DIVERSITY & INCLUSION

Addendum to 2017 Annual Report

2017 Mid-Year Diversity Data

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Executive Summary

Intel is at the halfway point in a five-year journey to achieve full representation of women and underrepresented minorities in the U.S. by 2020. Full representation means that Intel will be at market availability or higher by 2020 for every employee job category that we track; both technical and non-technical, for women, African Americans, Hispanics, and Native Americans. Our progress is on track, but there are still many areas in which we need to improve. In December of 2014, our gap to full representation was 2300 employees. Today that gap has narrowed to 801 people – a 65 percent improvement.

For further perspective on the progress of our diversity initiatives at midyear 2017, read Intel Chief Diversity Officer Barbara Whye's article in our newsroom.

Midyear highlights:

- With an increase of 0.3% in female representation since 2016, women are helping drive a positive trend in the underrepresented minority population.
- African American representation is flat across all grades. Sixty percent of the remaining Intel gap to 2020 comes from the difference in representation and market availability (MA) of African American employees in technical job codes.
- We see an increasing year-over-year trend for Native American representation across early career and senior career levels.
- Growth remains flat for our Hispanic employee population, at around 8% at the early career level and slightly higher in mid-career levels.
- The white male and Asian male majority population continues to represent more than 90% of mid to senior technical roles.
- Retention is a major factor in our gap to full representation. We are addressing that through several programs:
    - Diversity playbooks give managers customized plans that enable business units to focus on closing progression and hiring gaps.
    - The retention Warmline we introduced last year has a 90% retention success rate.
    - We launched "Managing at Intel" (MAI), a training series that equips our managers to successfully integrate employees into our diverse culture, and to aid their growth and progression. We are on track to train all 13,000+ managers worldwide by the end of Q1 2018.

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- In June we launched the Intel HBCU Grant Program, a three-year, $4.5 million program to encourage students to remain in STEM pathways at six U.S. historically black colleges and universities (HBCUs).
- Employee Communities (including LGBTQ, Veterans, people with disabilities, etc.) continue to build relationships amongst employees. Comradery has been shown to increase employee satisfaction, bolster productivity, and aid retention.

Refreshing our diversity metrics and report format

We use market availability (MA) as the comprehensive standard to track diversity and inclusion at Intel. Market availability measures how many skilled people exist in the external U.S. labor market as well as Intel's own internal market. Assessing ourselves against market availability takes account of our hiring, retention and progression – all important factors in our long-term success.

Market availability data had not been updated since 2014. We've recalculated it and it will be refreshed every year moving forward.

We also simplified our diversity report addendum to make information more accessible and understandable. These changes enable us to clearly show both strengths and weaknesses, and make it easier to visually compare across years.

This report covers Intel's United States employee base.

2017 Mid-Year Diversity Data

Glossary of Terms

- **URM**: The population of African American, Hispanic and Native American males and females
- **Non-URM Males**: Majority population, including White and Asian males
- **Females**: URM and non-URM females
- **Hispanic**: Males and females who identify as having Hispanic heritage
- **African American**: Males and females who identify as having African American heritage
- **Native American**: Males and females who identify as having Native American heritage
- **Non-exempt**: Hourly-paid employees
- **Exempt Early-Grade:** Non-hourly salary grade 2-6 early-career employees
- **Exempt Mid-Grade:** Non-hourly salary grade 7-9 mid-career employees
- **Exempt Upper Mid-Grade:** Non-hourly salary grade 10 and 11 employees, typically managers and directors
- **Exempt Senior Grade:** Non-hourly salary grade 12+ employees, typically vice presidents and senior management
- **Technical:** Roles that are technical in nature such as engineers
- **Non-Technical:** Roles that are non-technical in nature, such as Marketing, HR, Legal and other support functions

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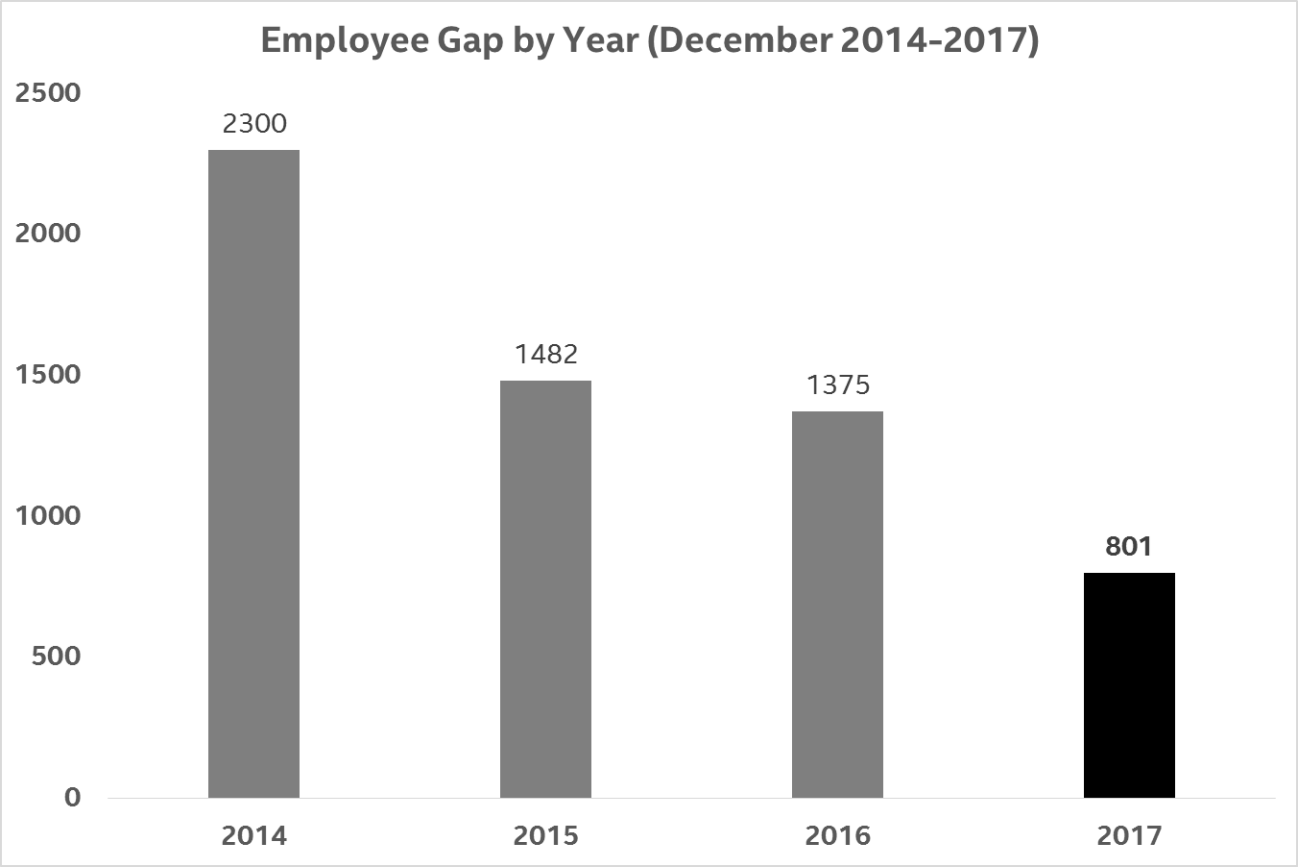
Narrowing the Gap

In 2017, Intel made significant progress in narrowing the gap to full representation, with a 65% improvement from the baseline established in 2014. This is a result of overall corporate personnel movement, including all hires, exits, and internal progression. There is still work to do to bridge the remaining divide.

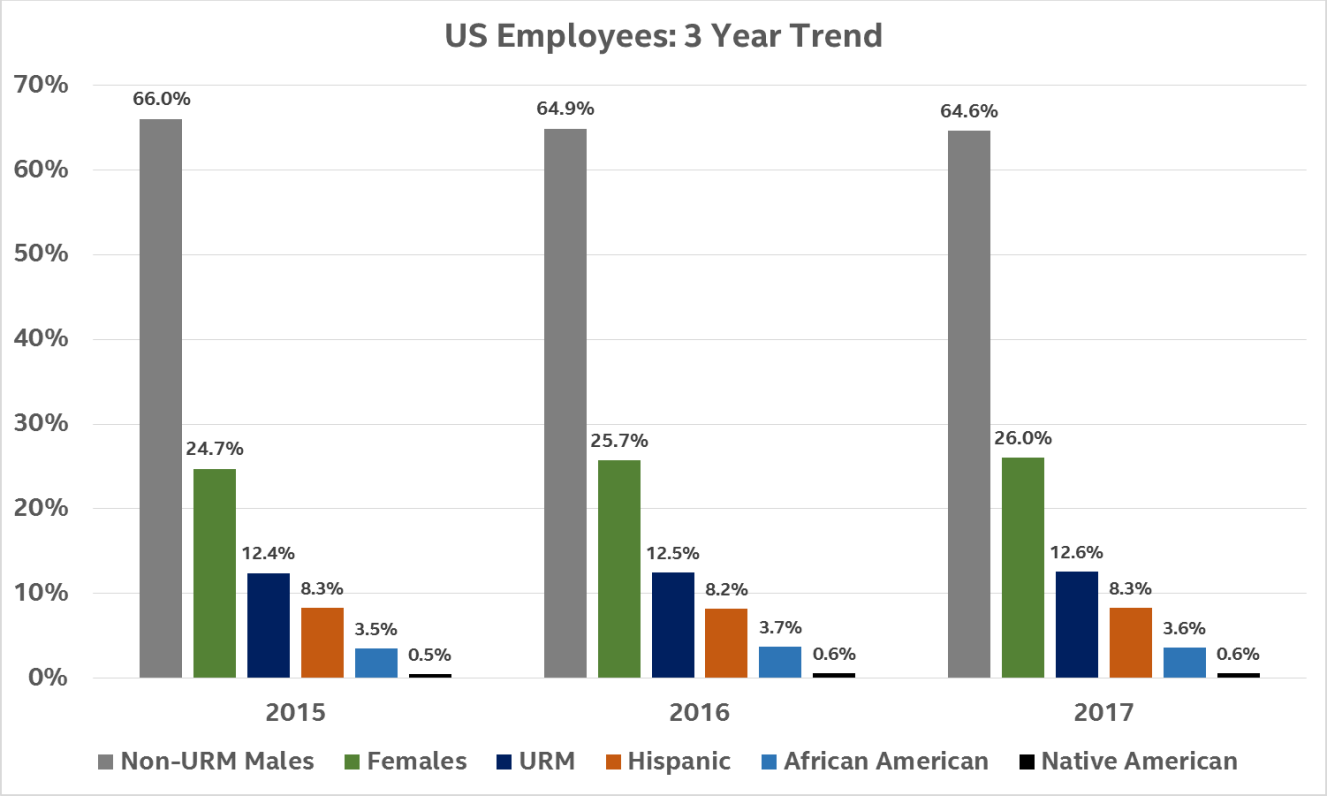
Full representation means closing all gaps to market availability in all categories that we measure, including females, African American, Native American, and Hispanic populations.



