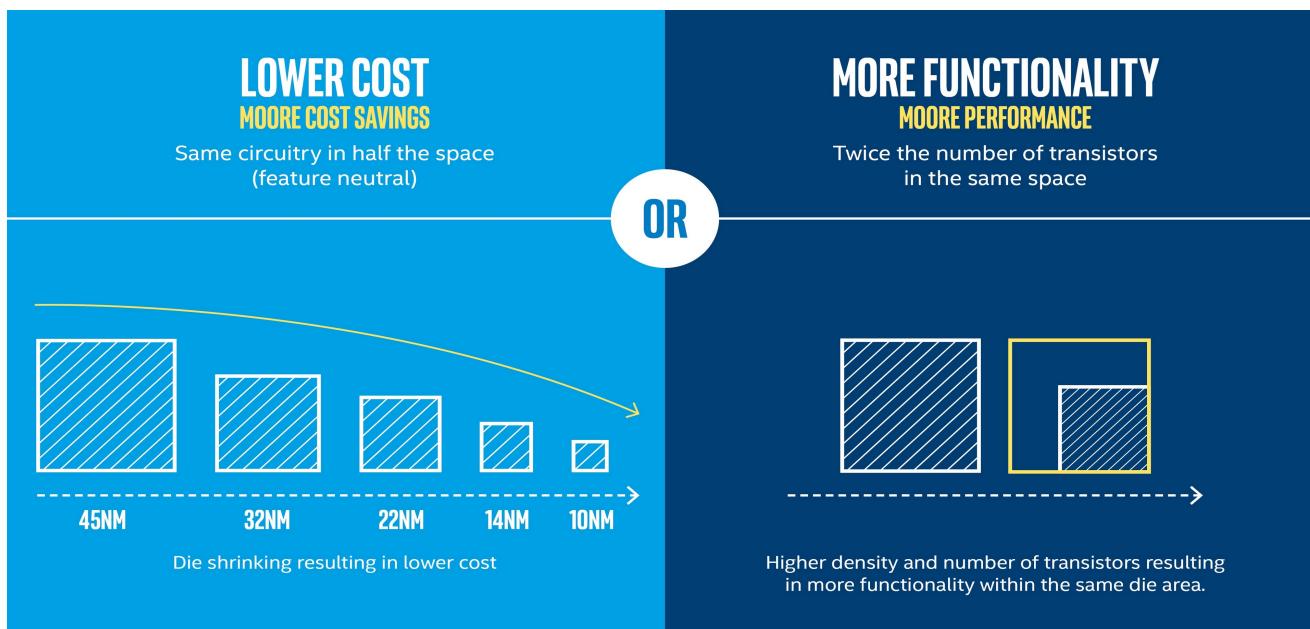
<sup>1</sup> Source: Intel calculated 2021 TAM derived from industry analyst reports and internal estimates.

# Research AND development (R&D) and Manufacturing

We are committed to investing in R&D. Realizing the benefits from Moore's Law provides flexibility in balancing production costs and the increased functionality of our products. In addition, intellectual property that we have developed for our platforms reduces our costs, creates synergies across our businesses, and provides a higher return as we expand into new markets.

We design and manufacture silicon technology products. Unlike many other semiconductor companies, we primarily manufacture our products in our own manufacturing facilities. We see our in-house manufacturing as one of our most critical assets and advantages. This advantage is now expanding to our adjacent businesses, for example, FPGA, modem, and memory, which are enabling our transformation to a data-centric company.

## Moore's Law — a law of economics



Moore's Law is not a law of physics, but instead a law of economics predicted by Intel's co-founder Gordon Moore 50 years ago. It is the keystone of our manufacturing advancement. We measure Moore's Law primarily using a quantitative transistor density metric (transistors per square millimeter). In addition, we are optimizing process technology within each node to enable an annual cadence of product improvements.

Realizing Moore's Law results in economic benefits as we are able to either reduce a chip's cost as we shrink its size, or increase functionality and performance of a chip while maintaining the same cost. At Intel, we continue to develop new generations of manufacturing process technology and realize the benefits from Moore's Law. This makes possible the innovation of new products with higher functionality while balancing power efficiency, cost, and size to meet customers' needs. As of the end of 2017, our platform products were manufactured on 300mm wafers, with the majority manufactured using our 14nm process node.

