



2019-2020 REPORT

# CORPORATE RESPONSABILITY AT INTEL COSTA RICA

EXECUTIVE SUMMARY



## A MESSAGE FROM OUR GENERAL MANAGER

The whole world is living through difficult times. In our country, we see our society, the government, and public and private institutions are uniting to fight the pandemic. Professionals from medicine, safety, sanitation, and other essential services all around Costa Rica are our heroes in this fight against an invisible enemy that is difficult to defeat.

During these transformational moments, Intel remains focused on prioritizing health and welfare of our employees and business partners, who have kept our Centers of Excellence open 24 hours a day, 7 days a week, to enable the continued supply of technology that makes possible telecommuting, telemedicine, virtual education, and many other services that COVID-19 has rendered more critical than ever on our planet. In so doing, Intel has maintained our historic commitment to Corporate Social Responsibility (CSR).

Intel is a CSR leader — and CSR is an integral part of our purpose: to create world-changing technology that enriches the lives of every person on earth. This pandemic has elevated our sense of urgency and collaboration to overcome the health challenges that together we face. We will continue taking concrete steps to improve sustainability; the digital divide; fair and inclusive representation in the technology industry; and the wellbeing of our employees, suppliers, and community.

With our well-known transparency, the 2019-20 Corporate Responsibility Report documents progress in the reduction of greenhouse gas emissions, increases in renewable energy use, reduction in water use, achievement of our diversity goal two years earlier than planned, increase in the diversity of our supplier base, and continued support of our employees in their efforts to give back to their communities.

This year we publish the new Corporate Social Responsibility Strategy with highly ambitious 2030 objectives, built on a solid foundation of transparency, governance, and ethics, deeply ingrained in every aspect of our business.

### RESPONSIBILITY

Area	2030 Goal
Employee safety	Ensure that more than 90% of our employees feel that Intel has a strong safety culture and that 50% participate in the global program of corporate wellbeing.
Human rights throughout the supply chain	Guarantee respect for human rights in 100% of our level-one suppliers and higher.
Community impact	Offer 10 million hours of volunteer service for communities where we operate.

### INCLUSION

Area	2030 Goal
Diversity and inclusion worldwide	Double the number of women on the payroll. Surpass 40% of technical positions held by women including leadership positions.
Accessibility	Improve accessibility for workers experiencing conditions of disability.
Supplier diversity	Increase annual expenditures on diverse suppliers.

### SUSTAINABILITY

Climate / energy	100% renewable energy; reduce carbon emissions by 10%; increase product energy sufficiency.
Water	Achieve net positive water use.
Zero waste	Zero total waste in landfills and implement the production of our components within a circular economy that involves our suppliers.

I am proud to lead Intel Costa Rica and present to you our 2030 Corporate Responsibility aspirations, not only because of the commitment that we assume, but because of my trust that our goals will succeed with the highest standards of ethics and integrity. To serve society as a company whose purpose is to generate a positive impact in the world, Intel Costa Rica commits to everyone the fulfillment of these objectives that contribute to social justice and ensure we leave our planet better than we found it for coming generations.

**ILEANA ROJAS,**  
General Manager, Intel Costa Rica

October, 2020



## INTEL'S RESPONSE TO COVID-19

Since the COVID-19 pandemic arrived in country, Intel Costa Rica has joined forces to support those sectors most affected by the crisis, as well as first responders.

Authorities have recognized these initiatives as a great example of empathy and courage. The multiple responses have centered on economic support, protective equipment donations, and volunteerism that takes advantage of our technical skills.

**23 THOUSAND**  
MASKS DONATED TO HEALTH WORKERS

We delivered personal protection equipment to the Costa Rican Social Security Agency (CCSS in Spanish) to fight COVID-19 across multiple medical facilities in the country, as part of Intel Corporation's global initiative.

**\$100 THOUSAND**  
DONATED BY THE INTEL FOUNDATION

We donated \$70,000 to the National Emergency Commission, \$30,000 split between the community of Belén and three women-led pymes affected by the pandemic. Their businesses offer services to more than 2,100 Intel employees.

**\$29 THOUSAND**  
RAISED THROUGH A DONATION MATCHING CAMPAIGN

The money raised by Intel employees and the Intel Foundation was delivered to three non-profit organizations: Daniel Project, Educándote Ya Foundation, and Business Alliance for Development (AED in Spanish).