2017 Mid-Year Diversity Data

Three Year Trend: Gender and Ethnicity

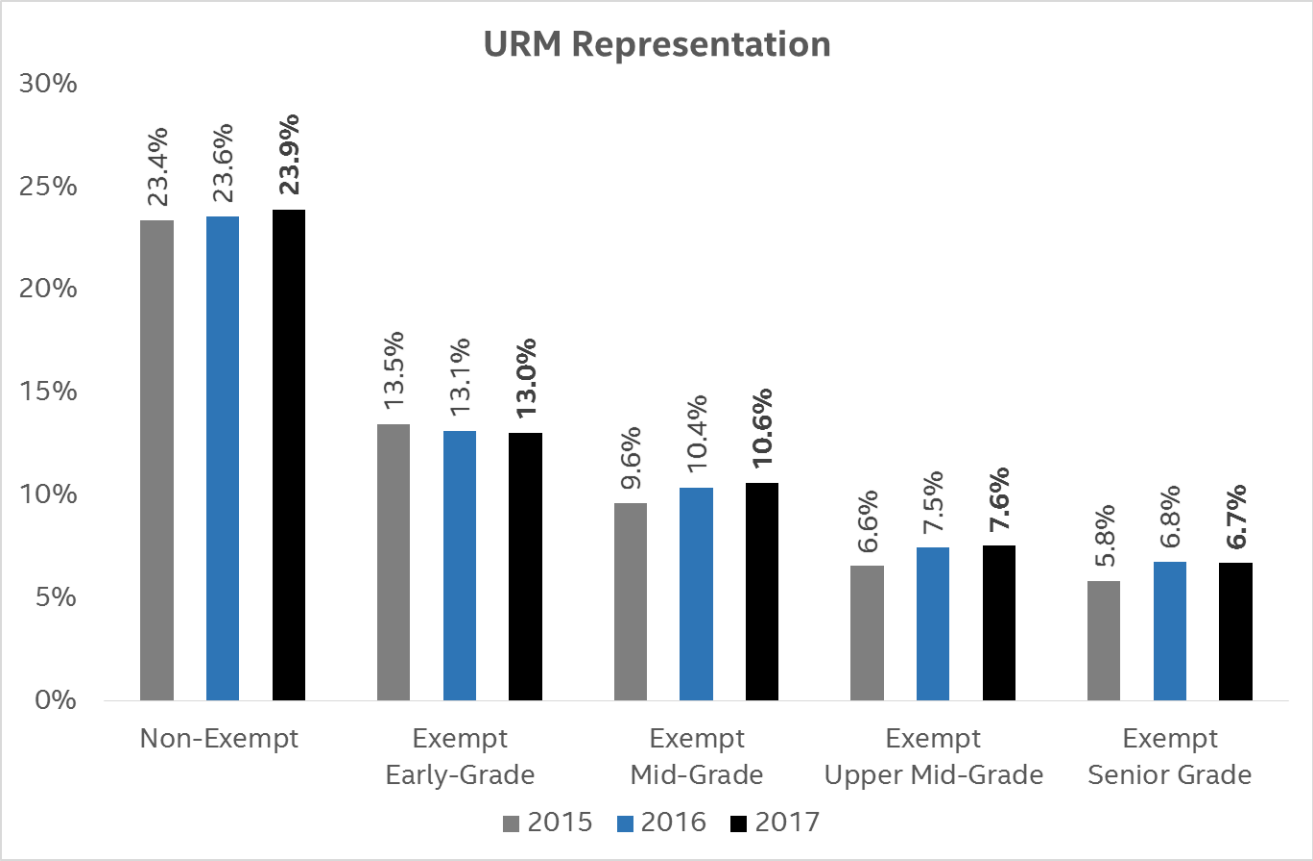
The biggest shift in all categories has been led by female representation. Overall female representation (majority and URM populations) increased 0.3 percent since 2016.



2017 Mid-Year Diversity Data

URM Representation by Grade: Overall

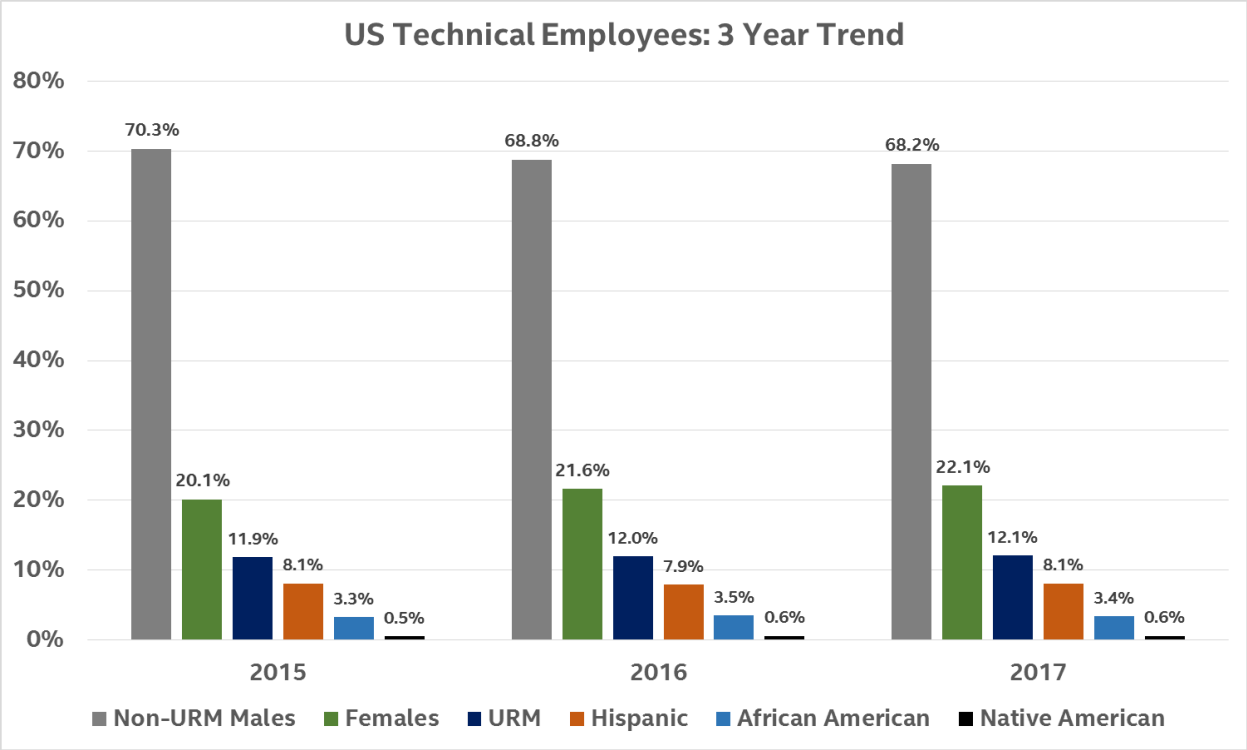
Representation challenges remain, with flat or declining year over year trends across all grades for the combined URM populations.



2017 Mid-Year Diversity Data

Three Year Trend: Technical Employees

Non-underrepresented minority (Non-URM) employees comprise ~ 90 percent of the total enterprise workforce, which declined by ~1.8 percent overall. However, URM representation in technical roles increased by 0.1 percent since 2016.



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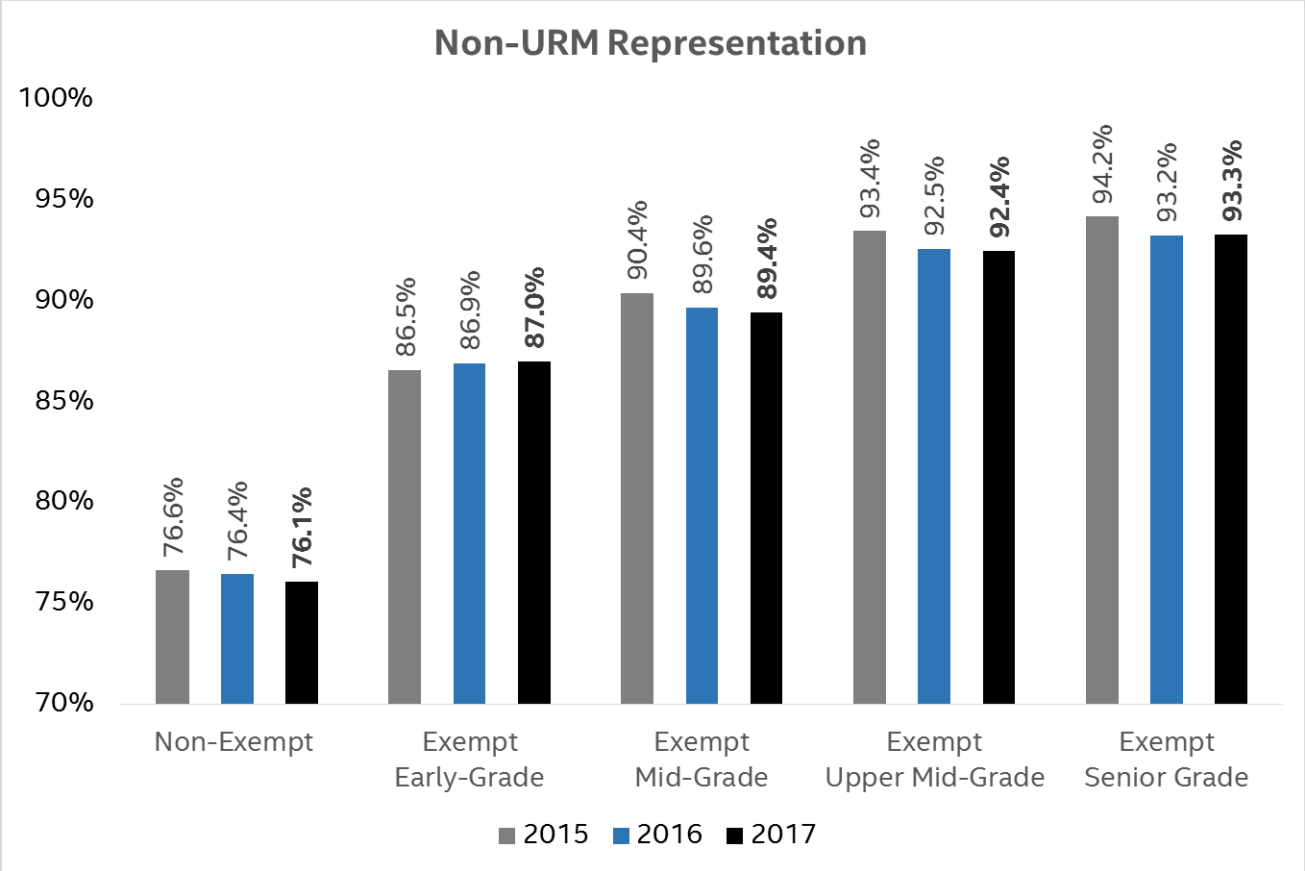
Non-URM Representation by Grade: Overall