## Research and Development

We focus our R&D activities on developing new microarchitectures, advancing our manufacturing process technology, delivering the next generation of products, ensuring our products and technologies are secure, and developing new solutions in emerging technologies, for example, artificial intelligence, 5G wireless connectivity, and autonomous vehicles.

In conjunction with our R&D efforts, we plan to introduce new microarchitectures for our various products on a regular cadence. We have lengthened the amount of time we are using our 14nm process node, further optimizing our technology and meeting the yearly market cadence for product introductions with multiple waves of product offerings. While we have lengthened our utilization of 14nm, we are accelerating transistor density improvement with hyper-scaling technology, resulting in the same density and cost improvements over time as predicted by Moore's Law. We expect the same trends to continue as we introduce our next-generation 10nm process node.

We centrally manage key cross-business group product initiatives to align and prioritize our R&D activities. In addition, we may augment our R&D initiatives by investing in companies or entering into agreements with companies that have similar R&D focus areas, as well as directly purchasing or licensing applicable technology. To drive innovation and gain efficiencies, we intend to utilize our investments in intellectual property and R&D across our platforms and businesses.

## manufacturing footprint

In 2017, the majority of our wafer manufacturing was conducted within the U.S. We incur factory start-up costs as we ramp our facilities for new process technologies. In 2017 we continued to ramp the 10nm process node in our Oregon and Israel locations, began 10nm production in Oregon, and restarted construction on one of our Arizona wafer fabs, which is targeted for leading-edge process technologies. We ramped our first memory fab, Fab 68, with investments representing approximately 20% of total capital spending in 2017.

The map below marks our manufacturing facilities and their primary manufacturing functions as of the end of 2017, as well as the countries where we have a significant R&D or sales and marketing presence.



## supply chain and factory network

Our manufacturing facilities are primarily used for silicon wafer manufacturing of our platform and memory products. These facilities are built following a "copy exactly" methodology, whereby new process technologies are transferred identically from a central development fab to each manufacturing facility. This enables fast ramp of the operation as well as better quality control. These wafer fabs operate in a network of manufacturing facilities integrated as one factory to provide the most flexible supply capacity, allowing us to better analyze our production costs and manage capacity.

We use third-party foundries to manufacture wafers for certain components, including communications, connectivity, networking, FPGA, and memory products. We also leverage subcontractors to augment capacity to perform assembly and test in addition to our in-house manufacturing, primarily for chipsets and adjacent products.

We use a multi-source strategy for our memory business to enable a robust and flexible supply chain. The ramping of Fab 68 in 2017 enabled us to maintain a cost-effective strategy to better serve our customers. We expect this expansion to continue to provide significant manufacturing capacity. As of the end of 2017, over half of the 3D NAND we supplied was manufactured in Fab 68. In addition to the memory we manufacture internally, we have a supplemental supply agreement with Micron Technology, Inc. (Micron), as well as capacity from our joint venture, IM Flash Technologies, LLC (IMFT) factory in Lehi, Utah.

# who manages our business

## Executive Officers of the Registrant

NAME	AGE	OFFICE(S)
Andy D. Bryant	67	Chairman of the Board
Brian M. Krzanich	57	Chief Executive Officer
Dr. Venkata S.M. Renduchintala	52	Executive Vice President; President, Client and Internet of Things Businesses and System Architecture Group
Navin Shenoy	44	Executive Vice President; General Manager, Data Center Group
Robert H. Swan	57	Executive Vice President, Chief Financial Officer

**Andy D. Bryant** has been Chairman of our Board of Directors since May 2012. Mr. Bryant served as Vice Chairman of the Board of Directors of Intel from July 2011 to May 2012. From 2007 to 2012, Mr. Bryant served as Chief Administrative Officer. Mr. Bryant joined Intel in 1981 and served in a number of executive roles at the company. He was Executive Vice President, Technology, Manufacturing, and Enterprise Services from 2009 to 2012. Mr. Bryant previously served as Executive Vice President, Finance and Enterprise Services from 2007 to 2009; Executive Vice President, Chief Financial and Enterprise Services Officer from 2001 to 2007; Senior Vice President, Chief Financial and Enterprise Services Officer from 1999 to 2001; Senior Vice President, Chief Financial Officer from January 1999 to December 1999; and Vice President, Chief Financial Officer from 1994 to 1999. Mr. Bryant also serves on the board of directors of Columbia Sportswear and McKesson Corporation.

