intel

2021 Intel Corporation Statement on Combating Modern Slavery and Ensuring Transparent Supply Chains

2021 Intel[1] Statement on Combating Modern Slavery:
May 2022 reporting for fiscal year ending December 25, 2021

Intel is committed to ensuring that modern slavery and human trafficking do not take place in our business or supply chain. As part of this commitment, we continually strive to achieve the highest level of ethical, environmental, and employee-related standards within our own business and supply chain, making sure that employees, partners, suppliers, and others are working together to eradicate modern slavery and human trafficking. Since 2020, COVID-19 has presented many challenges across our supply chain and in 2021, we continued to address modern slavery despite the ongoing pandemic. We have collaborated closely with our suppliers on the protection of their employees' health and safety, provided business continuity guidance to help suppliers mitigate supply disruptions, and clarified our continued expectations for labor practices and human rights in alignment with the Responsible Business Alliance (RBA) Code of Conduct.

The California Transparency in Supply Chains Act of 2010 (SB 657), and the U.K. Modern Slavery Act 2015 (the "Acts") require certain companies to state their efforts and actions taken during the financial year to ensure modern slavery and human trafficking are not taking place in their operations and supply chains. Similarly, the revised Federal Acquisition Regulation (FAR) 52.222-50 ('Combating Trafficking in Persons) and new FAR provision 52.222-56 (Certification Regarding Trafficking in Persons Compliance Plan) focus on eradicating modern slavery and human trafficking from the U.S. Federal Government contracting supply chain.

This 2021 Intel Corporation Modern Slavery and Transparency in Supply Chains Statement (the "Statement") is made pursuant to the requirements of these statutes and regulations and reflects Intel's efforts to combat the conduct prohibited by these laws. The Statement provides consumers detailed information to make better, more informed choices about the products and services they buy and the companies they support.

Throughout this Statement we reference "modern slavery," which includes forced labor, debt bonded, indentured, child, slave, or involuntary labor (including prison labor), and human trafficking.

Each year, Intel transparently reports the progress we have made in our efforts to prevent and eradicate modern slavery and protect human rights, including this Statement, as well as Intel's Corporate Responsibility Report and Conflict Minerals Report.

---

[1] References to "Intel", "we", "us" "our" as used in this Statement refers collectively to Intel Corporation and its subsidiaries, including Intel Corporation (UK) Limited. Intel is currently conducting diligence on certain newly acquired subsidiaries.

Our Business and Supply Chain

Intel is an industry leader in the design and manufacturing of essential technologies that power the cloud and an increasingly smart, connected world. We design and build technologies that serve as the basis for consumer products, commercial systems, and infrastructure equipment. We offer computing, networking, data storage, and communications solutions to a broad set of customers spanning multiple industries.

Our global supply chain includes more than 9,000 Tier 1[2] suppliers in 87 countries and regions that provide intellectual property, direct materials for our production processes, tools and machines for our factories, and logistics and packaging services, as well as software, office materials, and travel services. We also rely on other companies to manufacture, assemble, and test some of our components and products. Intel's efforts in combating modern slavery require strong engagement and collaboration with our suppliers globally. It is critical that we partner closely with them to understand and evaluate their supply chain procedures and empower them to establish programs and policies that mitigate the risk of modern slavery.

For additional information about Intel and its operations, refer to the 2021 Annual Report on Form 10-K.

Our Commitment and Supplier Accountability Standards and Policies Addressing the Prevention of Modern Slavery

Since our founding, uncompromising integrity and professionalism have been the cornerstone of Intel's business. Today Intel is not only committed to the highest standards of ethical conduct, human rights, and social and environmental responsibility, but is also committed to maintaining and improving systems and processes that help protect workers and prevent human rights violations. This commitment applies both to Intel as well as to our suppliers.