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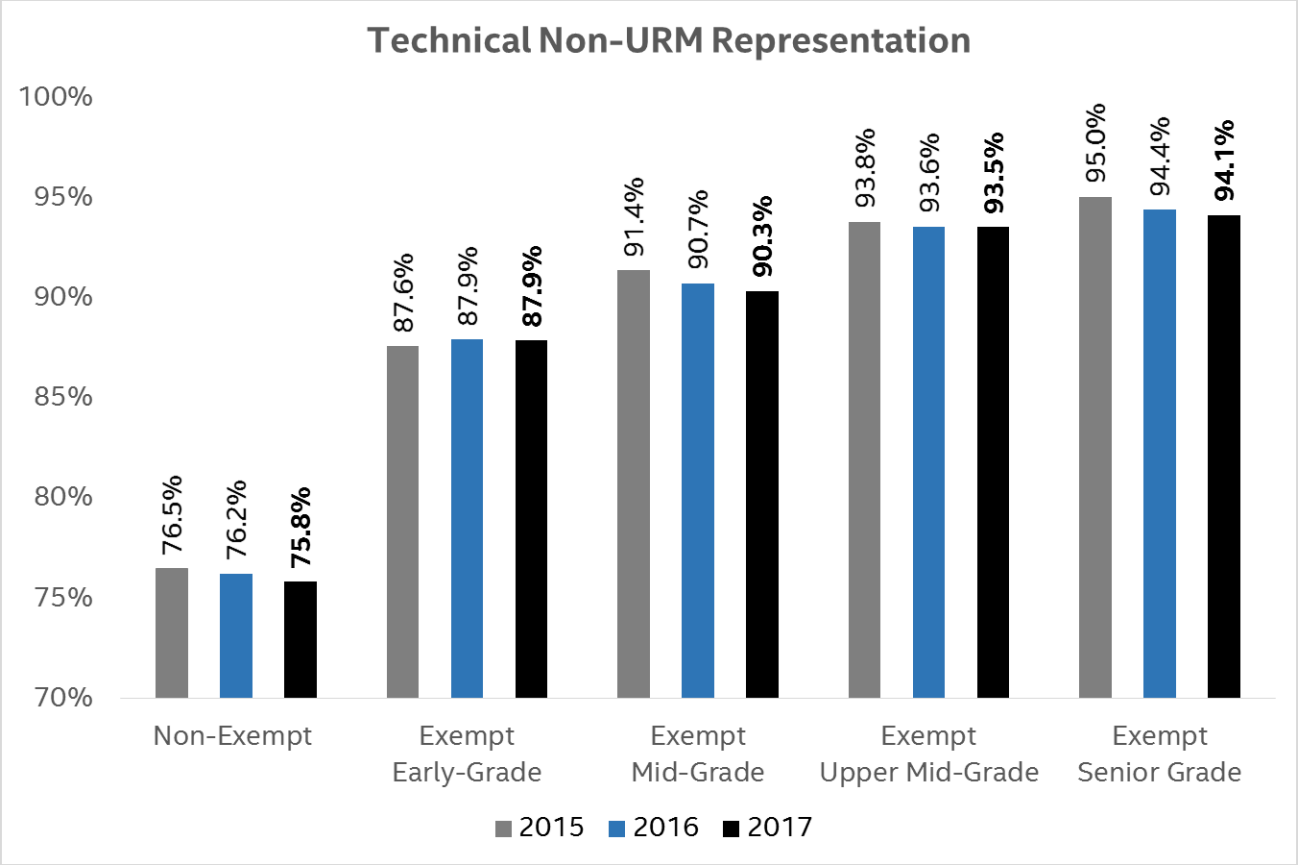
Non-URM Representation by Grade: Technical



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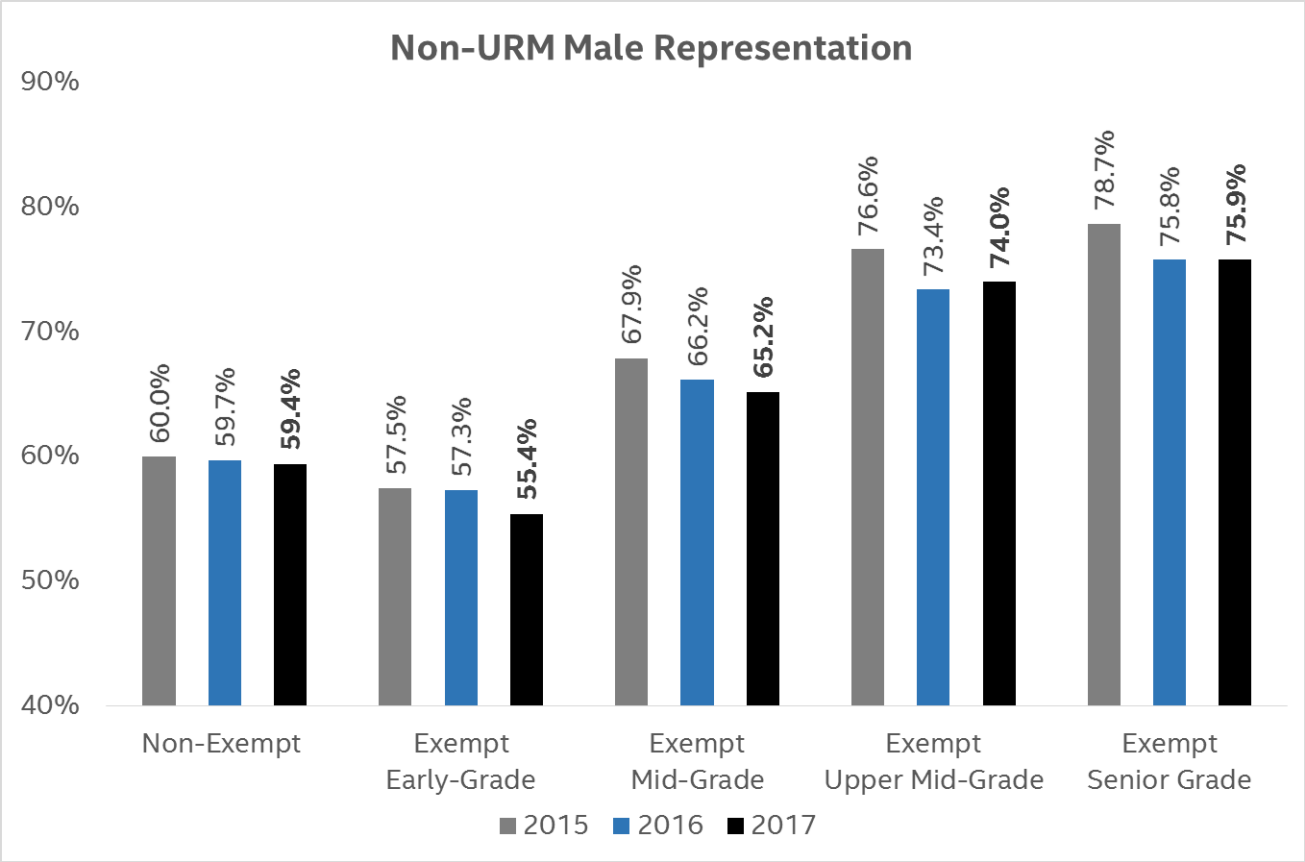
Non-URM Male Representation by Grade: Overall

Although there is a slight decrease seen in Non-Exempt, Exempt Early-Grade and Exempt Mid-Grade year over year representation, non-URM male employees represent the majority of the workforce.



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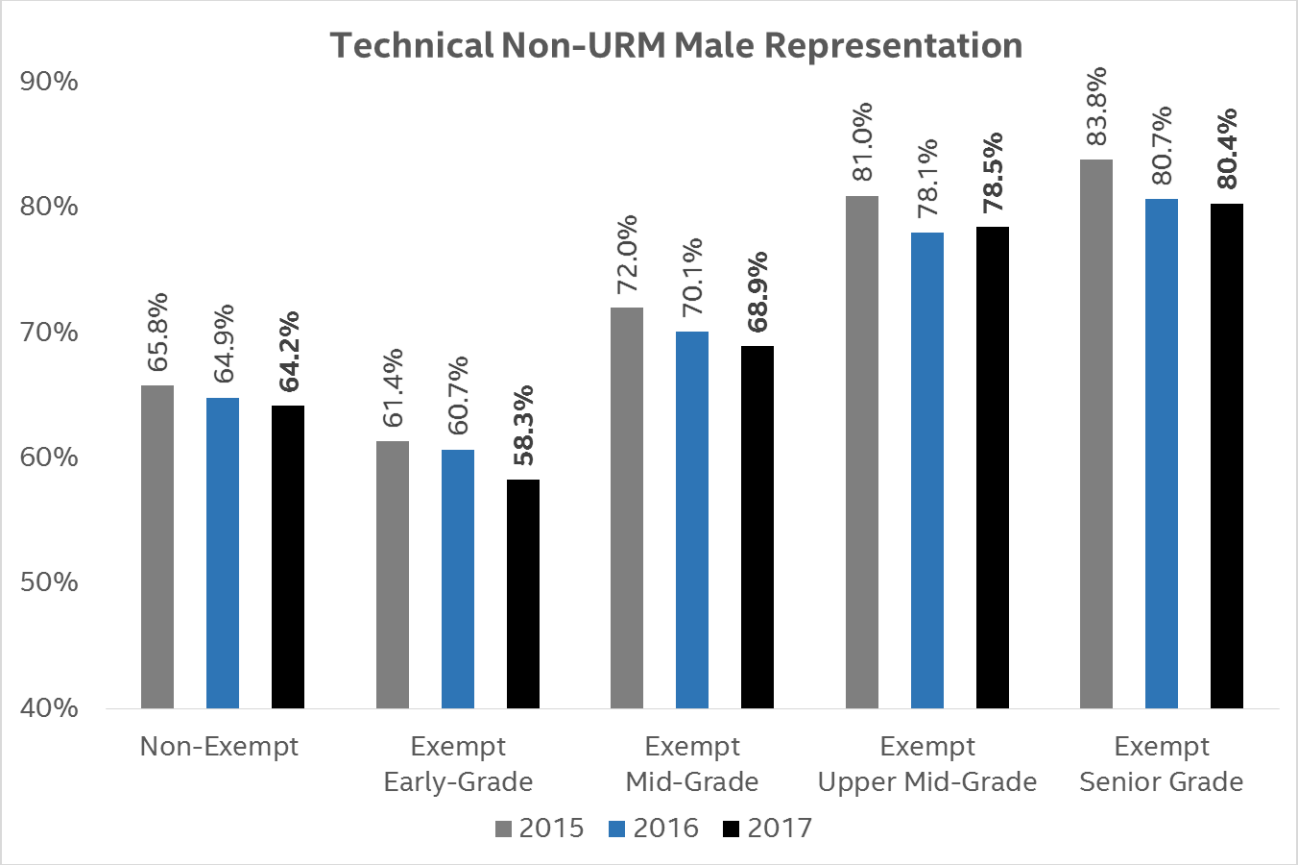
Non-URM Male Representation by Grade: Technical