**Brian M. Krzanich** has been Chief Executive Officer and a member of our Board of Directors since May 2013. Mr. Krzanich served as Executive Vice President, Chief Operating Officer from 2012 to 2013. As CEO, his focus has been transforming Intel from a PC-centric company to a data-centric company, delivering the technology foundations for the new data economy. Mr. Krzanich joined Intel in 1982 and served in a number of executive roles prior to his appointment as CEO. From 2010 to 2012, he was Senior Vice President, General Manager of Manufacturing and Supply Chain. From 2006 to 2010, he was Vice President, General Manager of Assembly and Test. Prior to 2006, Mr. Krzanich held various senior leadership positions within Intel's manufacturing organization. Mr. Krzanich is also a member of Deere & Company's board of directors, and chairman of the board of directors of the Semiconductor Industry Association.

**Dr. Venkata S.M. ("Murthy") Renduchintala** joined Intel in November 2015. Since then, he has served as our Executive Vice President and President, Client and Internet of Things Businesses and System Architecture Group. In this role, Dr. Renduchintala oversees Intel's Platform Engineering, Client Computing, Internet of Things, Software and Services, and Design and Technology Solutions divisions. From 2004 to 2015, Dr. Renduchintala held various senior positions at Qualcomm Incorporated, most recently as Co-President of Qualcomm CDMA Technologies from June 2012 to November 2015 and Executive Vice President of Qualcomm Technologies Inc. from October 2012 to November 2015. Before joining Qualcomm, Dr. Renduchintala served as Vice President and General Manager of the Cellular Systems Division of Skyworks Solutions Inc./Conexant Systems Inc. and he spent a decade with Philips Electronics, where he held various positions, including Vice President of Engineering for its consumer communications business.

**Navin Shenoy** has been Executive Vice President and General Manager of the Data Center Group since May 2017. In this role, he oversees the strategy and product development of our data center platforms, a business that spans servers, networks, and storage across all customer segments. From May 2016 to May 2017, Mr. Shenoy was Senior Vice President and General Manager of the Client Computing Group. From April 2012 to April 2016, he served as General Manager of the Mobility Client Platform Division, as Vice President from April 2012 until December 2014 and Corporate Vice President from January 2015 to May 2016. From October 2007 to April 2012, Mr. Shenoy served as Vice President and General Manager of our Asia-Pacific business. Mr. Shenoy joined Intel in 1995.

**Robert ("Bob") H. Swan** has been our Executive Vice President, Chief Financial Officer since joining Intel in October 2016. He oversees Intel's global finance organization—including finance, accounting and reporting, tax, treasury, internal audit, and investor relations—IT, and the Corporate Strategy Office. From September 2015 to September 2016, Mr. Swan served as an Operating Partner at General Atlantic LLC, a private equity firm. He served as Senior Vice President, Finance and Chief Financial Officer of eBay Inc. from March 2006 to July 2015. Previously, Mr. Swan served as Executive Vice President, Chief Financial Officer of Electronic Data Systems Corporation, Executive Vice President, Chief Financial Officer of TRW Inc., as well as Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer of Webvan Group, Inc. Mr. Swan began his career in 1985 at General Electric, serving for 15 years in numerous senior finance roles. Mr. Swan also serves on the board of directors of eBay.

# human capital

Given the highly technical nature of our business, our success depends on our ability to attract and retain talented and skilled employees. Our global workforce of 102,700 is highly educated, with approximately 87% of our people working in technical roles.

We invest in creating a diverse and inclusive environment where our employees can deliver their workplace best every day, and empower them to give back to the communities where we operate.