Intel's policies and integrated approach to preventing modern slavery draw upon internationally recognized labor and human rights standards such as the UN Universal Declaration of Human Rights, the ILO International Labor Standards, the OECD Guidelines for Multinational Enterprises, and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. These standards establish our baseline expectations as well as communicate our values and commitment to ethics and uncompromising integrity. Intel's policies include:

Intel Expectations to Address the Risks of Modern Slavery Fees
- No levies or placement fees or costs, even if allowed by local law
- No fees or costs charged to workers as defined by the RBA
- No worker debt to obtain or keep a job
- Fees and costs charged to workers must be repaid within 90 days

Contracts and Resignation Terms
- Employment contracts must be in the employee's native language
- No detrimental changes to the contract or work conditions
- Resignation must be voluntary
- Notice period cannot exceed one month
- Resignation notice penalty cannot exceed 60% of one month's wages

Worker Rights
- No holding original identification documents of workers
- Secure personal storage required
- Workers freedom of movement required

Control Systems
- Monitor recruiters and labor agents
- Interview foreign and migrant workers
- Documented policies and procedures must be in place (e.g., whistleblowing and grievance policies).

- **Intel Global Human Rights Principles**: Human rights are the fundamental rights, freedoms, and standards of treatment to which all people are entitled. Intel's Human Rights Principles, first adopted in 2009, formalize our commitment to respecting human rights and embody common principles laid out in multiple frameworks, including the United Nations Guiding Principles for Business and Human Rights.

- **Intel Code of Conduct**: Our recently updated Code of Conduct is a vital part of our company culture that provides employees and suppliers with a clear understanding of our core values and principles. Most importantly, it outlines high standards for ethical conduct by which Intel employees and suppliers must conduct business.

- **Responsible Business Alliance (RBA) Code of Conduct** (RBA Code): The RBA Code is a set of social, environmental and ethical industry standards that is an integral element of our Supplier Policy. Intel fully supports the vision and goals of the RBA within our global operations and we require our suppliers (and their supply chain) to comply with the RBA Code. We embed the RBA Code across our supply chain and advocate for RBA Code enhancements to improve the lives of workers.

---

[2] Tier 1 suppliers are companies from which Intel makes direct purchases. Suppliers include vendors who provide (a) direct parts, materials, or capital; (b) services; or (c) staffing.

- [Trafficking in Persons Federal Government Purchasing Policy](#): This policy requires suppliers to comply with the U.S. Government's Federal Acquisition Regulation on Combating Trafficking in Persons.

- Intel's Responsible Minerals program, [mineral sourcing policy](#), and due diligence practices address minerals originating from Conflict-Affected and High-Risk Areas ("CAHRAs"[3]) and are aligned to the [OECD Due Diligence Guidance](#) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance").

We hold our employees and suppliers to high standards. Any policy violation by an Intel employee may result in disciplinary action, including termination of employment. Policy violation by a supplier may disqualify the supplier from consideration for future business up to and including termination of the supplier's relationship with Intel. Intel will file a report of violation activity to relevant government authorities consistent with local legal requirements.

Intel has established formal grievance and remedy processes that enable anyone, including Intel employees, supplier personnel, and other external stakeholders, to report ethics, human rights, compliance or safety concerns through our third-party-operated [Intel Integrity Line Ethics and Compliance Reporting Portal](#). We will promptly investigate allegations and pursue action to mitigate any adverse impacts. Intel does not tolerate retaliation against anyone who in good faith reports possible violations of the law, Intel's Code of Conduct or other policies, questions on-going or proposed conduct, or participates in an internal investigation.

Risk Assessment and Due Diligence

Intel takes steps to evaluate, verify and address modern slavery risks in our supply chain with the intention of protecting people and eliminating these risks. We start by setting clear expectations for suppliers. These expectations are codified in Intel's Code of Conduct, [supplier policies and expectations](#), and the RBA Code (collectively "Intel Policies").

Risk assessments and due diligence begin during the supplier selection process. Suppliers who want to do business with Intel are expected to complete a Corporate Social Responsibility (CSR) survey that includes questions which help us identify potential modern slavery risks. If selected, a contract is put in place that requires suppliers to strictly comply with Intel Policies. Additionally, we communicate our expectations to suppliers regularly, reminding them of their legal obligations to comply with Intel Policies.