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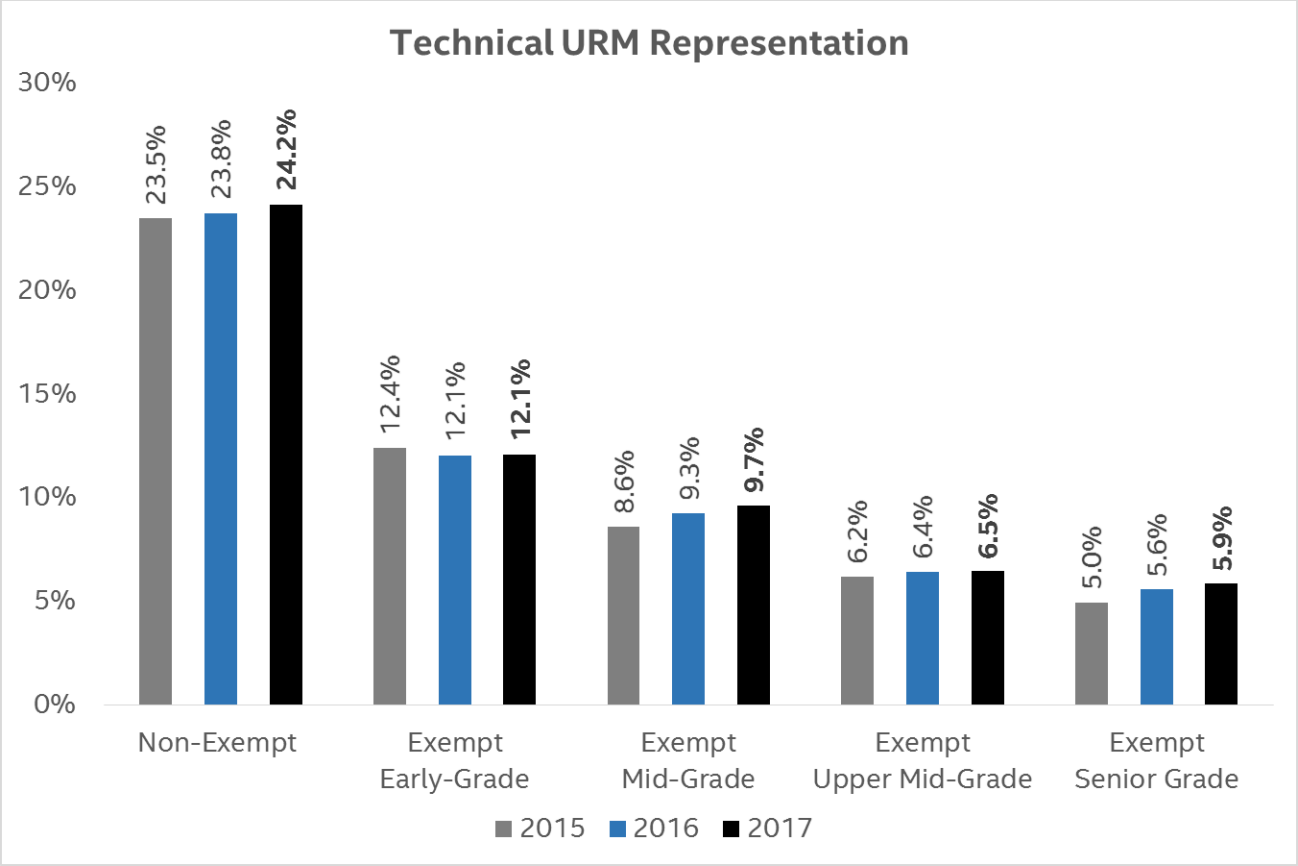
URM Representation by Grade: Technical

URM representation in mid-to-senior grade technical roles shows modest but steady improvement.



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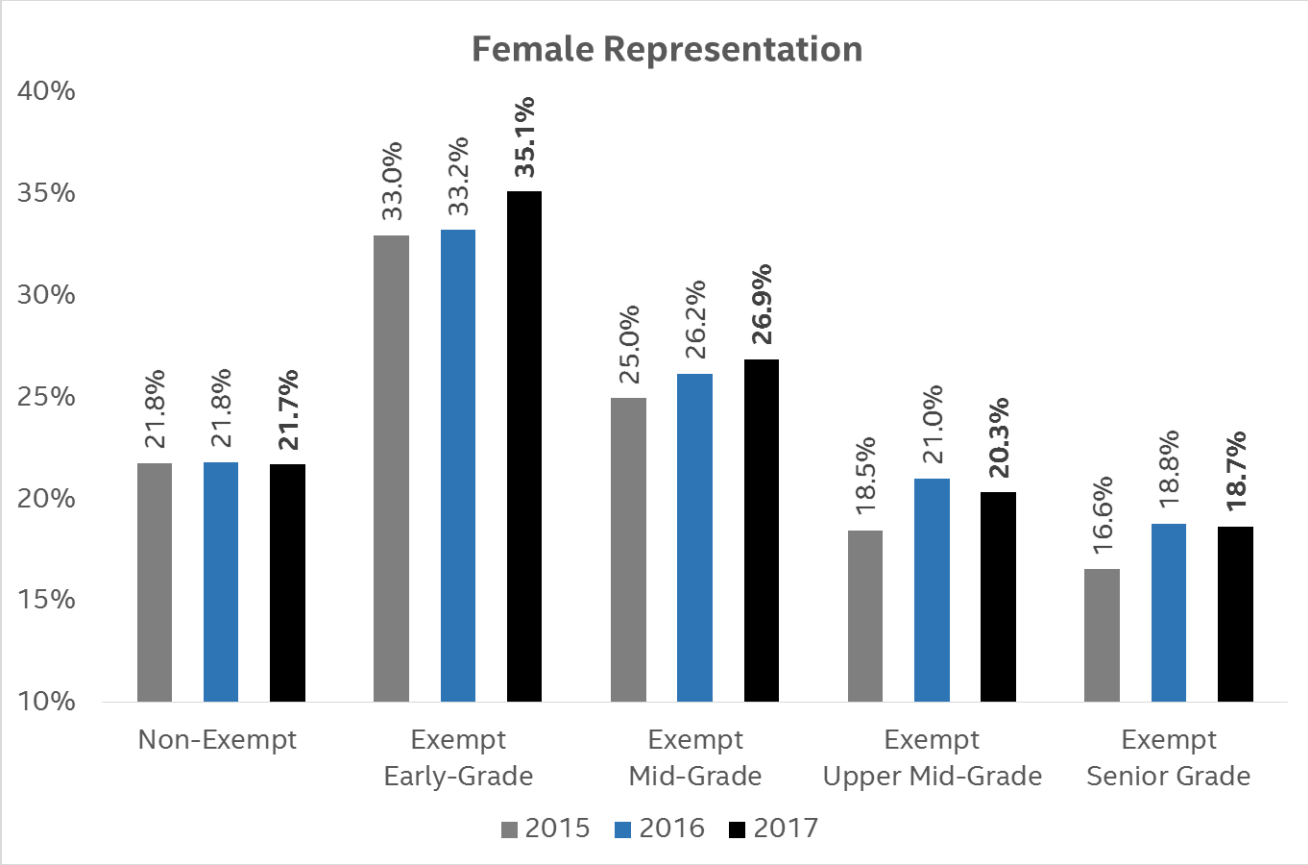
Female Representation by Grade: Overall



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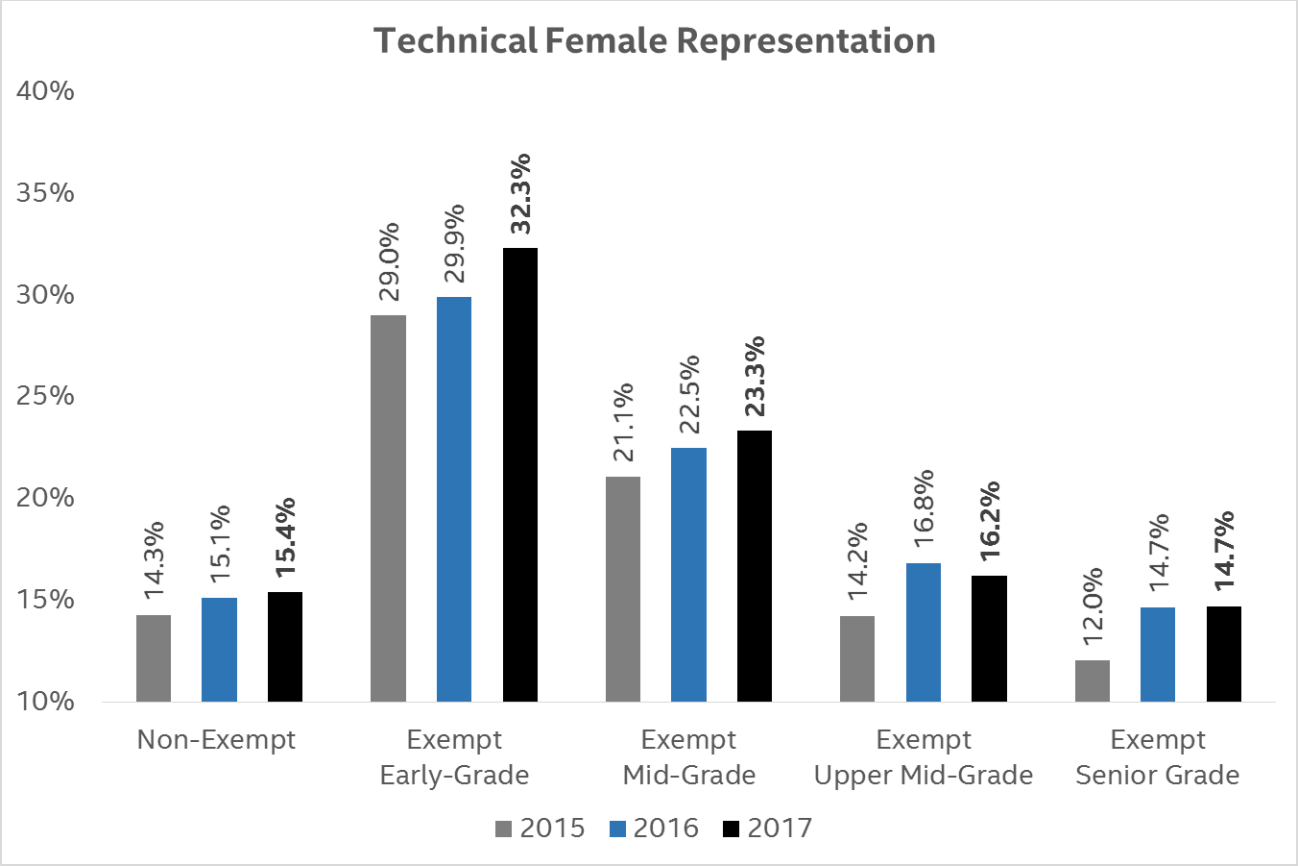
Female Representation by Employee Grade: Technical