**+1 THOUSAND**  
HOURS OF PROFESSIONAL VOLUNTEER TIME IN RESPONSE TO COVID

We encouraged our employees to volunteer their service to various sectors impacted by COVID-19.



### COVID-19 DATA ANALYTICS VOLUNTEERING

The knowledge and experience of our team is another of Intel Costa Rica's contributions to the nation. A group of professionals worked with the interdisciplinary team of the Costa Rican Social Security Agency to develop predictive mathematical and statistical models for crisis management.



# 2020 GOALS: RESULTS SUMMARY

We are proud of the progress we made on our 2020 corporate responsibility goals. More detailed discussions of our performance to goals is integrated into each relevant section of this report.

## ENVIRONMENTAL SUSTAINABILITY

**39% EMISSIONS REDUCTION REACHED**

**GOAL ACHIEVED.** Reduce greenhouse gas emissions (GHG) by 10% on a per unit basis by 2020 from 2010 levels.

**>4.5B KWH IN ENERGY SAVINGS**

**GOAL ACHIEVED.** Achieve cumulative energy savings of 4 billion kWh from 2012-2020.

**98 INSTALLS AT 23 INTEL CAMPUSUS**

**GOAL ACHIEVED.** Grow the installation and use of on-site alternative energy to 3X our 2015 levels by 2020.

*Up from 31 installations at the start of 2015.*

**14X INCREASE IN NOTEBOOK EFFICIENCY**

**GOAL NOT MET.** Increase energy efficiency of notebook computers and data center server products 25X by 2020 from 2010 levels.<sup>1</sup>

*Increased 8.5X for data center products.*

**>71% GREEN POWER**

**GOAL ACHIEVED.** Continue 100% green power in our U.S. operations and increase renewable energy use for our international operations from 2015-2020.

*Increased global use to 71% from 65%.*

**100% ACHIEVED BY 2020**

**GOAL ACHIEVED.** Implement an enhanced green chemistry screening and selection process for 100% of new chemicals and gases by 2020.

**ZERO HAZARDOUS WASTE BY 2020**

**GOAL ACHIEVED.** Achieve zero hazardous waste to landfill by 2020.<sup>2</sup>

**~1B GALLONS OF WATER RESTORED**

**GOAL ON TRACK.** Restore 100% of our global water use by 2025.

*21 projects funded that are expected to restore more than 1.6 billion gallons each year once complete, approximately 1 billion gallons of water restored in 2018 and 2019 combined.*

**38% WATER USE REDUCTION ACHIEVED**

**GOAL ACHIEVED.** Reduce water use on a per unit basis below 2010 levels by 2020.

**17.9M SQUARE FEET LEED CERTIFIED IN 50 BUILDINGS**

**GOAL ACHIEVED.** Design all new buildings to a minimum LEED Gold certification between 2015 and 2020.

**93% RECYCLING**

**OF NON-HAZARDOUS WASTE GLOBALLY**

**GOAL ACHIEVED.** Achieve a 90% non-hazardous waste recycle rate by 2020.

<sup>1</sup> Data center energy efficiency is determined by server energy efficiency (as measured by SPECpower\_ssj2008 or equivalent publications and using a 2010 baseline of an E56xx series processor-based server platform) as well as technology adoption that raises overall data center work output (such as visualization technology). Notebook computer energy efficiency is determined by average battery life, battery capacity, screen size, and number of recharge cycles of volume notebook computers in that model year.

<sup>2</sup> We define zero hazardous waste to landfill as 1% or less.

<sup>3</sup> Full representation means that Intel's workforce now reflects the percentage of women and underrepresented minorities available in the U.S. skilled labor market.

## SUPPLY CHAIN RESPONSIBILITY

**9 OUT OF 12 SUPPLIER CSR METRICS FULLY ACHIEVED**

**GOAL NOT MET.** Reach 90% compliance annually to each of our 12 environmental, labor, ethics, health and safety, and diversity and inclusion supplier expectations.

