

Intel Corporation (Intel)

ACKNOWLEDGE
PRIORITISE
SET STRATEGY & GOALS
TRACK

GHG EMISSIONS



WATER



Background on Intel

Intel is an American multinational technology company. It was founded in 1968 and is headquartered in Santa Clara, California. Intel is the world's largest manufacturer of semiconductor chips. It employed 106,000 people across its global operations and reported revenues of US\$59.4 billion in 2016¹. Intel is a publicly traded company listed on the NASDAQ.

How did Intel come to start thinking about context?

In 1996, Intel led a voluntary industry initiative focused on reducing perfluorinated compounds (PFCs) which was adopted as an industry-wide initiative by the World Semiconductor Council in 1998². Intel began disclosing its GHG emissions performance through [CDP](#) in 2003³. Then in 2006, it joined the [U.S. EPA Climate Leaders program](#) and committed to reducing its GHG emissions by 30% per-chip by 2010 using a 2004 baseline². Part of Intel's strategy to reduce its GHG emissions would include the use of electricity from renewable sources and in 1998 Intel was named as the largest U.S. purchaser of renewable energy by the U.S. EPA⁴. In 2010, Intel increased its renewable electricity purchases by a further 10% across its operations⁵. By 2013, Intel had increased its purchases of annual Renewable Energy Certificates to cover 100% of its U.S. electricity needs⁶.

¹ Intel (2016). Annual Report 2016. Accessed at: <https://www.intc.com/investor-relations/financials-and-filings/annual-reports-and-proxy/default.aspx>

² Curry et. al. (2012). Developing an Sustainable IT Capability: Lessons From Intel's Journey. Accessed at: https://www.researchgate.net/publication/259740270_Developing_an_Sustainable_IT_Capability_Lessons_From_Intel%27s_Journey

³ Intel (2011). Corporate Responsibility Report 2011. Accessed at: http://csrreportbuilder.intel.com/PDFFiles/CSR_2011_Full-Report.pdf

⁴ Intel (2008). Intel Becomes Largest Purchaser of Green Power in the U.S. Accessed at: <http://www.intel.com/pressroom/archive/releases/2008/20080128corp.htm>

⁵ Solar Feeds (2010). Intel Increases Renewable Energy Credit Purchase by 10%. Accessed at: <http://www.solarfeeds.com/intel-increases-renewable-energy-credit-purchase-by-10/>

⁶ U.S. Environmental Protection Agency (n.d.). Green Power Partnership. Accessed at: <https://www.epa.gov/greenpower/2013-past-award-winners#inte>

Intel set about updating its climate policy in 2013 and consulted with a wide range of stakeholders in the energy, efficiency, climate, and environmental sectors, including socially responsible investment groups and NGOs⁷. These stakeholders told Intel that its policy needed to be based upon climate change science and needed to support the validity of the current scientific climate data⁷. As Intel worked through the early drafts of the policy it reached out to a small group of socially responsible investment groups and NGOs working within the energy efficiency, climate, and environmental space to strengthen the scientific foundation of the new policy⁷. This work resulted in the release of Intel’s Global Climate Change Policy Statement in June 2014⁸. The Global Climate Change Policy statement is currently being updated and the company aims to release it ahead of its 2016 CSR report in May 2017⁹.

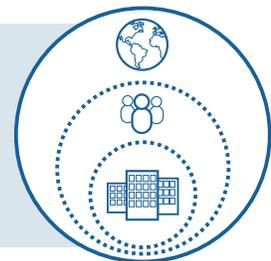
What does context look like at Intel?

1 ACKNOWLEDGE the need to operate within global, regional and/or local socio-ecological thresholds.

GHG EMISSIONS



WATER



GHG emissions: Intel’s Global Climate Change Policy Statement states that the company believes that global climate change is a “serious environmental, economic, and social challenge that warrants an equally serious response by governments and the private sector⁸.” The statement also acknowledges the [Intergovernmental Panel on Climate Change](#) (IPCC) recommendation that CO₂ emissions need to be stabilised at 450 parts per million by 2050 (or by 85% from 2000 levels – what is commonly referred to as the 2°C scenario). Intel has committed to “tracking and reporting its own GHG emissions reductions progress against this benchmark”; however, it has not yet committed to operating the business in adherence to the GHG emissions threshold limits⁸. Intel commits to developing products that can enable the development of third party information and communications technology (ICT)-based energy efficiency solutions that contribute towards wider GHG emission reductions; this approach is referred to by Intel as its ICT Handprint⁸.