Female representation in exempt upper mid-grade technical roles has declined slightly, and is a progression opportunity.



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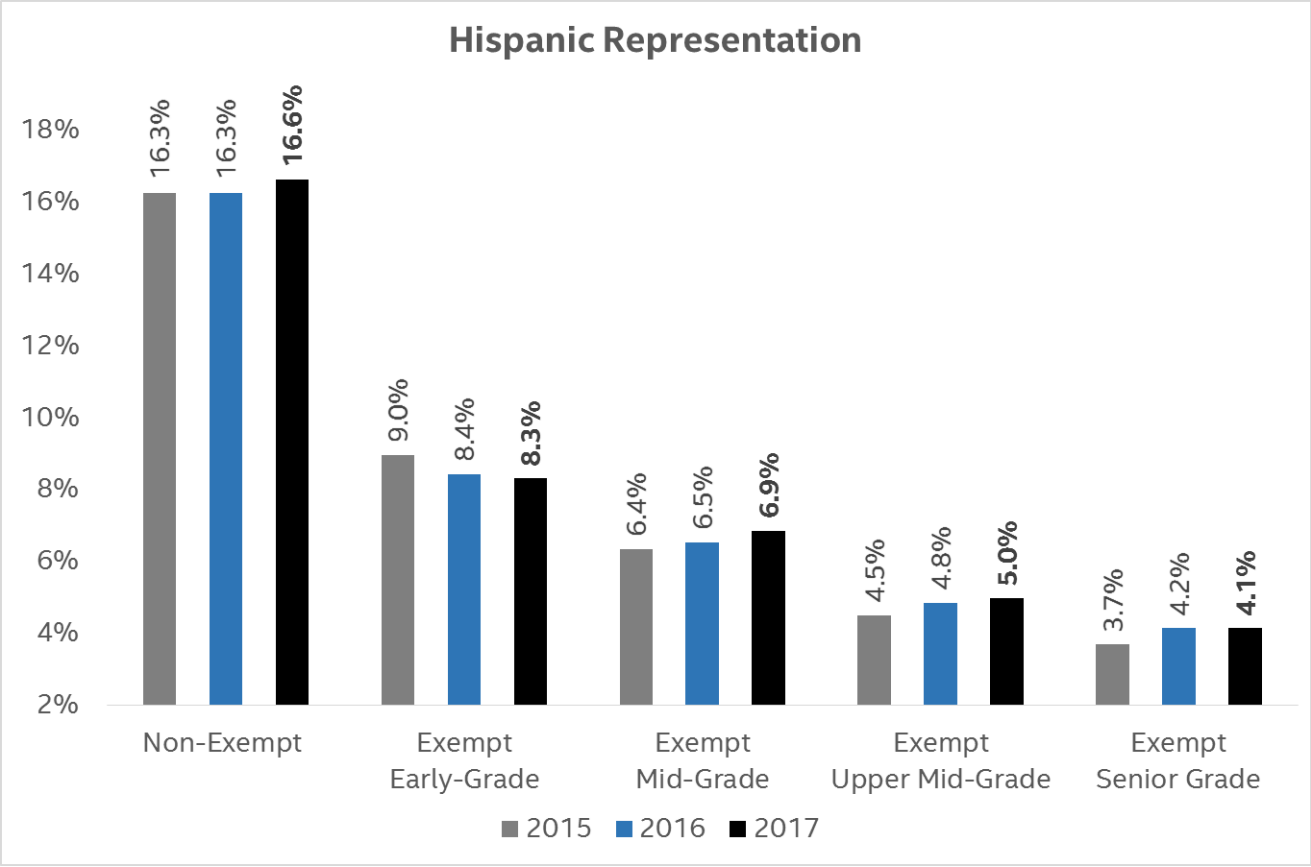
Hispanic Representation by Grade: Overall

In most categories, Hispanic representation remained flat year over year.



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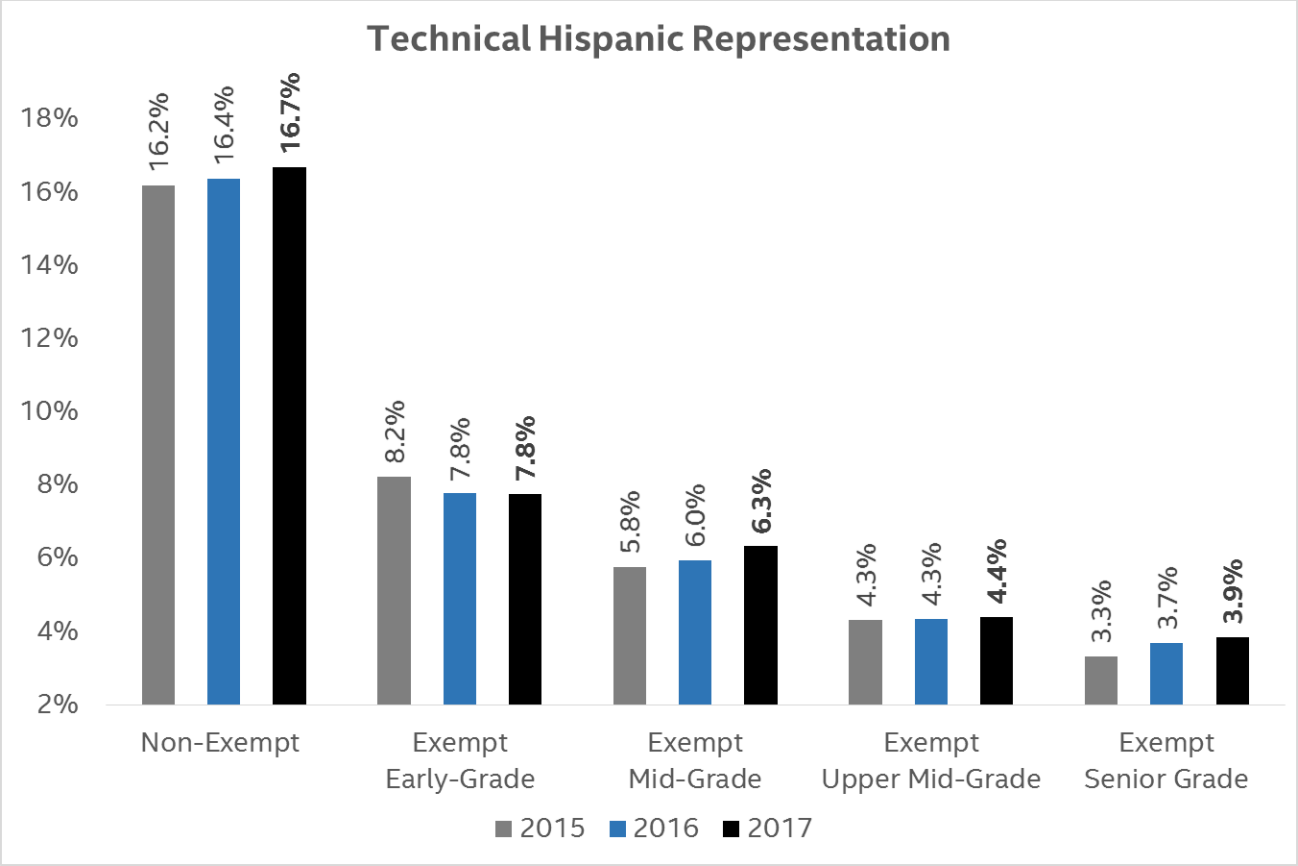
Hispanic Representation by Grade: Technical

Technical Hispanic representation increased slightly in non-exempt and exempt mid-grade to exempt senior grade groups.