*Achieved 90% goal for 9 out of 12 metrics.*

## WORKFORCE INCLUSION AND SUPPLIER DIVERSITY

**FULL REPRESENTATION OF WOMEN AND URMS**

**GOAL ACHIEVED.** Achieve full representation of women and underrepresented minorities at Intel in the U.S.<sup>3</sup>

*Achieved in 2018, two years ahead of schedule. Also achieved gender pay equity globally in 2019.*

**\$1B IN DIVERSE SPENDING**

*Also achieved our goal to spend \$200 million with women-owned businesses globally.*

**GOAL ACHIEVED.** Increase our annual spending with diverse-owned suppliers to \$1 billion by 2020.

## TECHNOLOGY EMPOWERMENT

**5M WOMEN REACHED**

**GOAL ACHIEVED.** Through the Intel® She Will Connect initiative, reach 5 million women in Sub-Saharan Africa by 2020.

*Achieved in 2018, two years ahead of schedule.*

# CORPORATE RESPONSIBILITY AT INTEL

Throughout Intel's history, our commitment to corporate responsibility and sustainability—built on a strong foundation of transparency, governance, ethics and respect for human rights—has created significant value for Intel and our stakeholders by helping us mitigate risks, reduce costs, build brand value, and identify new market opportunities to apply our technology to help address society's most complex issues. We aspire to even higher levels of efficiency and global impact as we continue our journey to fully integrate corporate responsibility across every aspect of our business. Our ambitions and opportunities have never been greater to unleash the power of data, our technology, and the expertise and passion of our employees to build a more responsible, inclusive, and sustainable future for everyone.



# OUR BUSINESS

Intel Costa Rica hosts the largest Research and Development Center and one of the most diverse and complex Global Services Center in the nation. More than 2,000 employees work on the design, prototyping, testing, and validation of integrated circuit and software solutions, and end-to-end multifunctional corporate services from finance, human resources (HR), procurement, sales and marketing, and information technology (IT).

Intel Costa Rica began in 1997 with an assembly and test plant, which worked for 17 years with great performance. In 2014, the local operations transformed into the current excellence centers, providing services and solutions for the entire corporation.

Besides the economic impact, Intel also supports social development. Since inception, Intel Costa Rica has worked with academia, industry and the community on social, environmental, and economic initiatives.



**>7** RECOGNITIONS AND AWARDS

Since our arrival in Costa Rica, Intel has been recognized as one of the country's leading corporate citizens. Last year proved no exception given that we received national awards in Diversity and Inclusion, Sustainability, Corporate Government, Reputation, and Responsibility.

- Top 10 businesses with the best reputation in Costa Rica
- Top 10 businesses in responsibility and corporate government
- Top 35 leaders with the best reputation in Costa Rica
- Declared Carbon Neutral Plus by the Ministry of the Environment and Energy (MINAE)
- Recognized by the National Women's Institute for best practices in gender equality
- Recognized by the Ministry of the Presidency for best practices in social and work inclusion for people experiencing conditions of disability
- Global Diversity and Inclusion Awardee.

**59%** OF EMPLOYEES HOLD TECHNICAL POSITIONS

Our workforce is composed of 2,100 employees highly trained in different areas. Approximately 59% of them hold technical positions.

**86%** OF EMPLOYEES ARE PROUD TO WORK AT INTEL

Our semiannual Employee Experience Survey is one channel through which employees can voice their perceptions of the company and their work experience. In 2019, 86% of our employees reported they are proud to work at Intel.



Intel's presence in Costa Rica has made a positive impact on the country's economy, providing direct and indirect jobs, supporting local industries, creating production linkages, and has been a catalyst for other foreign direct investments. In 2014, we were certified as "Essential Costa Rica", the country's brand license.



# ENVIRONMENTAL SUSTAINABILITY

At Intel we seek excellence. We implement high standards and corporate environmental programs to maintain our commitment defined by our environmental, health, and safety policy. We accomplish this through the design and production of sustainable technologies in harmony with the environment and communities where we work.

**3,300 M<sup>3</sup>**  
OF WATER CONSERVED

We saved approximately 3,300 m<sup>3</sup> of water in 2019, enough to supply 800 Costa Ricans for a month.

Some of our water conservation efforts include the following:

- We installed a dual water reuse system to supply the cooling towers. In the dry season we reuse cooling tower purged water, and in the rainy season we harvest rainwater.
- To reduce consumption, we increased cooling tower cycling by changing the chemical treatment.
- We controlled leaks through constant consumption monitoring in each building as well as regular inspections of their systems.

**0 TONS OF HAZARDOUS WASTE SENT TO A SANITARY LANDFILL**

In 2019, we maintained our commitment to send zero hazard waste to landfills. We also recycled more than 410 tons of waste, equivalent to that generated by 15,200 people in a month.