We conduct an annual assessment of critical suppliers[4] using a comprehensive self-assessment questionnaire that includes questions related to recruitment, onboarding, and staffing. We analyze questionnaire responses for the presence of foreign and migrant workers (FMWs) and other vulnerable worker groups, as well as evaluate their practices and controls. When combined with location and sector information, we determine which suppliers are higher risk. We will then either ask them to complete an additional risk assessment, audit them, or take additional corrective action.

We regularly meet with Intel's procurement leaders to discuss and review supplier performance, including any modern slavery issues that may have been identified.

In addition to our own policies and procedures, we also engage outside experts such as Humanity United, The FAIR Hiring Initiative, Verité, the Global Business Initiative on Human Rights and other third parties with deep knowledge of modern slavery. We refer to a number of external sources, including the U.S. Department of State [Trafficking in Persons Report ("TIP Report")](#), the U.S. Department of Labor's [List of Goods Produced by Child Labor or Forced Labor,](#) the U.S. Department of State's [Responsible Sourcing Tool](#), and publications from reputable organizations, to stay informed. These sources help us identify higher-risk countries and sectors in our supply chain.

We combine insights from these reports with our own risk assessment questionnaire responses, audit results, and input from experts to continuously refine and strengthen our overall risk management and verification processes. In 2021, we continued our work in several high priority areas based on this framework. One example is where foreign interns regularly pay fees in their home countries to secure roles, attend training, and then travel to facilities. Another example is in the construction industry, which has been identified as one of the highest sectors at risk for forced labor. Due diligence tools we developed were integrated into the processes of several general contractors engaged in construction projects. The

---

[3] CAHRAs, as defined by OECD, are identified by the presence of armed conflict, widespread violence, or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure, and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.

[4] Critical suppliers represent a subset of Tier 1 suppliers with which we have a significant business relationship and spends. Of Intel's more than 9,000 Tier 1 suppliers, we categorize approximately 400 as critical suppliers that we engage through our capability building programs and represent more than 75% of our spends.

general contractors must cascade our expectations to subcontractors, which are our Tier 2 and Tier 3[5] suppliers.

Audits and Assessment of Effectiveness

We hold ourselves accountable to meet or exceed the same standards that we set for our suppliers and have the RBA conduct Validated Assessment Program (VAP) audits of our finished goods factories.

We view audits as an integral part of our overall risk management process. They help us identify risks and compliance gaps, determine where immediate action is needed, and ascertain the root causes that enable development of systemic solutions and improvements.

Audits are generally announced; however, we occasionally conduct unannounced audits when necessary. At higher risk supplier facilities, we conduct audits on a periodic basis. To look deeper into our supply chain, we also audit higher risk Tier 2 suppliers or require our suppliers to audit them.

In 2021, we had an RBA VAP audit of our facility in Kulim, Malaysia. There was a finding related to a supplier that was charging and then reimbursing fees to workers moving to the Kulim site. This supplier issue has been resolved and processes were updated to prevent future occurrence. In 2022, we plan to have RBA VAP audits of our facilities in Vietnam and Costa Rica.

Higher-risk suppliers undergo on-site audits and/or capability assessments that may use the full RBA Code or a portion of it, depending on supplier's risk profile and specific compliance concerns. These audits are performed by qualified, independent, third-party auditors or similarly qualified Intel auditors.

Audits include worker interviews and document reviews. Auditors meet and speak directly to workers before and during audits to detect any non-conformance by suppliers. If non-conformance was found, auditors will follow up to ensure documents and monies were returned, contracts were corrected, and living conditions improved. As part of an audit, our Intel forced labor lead auditors provide their contact information to the workers they interview. The auditors inform the workers that they can contact Intel safely and directly. Typically, 1-2 workers contact us outside of audits each year. In these cases, we follow up and check on the status of the workers. If a supplier provides housing to workers, we consider them higher risk and are more likely to audit them.