*"Through a focused effort across Intel, we are building diverse and inclusive teams and embedding this capability in all that we do. We believe a more diverse and inclusive Intel provides a better work environment for our employees and enables better business results."*

—Leslie Culbertson, Senior Vice President and Director of Human Resources (2017)



## GROWTH AND DEVELOPMENT

We invest significant resources to develop the talent needed to keep the company at the forefront of innovation, delivering millions of hours of web-based and face-to-face training annually and providing rotational or temporary assignment development opportunities. Through our new "Managing at Intel" course, we are training every manager in the company in inclusive management practices and providing resources and tools to support them.

## COMMUNICATION AND ENGAGEMENT

We believe that our success depends on employees understanding how their work contributes to the company's overall strategy. We use a variety of communications channels to facilitate open and direct communication, including open forums with our executives, quarterly Organizational Health Polls, and engagement through 30 different employee resource groups, including the Women at Intel Network.

## COMPENSATION AND BENEFITS

We strive to provide benefits and services that help meet the varying needs of our employees—from working parents and those with eldercare responsibilities, to those in the military reserves. Our total rewards package provides highly competitive compensation, with the inclusion of stock grants, retirement benefits, generous paid time off, bonding leave, flexible work schedules, sabbaticals, on-site services, and more.

## HEALTH, SAFETY, AND WELLNESS

Our ultimate goal is to achieve zero injuries through continued investment in and focus on our core safety programs and injury-reduction initiatives. We provide access to a variety of innovative, flexible, and convenient employee health and wellness programs, including on-site health centers and fitness classes and facilities.

# Corporate responsibility and sustainability

Our commitment to corporate responsibility and sustainability—built on a strong foundation of transparency, governance, and ethics—creates value for Intel and our stockholders by helping us mitigate risks, reduce costs, build brand value, and identify new market opportunities. We set ambitious goals for our company and make strategic investments to advance progress in the areas of environmental sustainability, supply chain responsibility, diversity and inclusion, and social impact that benefit the environment and society. Through our technology we enable more people to harness the power of data to help address society's most complex issues—from climate change and energy efficiency, to economic empowerment and human rights.

We have established formal board-level oversight responsibility for corporate responsibility and, since 2008, have linked a portion of employee and executive pay to corporate responsibility factors. A foundational element of our approach to corporate responsibility is our commitment to transparency. For more information, read our most recent Corporate Responsibility Report and Diversity and Inclusion Report.



## ENVIRONMENTAL SUSTAINABILITY

Driving to the lowest environmental footprint possible helps us achieve efficiency, lower costs, and respond to the needs of our customers and community stakeholders. We invest in conservation projects and set company-wide environmental targets, seeking to drive reductions in greenhouse gas emissions, energy use, water use, and waste generation. Since 2012, we have invested more than \$185 million in approximately 2,000 energy conservation projects, resulting in annual cost savings of approximately \$120 million and cumulative energy savings of more than 3 billion kilowatt hours. We are also working with others to apply Internet of Things technologies to environmental challenges such as climate change and water conservation.



## SUPPLY CHAIN RESPONSIBILITY

Actively managing our supply chain creates business value for Intel and our customers by helping us reduce risks, improve product quality, achieve environmental and social goals, and raise the overall performance of our suppliers. Over the past five years, we have completed more than 450 supplier audits using the Responsible Business Alliance Code of Conduct standard and have expanded training and capacity building programs with our suppliers. We actively collaborate with others and lead industry initiatives on key issues such as advancing responsible minerals sourcing, addressing risks of forced and bonded labor, and improving transparency around climate and water impacts in the global electronics supply chain.



## DIVERSITY AND INCLUSION

Building an inclusive workforce, industry, and ecosystem is critical to helping us attract and retain the talent needed to advance innovation and drive our business forward. We have committed \$300 million to advance diversity and inclusion in our workforce and in the technology industry, and are making progress toward our goal to achieve full representation of women and underrepresented minorities in our U.S. workforce by the end of 2018. We are increasing spending with diverse-owned suppliers with a goal of reaching \$1.0 billion by 2020, and are investing in programs to create new career pathways into the technology industry.



## SOCIAL IMPACT

Empowering people through technology and advancing social impact initiatives helps build trust with key external stakeholders and engages and supports the interests of our employees. Our employees actively share their expertise and skills through technology-related volunteer initiatives, and over the past 10 years have contributed approximately 10 million hours of service in the communities where we operate.