**2,662,500 KWH**  
OF GREEN ENERGY

In 2019, Intel's use of renewable energy and its purchases based in renewable energy attributes totaled 2,662,500 kWh of green energy, sufficient to supply 10,650 Costa Rican families for a month.

We substituted lighting with intelligent LED lighting systems in our three buildings; this project reduced electricity consumption by 80% annually over our prior lighting systems. We also installed sensors that better controlled turning on and off of these lighting systems.

## LEED CERTIFICATION

The Wellness Center, built in 2011, was the first building with LEED certification in Costa Rica. The building incorporated sustainable elements into its design. Fifty percent of the building's energy use comes from renewable sources. Also, the installations have an efficient water use system.



## CARBON NEUTRAL PLUS CERTIFICATION

In 2019, Intel Costa Rica earned the Carbon Neutral Plus Certification (the highest Carbon Neutrality award in the country, bestowed by the Ministry of Environment and Energy's Climate Change Office). We report, reduce, verify, and compensate Greenhouse Gas Emissions (GHG) and enjoyed a reduction of 14.2% with respect to 2017, our baseline year.



Among the most significant emissions reduction projects was the switch from diesel to biodiesel for our entire fleet of employee buses. This represents a reduction of 99.66% in our carbon due to the use of fuel. Other initiatives include an electric vehicle recharge station, optimized energy use in migrating intelligence systems to the Internet of Things and LED, solar panel systems for cafeterias, and more efficient air conditioning units.



# SUPPLY CHAIN RESPONSIBILITY

Advancing accountability and improving performance across our supply chain creates value for Intel and our customers by helping us reduce risks, improve product quality, and achieve environmental and social goals. Through communication, assessments, and capability-building programs, we work to ensure that our supply chain is resilient, responsible, and respectful of human rights.



More than 10,000 tier 1 suppliers in 89 countries provide direct materials for our production processes, intellectual property, tools and machines for our factories, logistics and packaging services, software, office materials, and travel services for Intel<sup>1</sup> We continually work with suppliers to strengthen their capabilities as our ecosystem evolves and sustainability challenges grow. Our supplier development efforts include webinars and other online resources, face-to-face trainings, peer learning forums, safety programs, Intel-funded third-party consulting, and more.



In 2019, Intel Corporation supply chain leaders toured an underground tin and tantalum mine in Rwanda. Their visit was part of a trip that also included engagement with miners, NGOs, government officials, and others in the Democratic Republic of the Congo (DRC) and India. Our work to responsibly source minerals used in Intel products began more than 10 years ago, and we are proud of the significant progress we have made. We continue to expand our approach by assessing and performing due diligence on salient risks across a broad range of minerals and geographies.

## #1 RESPONSIBLE MINERALS RANKING

Out of 215 evaluated companies, Intel Corporation received the top score and was the only one with a Superior rating for conflict minerals<sup>2</sup> due diligence in the Responsible Sourcing Network's 2019 Mining the Disclosures guide.

## TOP 3% IN CDP SUPPLY CHAIN RATING

Intel placed in the top 3% of participating companies in CDP's 2019 Supplier Engagement Rating, earning a Leadership (A) score for our work to engage our tier 1<sup>3</sup> suppliers to increase their climate and water disclosure.

## \$15M IN FEES REMEDIATED

To prevent forced and bonded labor, we set expectations with our suppliers that workers should not have to pay for their employment. As a result, we have remediated the return of over \$15 million in fees to suppliers' workers and we have identified an additional \$10 million in fees to be returned in 2020.

## 400 PROGRAM PARTICIPANTS

Approximately 400 suppliers, representing over 75% of our supply chain spends in 2019, are required to participate in our proactive program designed to improve supplier performance through rigorous commitments to compliance, transparency, and capability building.



<sup>1</sup> Of Intel's 10,000 tier 1 suppliers, we identify approximately 400 "critical" suppliers that we directly engage through our capability-building programs. These suppliers represent more than 75% of our spends. Beyond this, we engage with critical tier 2 suppliers through our programs on forced and bonded labor, responsible minerals, and supplier diversity. <sup>3</sup> Level-one suppliers are those companies from which Intel makes direct purchases.

<sup>2</sup> Conflict minerals, as defined by the U.S. Securities and Exchange Commission (SEC), is a broad term that means tin, tantalum, tungsten, and gold (3TG), regardless of whether these minerals finance conflict in the Democratic Republic of the Congo (DRC) or adjoining countries.