⁷ Sustainable Brands Interview (2014). Footprints and handprints: Stephen Harper on Intel’s New Science-Based Climate Policy (Part 1). Accessed at: http://www.sustainablebrands.com/news_and_views/new_metrics/bill_baue/footprints_handprints_stephen_harper_intels_new_science-based_c

⁸ Intel (2015). Global Climate Change Policy Statement. Accessed at: <http://www.intel.com/content/dam/www/public/us/en/documents/corporate-information/environment-climate-change-policy-harper.pdf>

⁹ Fallender, S (2017, 13 April). Personal Communication with Intel.

¹⁰ Intel (2010). Intel Water Policy. Accessed at: <http://www.intel.com/content/www/us/en/policy/policy-water.html>

Water: Intel acknowledges that water is a critical natural resource that is important not only for the functioning of its own business activities but also for that of the communities in which it operates¹⁰. The company also acknowledges that water is a Human Right¹⁰. However, Intel has yet to make a commitment to operate within the limits of the threshold(s) associated with water; it only commits to minimising the impacts from its business activities on this resource¹⁰. Through its Water Policy, Intel commits to communicating and engaging with communities regarding its water use¹⁰.

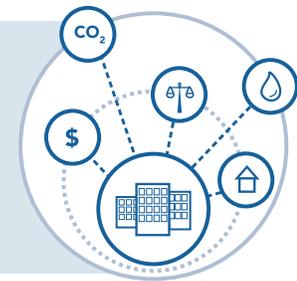
Other thresholds: Intel acknowledges the importance of other socio-ecological issues including energy use and waste but does not yet discuss the associated thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



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Intel still uses what we describe as a “classic” materiality assessment process, in which it aims to identify the topics that are of the “greatest interest” to its stakeholders³.

GHG emissions: One of the topics Intel has identified is climate change, and the company has linked this topic to the 2°C/450 ppm GHG emissions threshold through the development of its Global Climate Change Policy Statement². Intel has also undertaken work to understand the sources of its GHG emissions. The first and smaller source of its GHG emissions is attributed to its operational activities¹. The second and larger source of its GHG emissions is a result of the use of fluorinated gases as part of the manufacturing process¹. Intel has made it clear that it will focus primarily on the GHG emissions from its operations and to a lesser extent those resulting from its use of fluorinated gasses¹. Intel is working to develop a better understanding of the sources of these emissions.

Water: Intel recognises that the largest portion of its water use comes from its own business activities¹¹. Intel also recognises that the impacts of its water use vary across geographic locations depending on the operational activities of each location¹¹. Intel is developing its understanding of its water footprint and communicates this within its sustainability report (Figure 1).

¹¹ Intel (2015). Corporate Responsibility Report. Accessed at: http://csrreportbuilder.intel.com/PDFfiles/CSR-2015_Full-Report.pdf

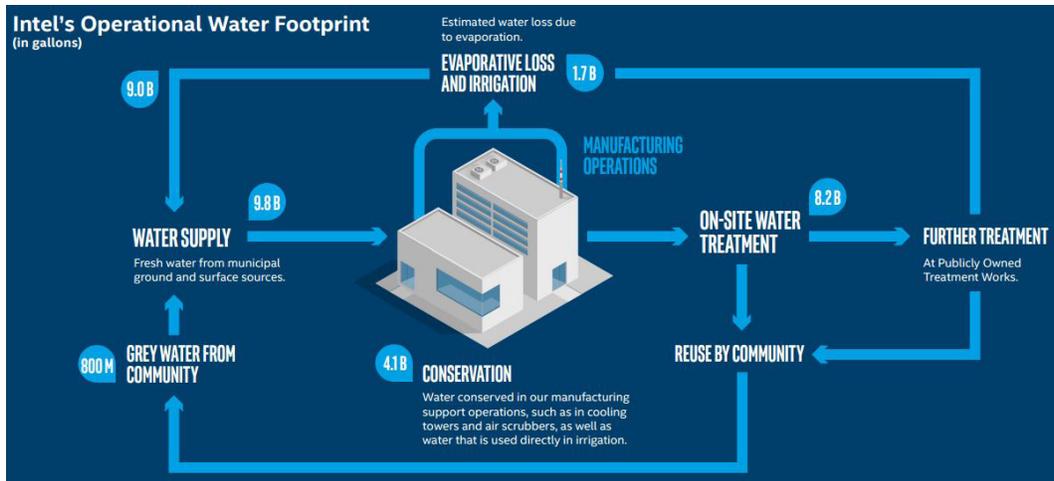


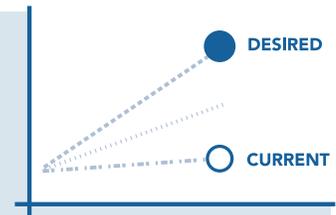
Figure 1: Intel's operational water footprint (in gallons)¹¹.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