Despite the challenges with COVID-19, in 2021 across 89 suppliers, 157 on-site third-party RBA VAP and Intel-led audits were conducted using the current RBA VAP Operations

Manual to verify compliance to the RBA Code. This is a 25% increase from 2020 and reflects a catch-up period despite COVID-19 restrictions. This represented approximately 23% of our critical suppliers.

Intel performs annual and project-based risk assessments, including on its own operations. These risk assessments include corporate-wide and site-specific risks. In cases where risks are identified, appropriate mitigation plans are implemented. Intel also continuously assesses its supply chain for risks, including risk of modern slavery and other human rights abuses. Suppliers with red flags that indicate risk are further assessed using more detailed methods, and in cases of highest risk, are required to undergo RBA VAP audits. When audits result in reports of forced labor related findings, Intel requires suppliers to resolve these issues. In 2021, more than $1.8M in fees were returned to more than 800 workers by suppliers. In addition, supplier policies have been updated to prevent future fees.

Since 2014, Intel Tier 1 and 2 suppliers have returned more than $25M in fees to workers through the Intel audit program. To date, fees have been returned to more than 21,000 workers. And, we have improved the lives of approximately 46,000 workers through fee repayments, returned passports, amended contracts, and other improvements related to the prevention of slavery and human trafficking.

Minimizing the risk of modern slavery in our operations and supply chain requires overcoming two notable challenges: gaining visibility into our multi-tier supply chain and tracing multiple levels of labor agents who source FMWs. We've continued our multi-year innovative project for supplier accountability, reaching over 135 suppliers at the tier 2 level. We have required that approximately 50 of our suppliers work with at least three of their own major suppliers to assess and address their risks of forced and bonded labor. Our work has resulted in numerous positive changes made by Tier 2 suppliers to their staffing and recruiting policies and closer engagement and expectation setting with their recruiting agents.

Suppliers are required to draft comprehensive corrective action plans (CAPs) to address audit findings, and we work closely with them to document actions taken to remedy those findings. We then monitor their progress until the issues are resolved. If suppliers do not make enough progress to close audit findings or their actions do not result in sustainable changes, suppliers are then placed on a "get well action plan." If the "get well action plan" is not successful, we take additional actions, which can include ending the supplier relationship. Intel's Supply Chain Responsibility Management Review

---

[5] Tier 3 suppliers are companies from which Intel's Tier 2 suppliers make direct purchases

Committee (MRC) reviews supplier CAPs quarterly, or more frequently, as needed.

We require an RBA Closure Audit and/or an in-person visit to confirm CAP closure, including fee repayment.

Certification

Intel suppliers must agree to comply with all applicable laws, regulations, and international standards, and conform to our Code of Conduct and Policies, including the RBA Code of Conduct when they enter into purchasing agreements or equivalent terms and conditions with Intel. This creates legally enforceable obligations, including in cases where the law is silent or allows practices that violate Intel policies or the RBA Code. Moreover, we remind suppliers of their obligation to the RBA Code in regular communications throughout the year.

Effective January 1, 2021, we expanded our labor requirements to prohibit the use of all forms of prison labor in our supply chain, to better align with our focus on changing expectations around social justice.

Internal Accountability

Our CEO annually communicates with employees and senior managers about the importance of ethics and legal compliance, including regular reminders on our strong commitment to always act with integrity. This "tone from the top," reiterated by our senior leadership team, is further cascaded throughout the company with the following activities: annual ethics and compliance training, regular ethics & compliance communications, periodic company-wide ethics culture surveys, awareness trainings, annual ethics and compliance summits, and educational resources on our company intranet site. Together, these activities help to create and maintain an ethical and legally compliant culture.

Through Intel's Code of Conduct, we seek to promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. The principles embodied in Intel's Code of Conduct reflect our policies in such areas as slavery, human trafficking, conflicts of interest, anti-discrimination, antitrust, anti-bribery, and anti-corruption, and serve to protect our company's assets and reputation.