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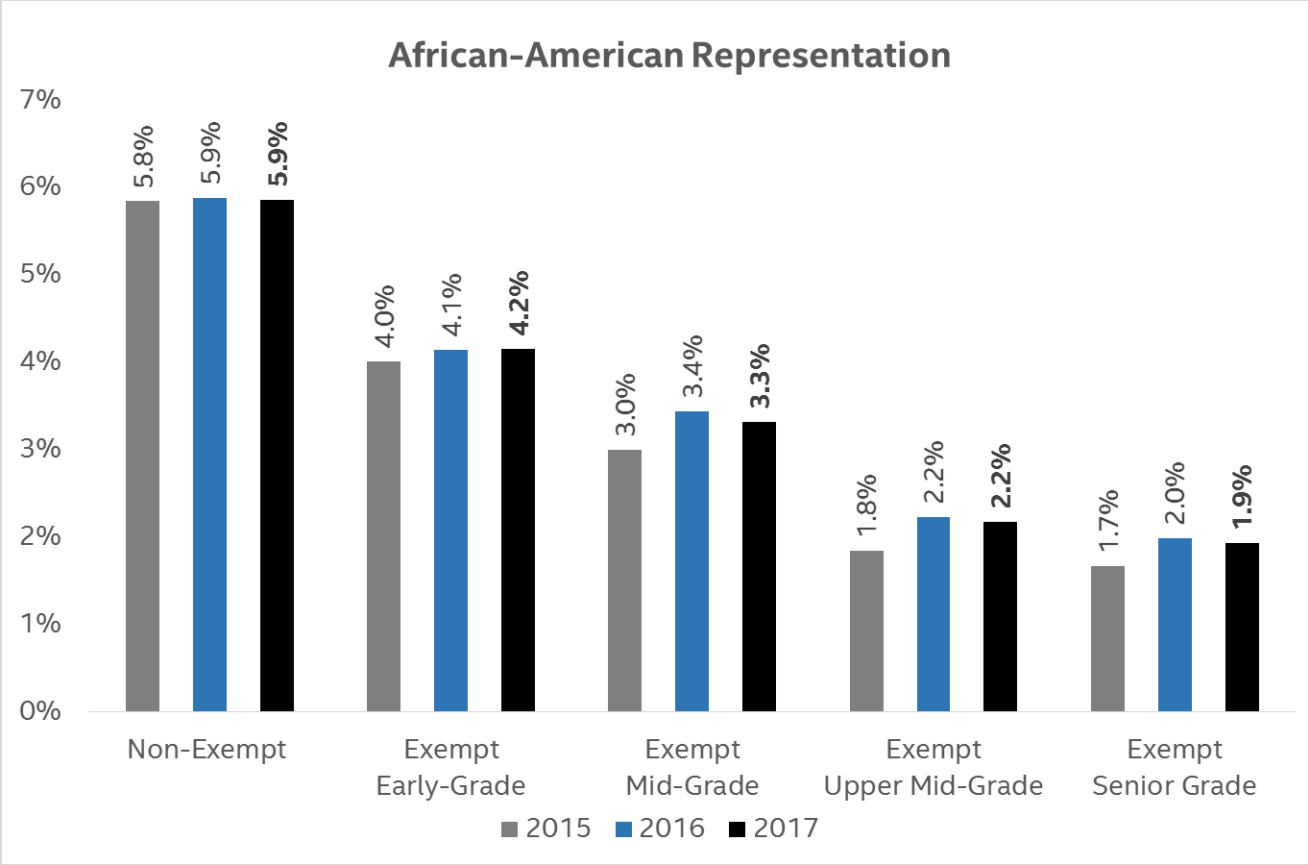
African American Representation by Grade Level



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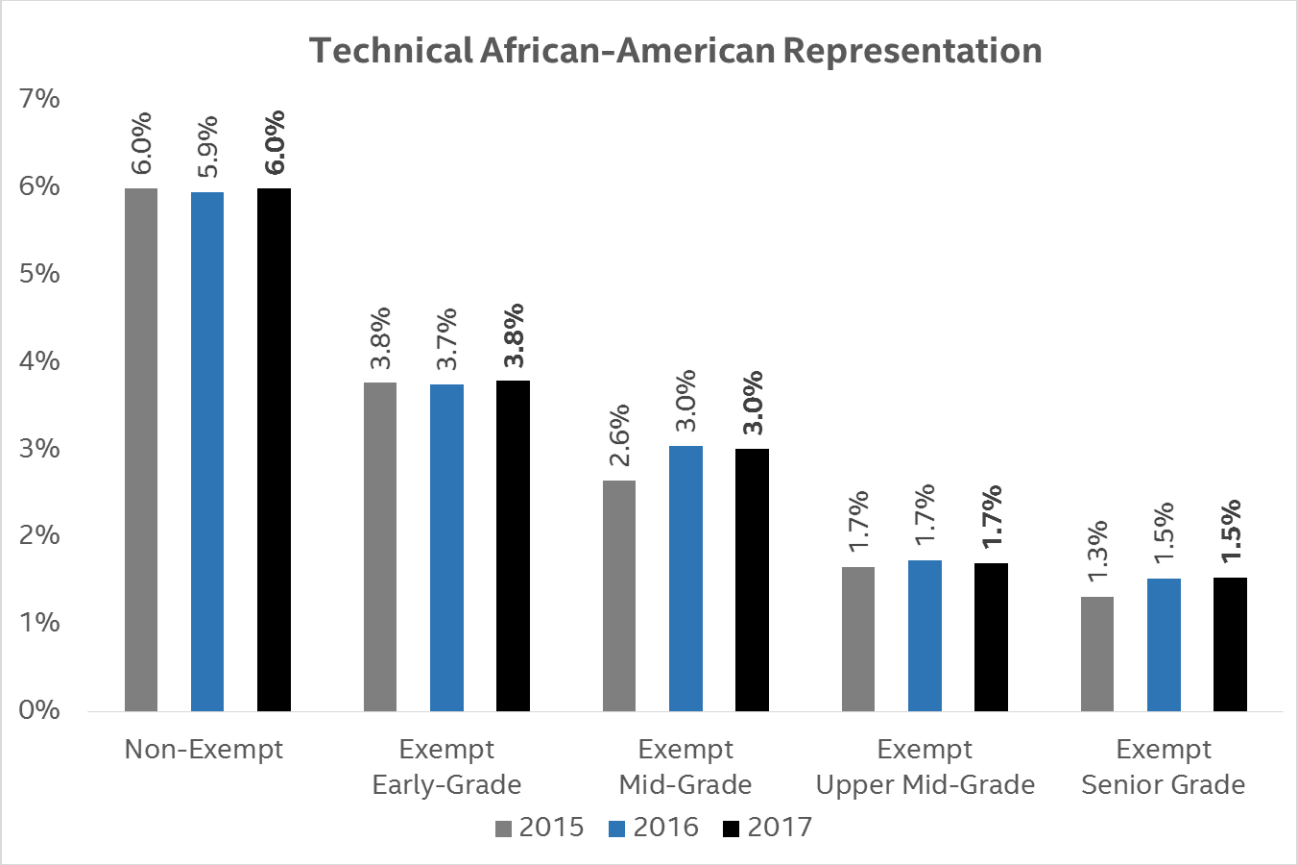
African American Representation by Grade: Technical



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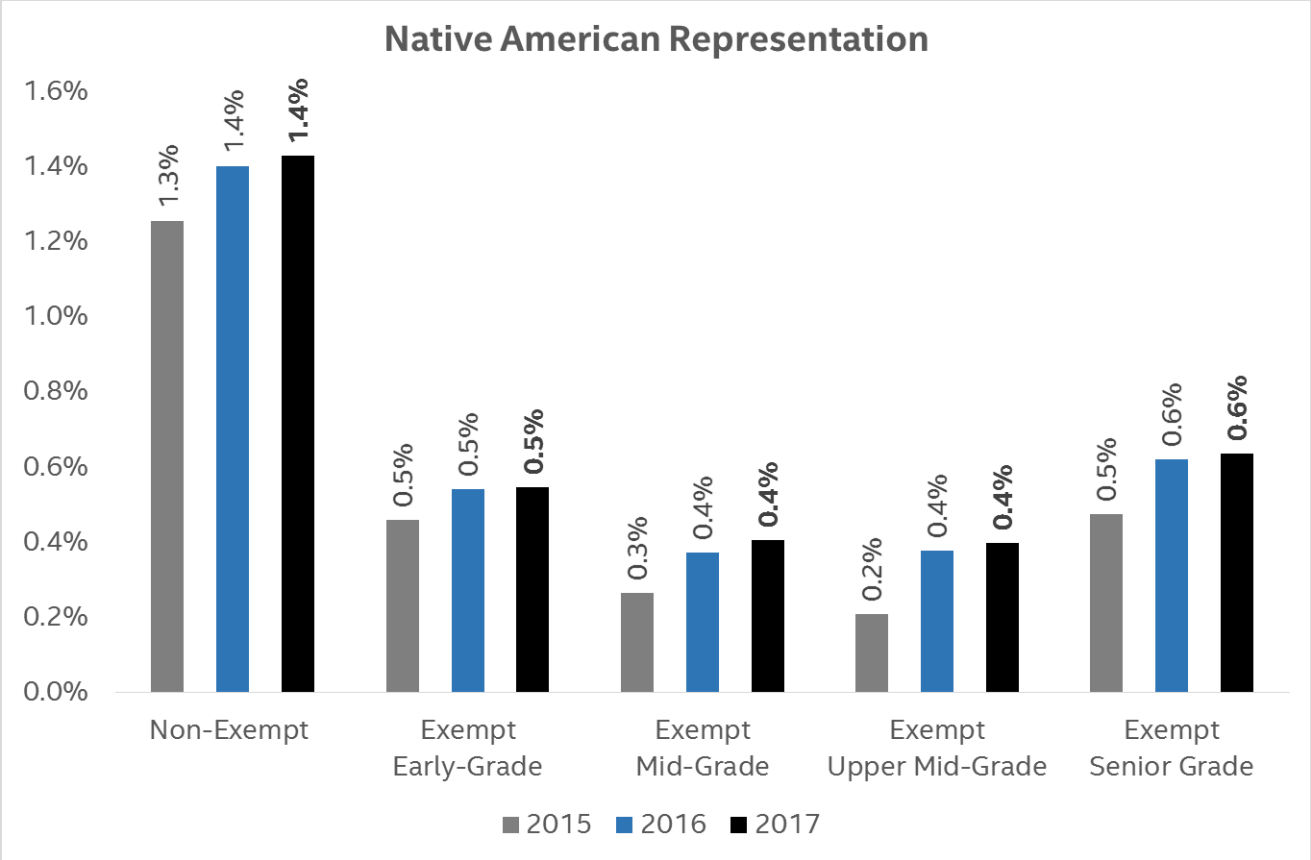
Native American Representation by Grade: Overall