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GHG emissions: Intel has committed to reducing its direct GHG emissions (Scope 1 and 2) by 10% on a per unit basis by 2020 from 2010 levels¹¹. Intel used estimates developed by the USEPA in 2012 that indicated that the entire semiconductor sector was responsible for 0.10% of the total U.S. Scope 1 GHG emissions⁸. Further, Intel notes that it estimates that it is responsible for 16% of the U.S. semiconductor sector's Scope 1 emissions (equivalent to 0.016% of total U.S. Scope 1 GHG emissions)⁸. Intel used this to establish a benchmark trajectory that will enable it to monitor its annual reductions in Scope 1 and 2 GHG emissions (Figure 2).

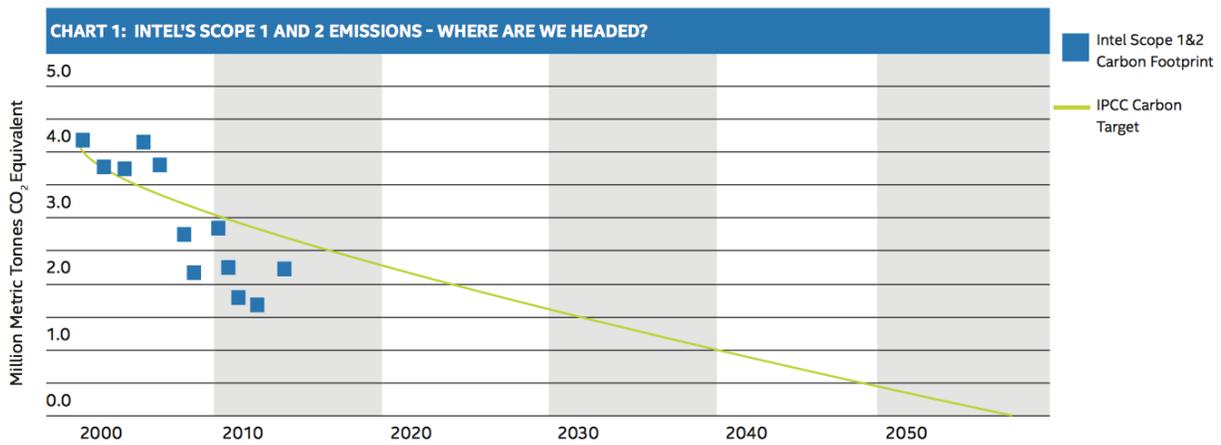


Figure 2: Intel's Scope 1 and 2 combined emissions reductions progress compared to a trajectory that represents the company's portion of the IPCC goal of 85% emissions reductions by 2050. Reproduced from Intel's Global Climate Change Policy Statement⁸.

With respect to its value chain's GHG emissions, Intel has attributed most of these to its direct material supplier emissions¹¹.

Water: Intel has committed to reducing its relative water use on a per unit basis below 2010 levels by 2020¹¹. Intel is working to develop its understanding of its own performance in relation to water quantity, but has yet to outline how it is working to understand the gap between this performance and that of ecological limits associated with water quantity where its business activities are located.

Other thresholds: Intel has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



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GHG emissions: Intel has a history of reporting its GHG emissions performance through its sustainability reports (for the last five years)¹¹. While Intel is using the IPCC's trajectory as a benchmark for its scope 1 and 2 GHG emissions, the company has yet to set trajectory targets beyond⁷. Intel has yet to outline if it intends to develop metrics or targets to monitor the effectiveness of its influence in supporting its value chains adherence to the limits of this threshold.

Water: Intel has a history of reporting its water use performance through its sustainability reports (for the last five years)¹¹. However, it has yet to use this data to set realistic trajectory targets that could be used to monitor its progress towards achieving its goal. Intel has yet to outline if it intends to develop metrics or targets to monitor the effectiveness of its support of its value chain's adherence to the limits of this threshold.

Other thresholds: Intel reports its performance against other socio-ecological issues including energy use and waste but does not yet report its progress in conjunction with their associated thresholds.

What is the road ahead for context at Intel?

Through the development of its Global Climate Change Policy Statement, Intel has started to link its own performance to global GHG emissions thresholds⁸. Intel has put climate science at the center of its Global Climate Change Policy Statement and has started to articulate its commitment to adhering to the 2°C/450 ppm GHG threshold in a way that could form a foundation for setting a contextual GHG emissions goal⁸.