The Code of Conduct directs employees to consider both short-term and long-term impacts on human rights when making business decisions and to report potential issues as soon as they are identified. All employees are expected to complete training on the Code of Conduct when they join the company and annually thereafter. The Code of Conduct is available in 13 languages, and employee training sessions incorporate real case scenarios. Employees are encouraged to raise ethical questions and concerns and have multiple

channels to do so, anonymously if they prefer, as permitted by law.

Intel employees are required to comply with the Code of Conduct. Employee violations of the Code of Conduct may result in discipline, including termination and/or report of the misconduct to the relevant government authorities.

Intel's Ethics & Compliance Oversight Committee (ECOC), which is chartered by and reports to the Audit Committee of the Board of Directors, is responsible for maintaining Intel's Code of Conduct. The ECOC includes senior representatives from across the company and is co-chaired by Intel's Chief Compliance Officer and Director of Internal Audit. Each year, Intel's ECOC invites various Intel organizations to assess and report on ethics and compliance in their respective businesses or sites and reviews risk topics across the company.

The Intel Board of Directors' Corporate Governance and Nominating (CGN) Committee has primary responsibility for oversight of corporate responsibility issues at Intel. Management provides formal updates to the CGN Committee at least twice each year and at least annually to the full Board on the company's corporate responsibility performance and disclosure, including human rights issues. The annual Intel Modern Slavery and Human Trafficking Statement is reviewed by the CGN Committee and approved by the full board.

Training

Intel provides employees with direct responsibility for supply chain management and U.S. Federal contracts with training on slavery and human trafficking, particularly with respect to mitigating risks within our product supply chain.

We educate suppliers about our expectations through webinars, workshops, our supplier website and various regular communications. Intel provides annual targeted training and workshops for suppliers operating in geographic regions where we believe there is an elevated risk of slavery and human trafficking. Each year we also deliver our expectations of combating slavery and human trafficking risks in one or more webinars. In 2021, we worked with HP Enterprise, HP Inc., Seagate, and Western Digital to provide virtual training sessions to over 1,000 participants from our respective supply chains. Labor and Code experts from the RBA led the sessions, which were recorded and archived for any supplier with access to the RBA Learning Academy to view. We also co-sponsored a multi-day comprehensive virtual training on requirements related to combatting forced labor and distributed compliance tools to the suppliers who attended.

Leadership

We believe that collaboration is key to addressing this complex issue. Intel co-founded the multi-industry, multi-stakeholder Responsible Labor Initiative (RLI), which works to protect and promote the rights of vulnerable workers. In 2021, Intel served as a member of the RLI Working Group.

The RLI established several programs and tools, including the following:

- The Responsible Workplace Program (RWP) focuses on improving workers' awareness of their rights and the work environment.
- The Responsible Recruitment Program (RRP) provides a path for recruiters to demonstrate conformance with the RBA standards.
- The Supplemental Validated Audit Program (SVAP) is an audit specifically focused on foreign and migrant labor.
- The Labor Migration Corridor Database (LMCD) which helps to benchmark findings of fee charging with data from past manufacturing and electronics sector audits around the world.

Since 2017, we have required select suppliers or their recruiters to undergo an SVAP and share the results with us. Our work as an early advocate of this tool allowed the RLI to gain needed feedback and make improvements. Administering the SVAP to several of our Tier 1 and Tier 2 suppliers has again helped to highlight areas of concern.

In partnership with RLI and its members, Intel helped create the Practical Guide to Due Diligence on Recruitment Fees in International Supply Chains. This comprehensive document provides guidelines and examples of best practices to achieve fee repayment.

To reinforce our commitment, we invest significant time and resources in collaborating with others to address system-level, industry-wide improvements.

Our work earned us the 4th highest spot of 49 public ICT firms in KnowTheChain's biannual 2020 ICT benchmark for our work to combat forced and bonded labor.

Approval and Signature

This Statement was approved by the directors of Intel Corporation on April 13, 2022, and signed on the board's behalf by:
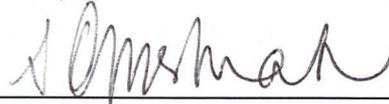
Omar Ishrak
Chairman of the Board/Director
Intel Corporation

Date: April 13, 2022