

INTEL CORP.

TICKER:
NASDAQ: INTC

MARKET CAPITALIZATION:
US\$ 151 billion

HEADQUARTERS:
United States

3 OUT OF 20

Company’s Overall Ranking

59 OUT OF 100

Company’s Overall Score

Intel Corp. (Intel) demonstrates robust disclosure of its approach to human trafficking and forced labor risks throughout its supply chain, ranking among the top three companies. Its performance is driven by its disclosure of a comprehensive supply chain management system that is overseen by top management. The company engages with its suppliers and industry stakeholders to address human trafficking and forced labor issues in its own supply chain and the ICT industry in general. Notably, the company also performs well in the areas of traceability, risk assessment, and remedy programs. To improve, Intel is encouraged to address disclosure gaps related to purchasing practices and direct engagement activities with suppliers’ workers and to consider improving its approach to recruitment practices in its supply chain.

THEME LEVEL SCORE

Commitment and Governance	100 out of 100
Traceability and Risk Assessment	75 out of 100
Purchasing Practices	63 out of 100
Recruitment	33 out of 100
Worker Voice	26 out of 100
Monitoring	43 out of 100
Remedy	75 out of 100

LEADING PRACTICES

Management and Accountability: The company’s Supply Chain Sustainability team is the main coordinating body for supply chain management, including addressing forced labor, and it sits within its Global Procurement division. Notably, the company has a Program Manager whose role is to prevent human trafficking and forced labor risks in Intel’s supply chain. The Program Manager also coordinates a cross-functional team (including Human Resource, Legal, Corporate Affairs, Government and Public Policy, commodity managers, and colleagues in the Supply Chain Sustainability Group) that conducts supplier training and assessments, audit coordination, and corrective action plan monitoring. The Program Manager reports to Intel’s Director of Supply Chain Sustainability.

Stakeholder Engagement: Intel discloses some exemplary practices with respect to engaging its own workforce, suppliers, and industry stakeholders to enhance practices in the ICT industry. For instance, in 2014 and 2015 in Malaysia, the company partnered with other ICT companies to conduct



several workshops for suppliers and recruitment agencies of foreign workers. These workshops addressed topics of human trafficking and included “awareness building, expectation setting, best practice sharing, self-assessments by the attendees and development of action plans.” As well, Intel’s Project Manager (PM), who is responsible for prevention of human trafficking and forced labor in its supply chain, has actively contributed to improvements in the EICC Code, co-leading changes to the most recent version of the Code (version 5.1). Besides this work, the PM has collaborated with The Fair Labor Initiative and Migrant Forum Asia to develop tools for accrediting labor agencies for the ICT sector.

Traceability and Risk Assessment: Intel conducts due diligence of its supply chain, especially as it relates to the procurement of certain minerals, such as gold, tantalum, tin, and tungsten sourced from the Democratic Republic of the Congo (DRC) or adjoining countries—commonly referred to as conflict minerals. This traceability process includes, among other activities, surveying its suppliers, on-site visits of smelters and refiners, and on-the-ground review of the minerals trade in the DRC. Intel also continually engages refiners and smelters by offering them training and monitoring their progress toward achieving conflict-free operations.

NOTABLE FINDINGS

Supply Chain Standards: Intel has several policies, including a Policy on Slavery and Human Trafficking, that guide its relationships with suppliers and explicitly outline zero tolerance towards forced labor. Moreover, the company has a Trafficking in Persons Federal Government Purchasing Policy that applies to all of Intel’s procurement activities and explicitly requires that suppliers’ employees, agencies, and lower tier suppliers are prohibited from using forced labor.

Supplier Selection: For prospective suppliers, the company, among other areas, evaluates “recruitment, hiring, transportation, or other fees charged to workers”. Furthermore, its relevant standards are integrated into supplier contracts, and suppliers are required to cascade the standards to their lower tier suppliers.

Recruitment Approach and Fees: Intel requires its high-risk suppliers to disclose a list of recruitment agencies they use. The company also prohibits suppliers’ workers from being charged recruitment fees, and if fees are found to be charged, the company expects workers to be repaid.

Remedy: Intel provides examples of how it expects certain violations of workers’ rights to be resolved. For example, if workers’ identity documents are withheld, even when workers have given consent, documents are expected to be returned, and a supplier is expected to provide personal, safe places for workers to store such documents.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing practices: To enhance its performance, Intel may consider evaluating the capacity of suppliers to meet fluctuating demands and taking steps to mitigate the risk of human trafficking and forced labor caused by certain purchasing practices, such as short-term contract or sudden changes of workload.

Worker Voice: Intel may consider improving its disclosure and practices with respect to educating workers in its supply chain about their rights, especially outside of their workplaces. Furthermore, the company may improve the accessibility of its relevant policies and standards for suppliers’ workers by



disclosing and disseminating them in workers' native languages.

Recruitment Audit: Recruitment agencies that facilitate employment for migrant workers are considered high-risk entities for involvement in human trafficking and forced labor. Thus, the company is encouraged to conduct and disclose on regular and systemic audits of such agencies to assess their compliance with its human trafficking and forced labor requirements.

COMPANY PROVIDED ADDITIONAL DISCLOSURE:

[Yes.](#)

