Information and Communications Technology Benchmark **Company Scorecard 2018**

Intel Corp.

TICKER
NasdaqGS:INTC

MARKET CAPITALIZATION
US$225 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: Disclosure available, but not compliant

California Transparency in Supply Chains Act: Yes

COMMITMENTS
Yes

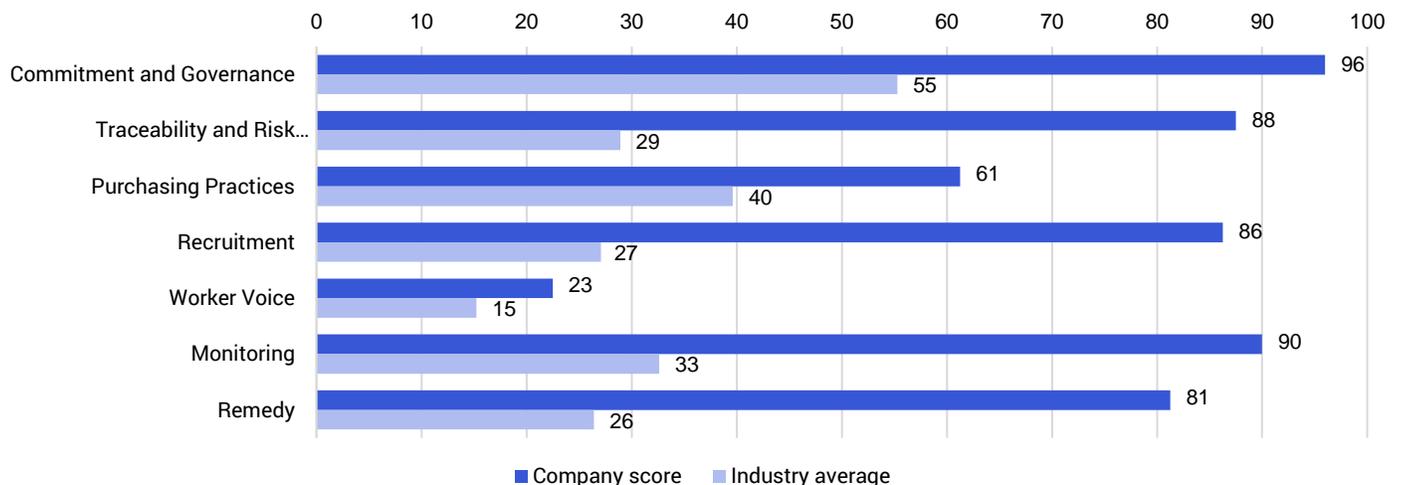**COMPANY'S OVERALL RANKING**

1 out of **40**

(2016: 3 out of 20)

COMPANY'S OVERALL SCORE

75 out of **100**

SUMMARY

Intel Corp. (Intel) ranks first in the benchmark, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2016, the company improved its performance and disclosure by publishing a supplier list, conducting unannounced audits, and disclosing evidence that recruitment fees have been reimbursed to workers in its supply chains. Notably, the company is among those achieving the highest scores on the themes of commitment and governance, traceability and risk assessment, monitoring, and remedy. The company has an opportunity to improve its performance and disclosure on the themes of purchasing practices as well as worker voice, an area where some of the company's peers achieve a score more than twice as high.

THEME LEVEL SCORES

Theme	Company score	Industry average
Commitment and Governance	96	55
Traceability and Risk…	88	29
Purchasing Practices	61	40
Recruitment	86	27
Worker Voice	23	15
Monitoring	90	33
Remedy	81	26

■ Company score   ■ Industry average

Research conducted through March 2018. For more information please see the full dataset here.

LEADING PRACTICES

Risk Assessment: Intel states that it regularly engages with external experts such as Business for Social Responsibility, The FAIR Hiring Initiative, Impactt, and Elevate. It also consults sources such as the US Department of State's Trafficking in Persons Report, Verité's Responsible Sourcing Tool, and the US Department of Labor's List of Goods Produced by Child Labor or Forced labor to identify high risk countries where it has significant sourcing activities. Besides geographic locations, it considers foreign worker populations and "other risk-based factors" to select suppliers that will need to undergo more detailed enquiries regarding their forced labor risks. The company also discloses forced labor risks identified across different tiers of its supply chains.

Monitoring and Ethical Recruitment: Intel reports it requires key suppliers to map the journey of their migrant workers, to assess those journeys for risks, and develop action plans to mitigate any of those risks. It is a founding member of the Responsible Business Alliance's (RBA) Responsible Labor Initiative and an active member of the Initiative's Steering Committee. The company also helped advance the RBA's Supplemental Validated Assessment Process program to strengthen its focus and impact on forced labor, and pilots this new audit protocol.

Remedy: Intel discloses that it supports suppliers in implementing corrective action plans. The company may conduct additional audits and reviews, provide and fund consultation for supplier senior management, and increase the frequency of contact between Intel executives and supplier senior management. Intel discloses that throughout 2016, 14 suppliers were on targeted action plans, and that by the end of the year, 12 had made significant progress.

NOTABLE FINDINGS

Training: Intel discloses it provides targeted training to suppliers who are deemed to be high risk. In 2016, Intel co-hosted workshops with industry peers on slavery and human trafficking that were attended by 75 suppliers who use migrant workers. Further, Intel offers webinars on sustainability topics including the Responsible Business Alliance's Code to its suppliers. It states that 20 such webinars have been conducted in five languages (English, Mandarin, Vietnamese, Japanese, Bahasa Malay) and that participation more than doubled over the previous year. In addition, Intel states that it builds its suppliers' capacity to help them comply with working hour standards.

Purchasing Practices: Intel discloses information on practices to incentivize good labor practices at first-tier suppliers. It provides regular feedback to suppliers on their progress and integrates corporate responsibility considerations into its supplier improvement program which "recognizes suppliers that have demonstrated outstanding performance". Additionally, Intel discloses that to be eligible to receive a contract, suppliers must meet anti-slavery and human trafficking expectations, allow audits, close audit findings and map their extended labor supply chains.

Monitoring: Intel discloses details on the outcomes of its supplier audits across five categories, including labor. It explains that an increased focus on forced labor has resulted in more findings, up from 136 in 2015 to 207 in 2016. In addition, further details are provided on the ten most frequent sub-categories identified. Amongst them are freely chosen employment (26%), working hours (16%) and freedom of association (2%).

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company is encouraged address forced labor risks at the raw material level. Further, while the company states that the "vast majority" of its contracts with suppliers contain provisions that affirm they will comply with the company's Code of Conduct, it may consider expanding such contracts across all of its suppliers, and disclosing the terms or language used on forced labor in the contracts.

KNOW THE CHAIN

Freedom of Association: To support collective worker empowerment, the company is encouraged to work with suppliers to improve their practices in relation to freedom of association and collective bargaining, and to work with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes](#)

KNOW THE CHAIN