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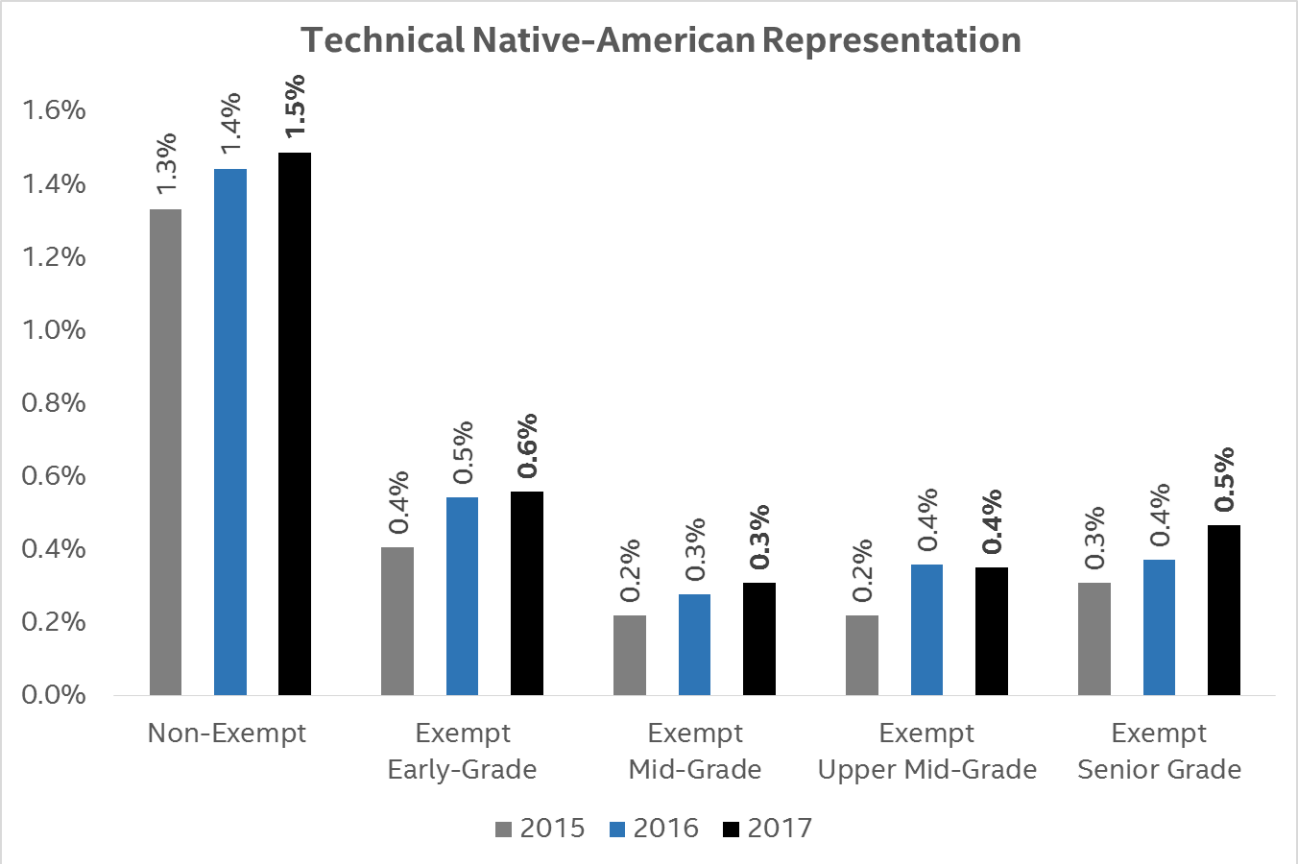
Native American Representation by Grade: Technical

Technical Native American representation increased slightly in non-exempt and exempt senior grade groups.



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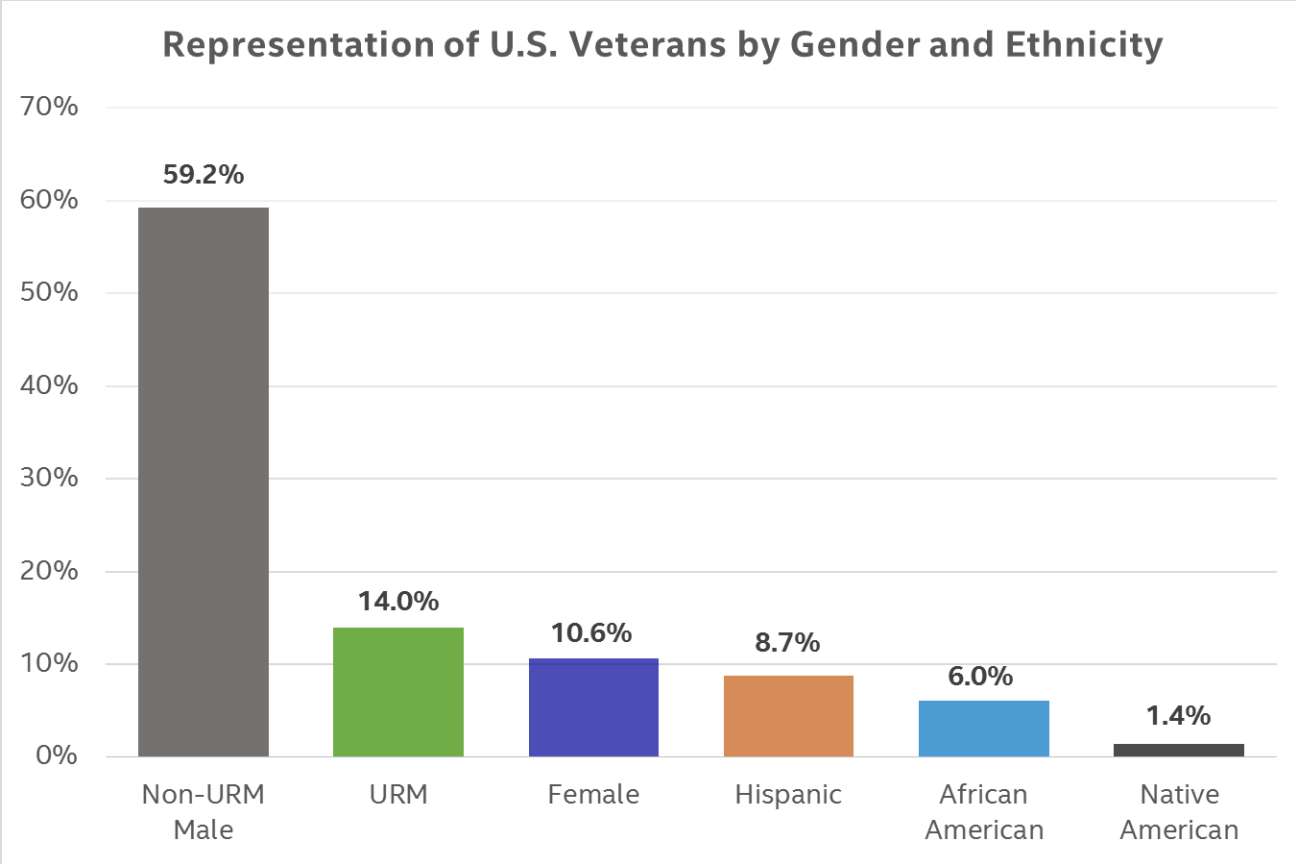
Representation of U.S. Veterans by Gender and Ethnicity



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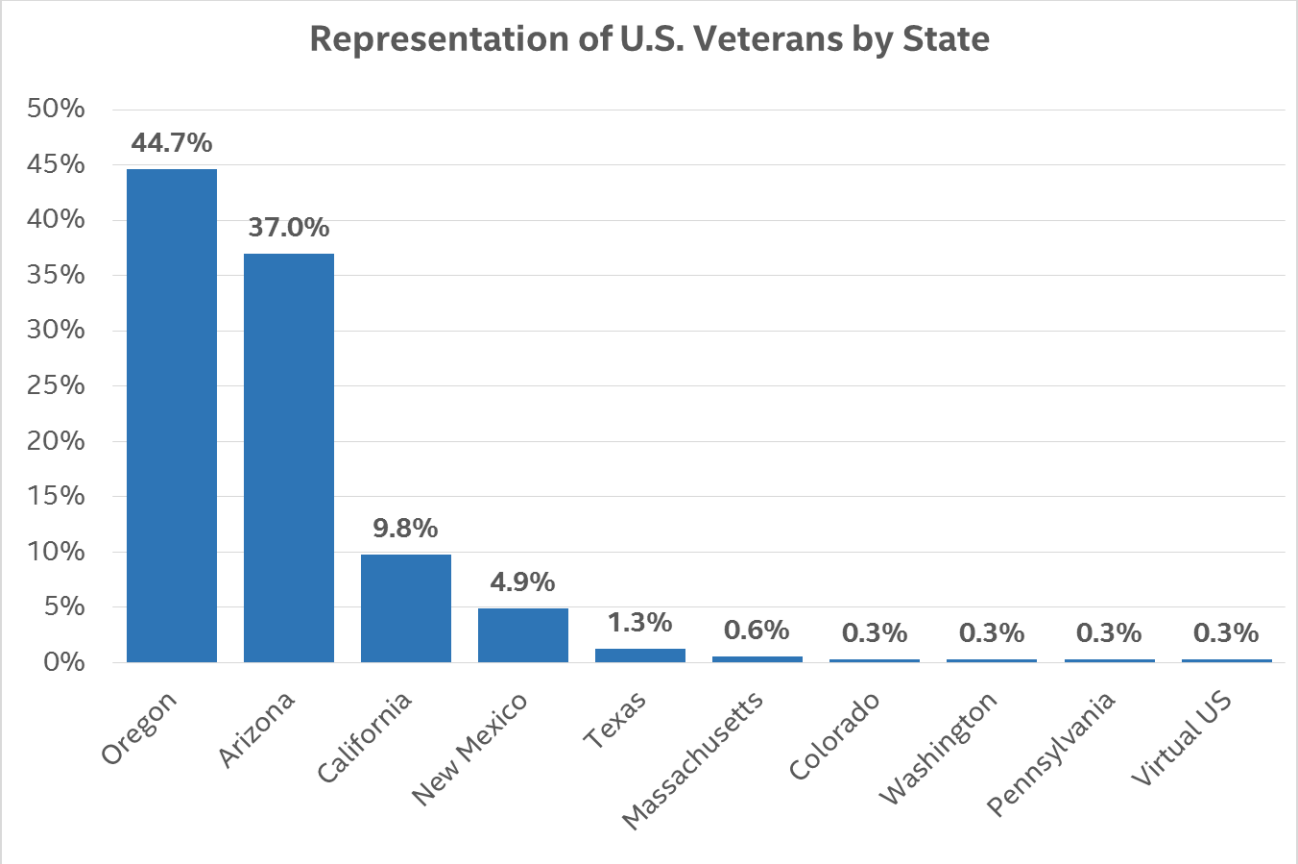
Representation of U.S. Veterans by State

The vast majority of employees who self-identify as U.S. military veterans are employed at Intel campuses in Oregon and Arizona, which is where our largest sites are.