<sup>3</sup> "Tier 1 suppliers" are companies from which Intel makes direct purchases.



# DIVERSITY AND INCLUSION

We are convinced that the future is in technology and this should be inclusive and diverse. By bringing together people with a wide array of perspectives, backgrounds, and experiences, we can continue innovating and solving the world's most difficult challenges. At Intel Costa Rica, our focus has been to increase gender diversity among our employees and work in partnership with other organizations, such as CINDE (Costa Rican Investment Promotion Agency) to push other companies to do the same.



## RECOGNIZED FOR BEING LEADERS IN DIVERSITY AND INCLUSION

In 2019 Intel Costa Rica was recognized for its leadership in diversity and inclusion. Its distinctions include:

- Corporate Global Award (GDI Award) for actions in STEM.
- Award for Inclusive Practices.
- Recognition as an INCLUSIVE PLACE TO WORK for its active participation and commitment with the government, industry, and academia.

## 1% YEARLY INCREASE IN DIVERSITY AND INCLUSION

Since 2015 Intel Costa Rica has been increasing gender diversity with the aim of achieving 40% diversity by 2025.

## 6 EMPLOYEE RESOURCES GROUPS (ERGS) PROMOTE DIVERSITY AND INCLUSION

Intel Costa Rica has representation of 6 communities composed of more than 40% of our employees to increase awareness about inclusive culture. In 2019 the company reached 84% for inclusion on the experience survey given to employees.

## +10 ACTIONS TO PROMOTE DIVERSITY AND INCLUSION

In 2019 we focused on generating awareness and developing benefits that promote equality and inclusion. Related actions included:

- We supported the transition process for transgender employees and raised awareness amongst our managers about this issue.
- We celebrated Inclusion Day with an event attended by more than 500 people from various countries, including five corporate vice presidents.
- We inaugurated the Intel Network of Employees of African Descent employee group in Costa Rica, this is the only group of this network outside the United States. This network influenced the renaming of the community to be more inclusive for African descendant employees outside of the United States, changing its name from the Intel Network of African Americans to the Intel Network of Employees of African Descent.
- We grew the Latin America Network of Executive Women (LAR NEW), consisting of 50 women from all Latin American countries where Intel operates, in addition to three corporate vice presidents on its board of directors. Sandra Rivera, Vice President and Chief People Officer, serves as executive advisor to this network.
- We implemented the Men Advocating for Real Change (MARC) within CINDE (Costa Rican Investment Promotion Agency).
- We created a paternity license.
- For physically disabled employees, we included the Fast Pass which allows such employees to enjoy speedy passage through waiting lines.
- We established the Warmline Program whose aim is to retain employees by creating conflict resolution and opportunity search mechanisms for them.





# SOCIAL IMPACT

From investing in education and promoting wide-ranging economic development initiatives to working hand in hand with our neighbors, at Intel Costa Rica we have a long-standing commitment to apply technology and the talents of our employees to increase access to opportunities and remain active in our community. Intel and the Intel Foundation offer grants and in-kind donations to schools, universities, and non-profit organizations in Costa Rica.

**+14** THOUSAND VOLUNTEER HOURS

In 2019 we volunteered in four specific areas: Education, Innovation, Community and Environment.

**+7** THOUSAND STUDENTS PARTICIPATED IN STEM PROGRAMS

Intel Costa Rica invests in programs that empower boys and girls to become future innovators. Intel's STEM Program introduces school-age students to interactive and dynamic programs such as Let's Play Engineering, Workshop Drones, and Vocational STEM.

**70%** OF VOLUNTEER PARTICIPATION

Each year 70% of our employees generously donate their time, volunteering more than 20,000 hours in the community. Many of these volunteer hours are matched by the Intel Foundation, generating thousands of dollars to support local social causes.

**\$150** THOUSAND INVESTED IN THE COMMUNITY

The Intel Foundation amplifies the impact of volunteering by donating cash to eligible nonprofit organizations and schools where Intel partners donate at least 20 hours of service in a year. The program resulted in donations of \$150,000 in 2019.