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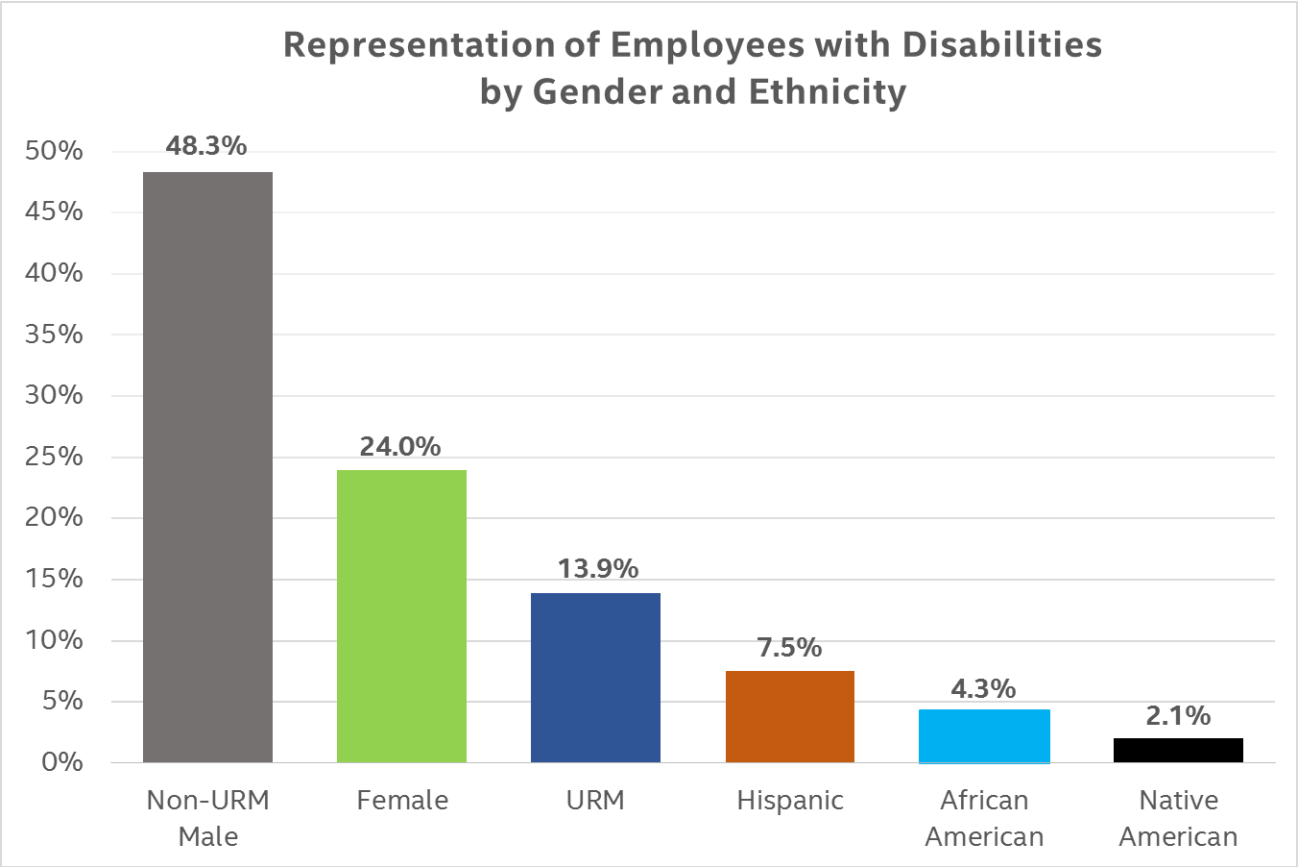
Representation of Employees with Disabilities by Gender and Ethnicity



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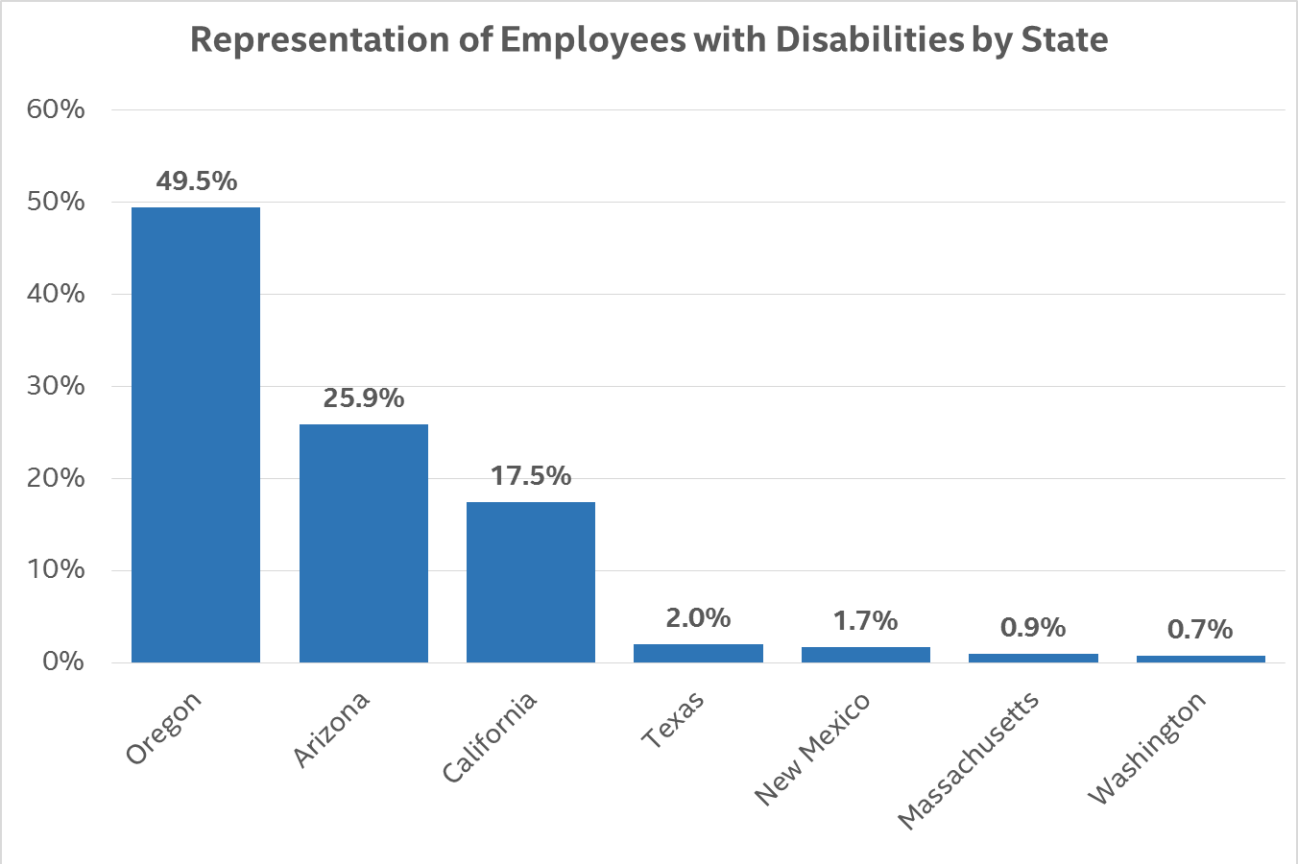
Representation of Employees with Disabilities by State

The vast majority of employees who self-identify as having a disability work at Intel campuses in Oregon and Arizona, which is where our largest sites are.



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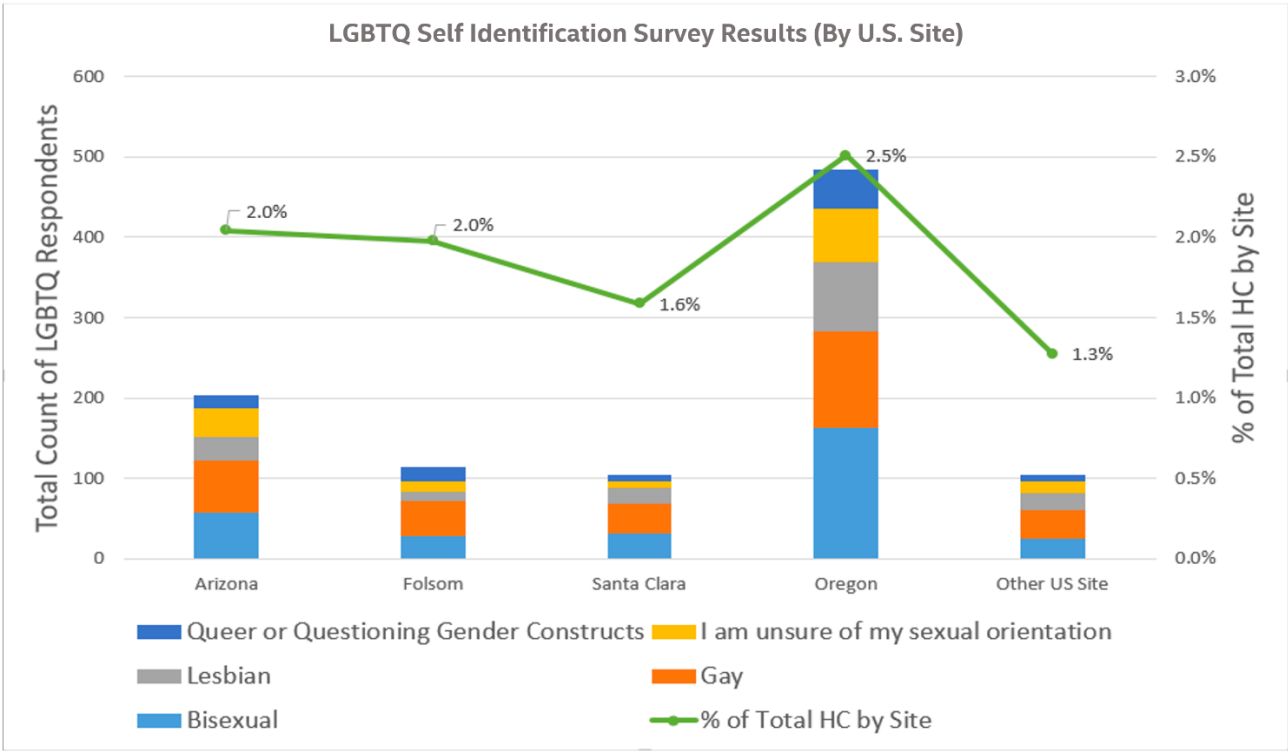
Representation of LGBTQ Employees by Major Intel Site

Intel employees recently participated in an optional self-identification survey to enables us to better understand overall LGBTQ representation across our US employee population. As with other self-identifying factors, the majority populations correlate to the Intel sites with the highest head count.



Disclaimer: The total count of LGBTQ respondents in this data only accounts for a small fraction of the total population of LGBTQ employees at Intel. This data, therefore, accounts for only 18% of the survey respondents.

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Warmline: A Success Story

Proactive retention and progression programs like the Warmline are critical to Intel achieving its goal of full representation by 2020. Since this program launched last year, there has been a 90% retention success rate.