Intel trains Costa Rican youth in programming through our Chicas Click Program in partnership with Quirós Tanzi Foundation. This program breaks gender stereotypes and offers growth opportunities to women in technical areas. Chicas Click invites a group of tenth- and eleventh-grade high school female students to receive eight training sessions in programming. They are selected for academic excellence and attitude. Moreover, these students work and learn together with their mothers who also complete the training. In 2019, 29 women benefited from this program.

Since 2008, Intel has sponsored Angel Tree in which Intel employees serve as Christmas godparents for children. In 2019, 1,200 children benefited from this initiative.



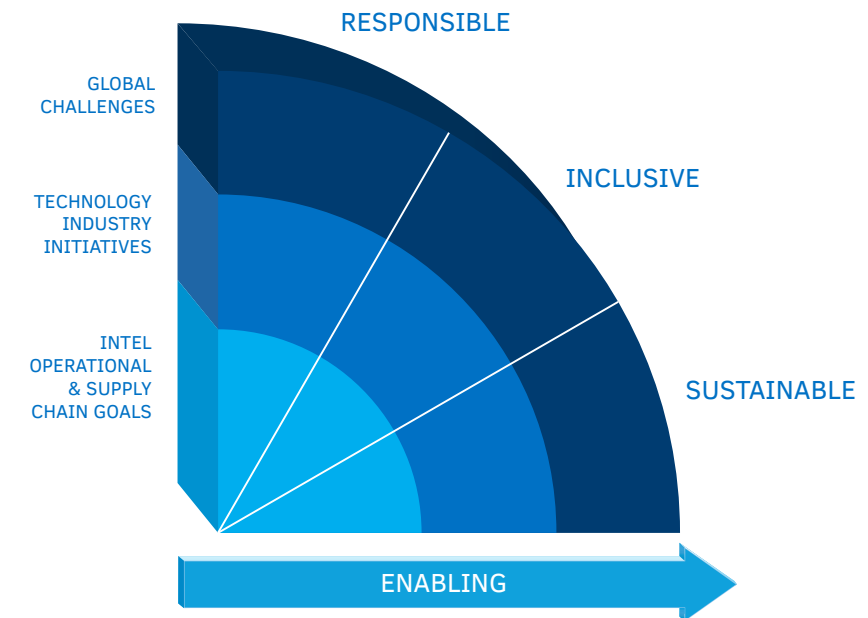


# TOWARDS 2030: INTEL'S "RISE" FRAMEWORK AND GOALS

Acting alone, Intel cannot achieve the broad, societal impact we aspire to. Given the complexity and scope of challenges that the world faces, we are committed to building upon what we have already accomplished and continuing to raise the bar for ourselves and our suppliers through new 2030 goals.

Our ongoing focus on ethical business practices, respect for human rights, and continued performance improvements in our own operations and our supply chain will be foundational to our new strategy and ambitions. We will also apply our deep experience as a leader in global manufacturing and leverage our unique position within the technology ecosystem to embark on a number of collaborative initiatives to help our customers achieve their own sustainability goals and accelerate progress in key areas across the entire technology industry. Perhaps most importantly, we will engage our employees and a broad group of stakeholder organizations to undertake collective actions and unleash the power of technology to tackle critical global challenges together.

## INTEL'S RISE STRATEGY



Our efforts in these spheres of influence span three main focus areas: **responsible**, **inclusive**, and **sustainable**, each of which we are **enabling** through our technology innovation and the expertise and the passion of our employees.

### RESPONSIBLE

Lead in advancing safety, wellness, and responsible business practices across our global manufacturing operations, our value chain, and beyond.



### INCLUSIVE

Advance diversity and inclusion across our global workforce and industry, and expand opportunities for others through technology, inclusion, and digital readiness initiatives.



### SUSTAINABLE

Be a global leader in sustainability and enable our customers and others to reduce their environmental impact through our actions and technology.



### ENABLING

Through innovation technology and the expertise and passion of our employees we enable positive change within Intel, across our industry, and beyond



Intel is an industry leader, creating world-changing technology that enables global progress and enriches lives. Inspired by Moore's Law, we continuously work to advance the design and manufacturing of semiconductors to help address our customers' greatest challenges. By embedding intelligence in the cloud, network, edge, and every kind of computing device, we unleash the potential of data to transform business and society for the better.

This summary contains highlights of Intel's 2019-2020 Corporate Responsibility Report, which was prepared using the Global Reporting Initiative (GRI) Standards.

To view or download the full report, [visit intel.com/responsibility](https://www.intel.com/responsibility).



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