

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Financing Framework

Intel Corporation
01 August 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Bonds
Relevant standards	<ul style="list-style-type: none">• ICMA's Green Bond Principles (GBP) (June 2021)
Scope of verification	<ul style="list-style-type: none">• Intel Green Financing Framework (as of 07.28.2022)• Intel Corporation Eligibility Criteria (as of 05.02.2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change to the Framework

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SCOPE OF WORK

Intel Corporation (“the issuer” or “the company” or “Intel”) commissioned ISS ESG to assist with its Green Financing Framework, under which the issuer is able to issue Green Bonds by assessing four core elements to determine the sustainability quality of the instruments:

1. Green Financing Framework’s link to Intel’s sustainability strategy – drawing on Intel’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Intel’s Green Financing Framework (07.28.2022 version) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
3. The Selection criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1).

The SPO assessment was completed between March and May 2022. A clean version of the Framework with minor changes has been provided to ISS on July 28th.

INTRODUCTION TO THE ISSUER

Intel Corporation is an American multinational corporation and technology company headquartered in Santa Clara, California. It is the world's largest semiconductor chip manufacturer by revenue.

Intel supplies microprocessors for computer system manufacturers such as Acer, Lenovo, HP, and Dell. Intel also manufactures motherboard chipsets, network interface controllers and integrated circuits, flash memory, graphics chips, embedded processors and other devices related to communications and computing.

Intel was founded on July 18, 1968 and, since then, was a key component of the rise of Silicon Valley as a high-tech center.

In 2021, Intel’s revenue was \$74.7 billion USD. As of 2021, Intel employs 121,100 worldwide.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Bonds link to issuer's sustainability strategy</p>	<p>According to the ISS ESG Corporate Rating published on 04.21.2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the semiconductor industry.</p> <p>The Use of Proceeds financed through these Green Bonds are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Bonds is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP</p>	<p>The issuer has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Green Bond Principles (GBP).</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Sustainability quality of the selection criteria</p>	<p>The overall sustainability quality of the eligibility criteria in terms of sustainability benefits, risk avoidance and minimization is good based upon the ISS ESG assessment. The Green Bonds will (re-)finance eligible asset categories which include: green buildings, energy efficiency, circular economy and waste management, pollution prevention and control, water stewardship, and renewable energy.</p> <p>The use of proceed categories improve the company's operational impacts and mitigate potential negative externalities of the issuer's sector on SDGs 3 'good health and well-being', 6 'clean water and sanitation', 7 'affordable and clean energy', 11 'sustainable cities and communities', 12 'responsible consumption and production', and SDG 13 'Climate action'. The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on the Intel's Green Financing Framework (07.28.2022 version), on the analysed Selection Criteria as received on the 04.20.2022, and on the ISS ESG Corporate Rating updated on the 05.02.2022 and applicable at the SPO delivery date.

ISS ESG SPO ASSESSMENT

PART I: GREEN BONDS LINK TO INTEL CORPORATION'S SUSTAINABILITY STRATEGY

A. INTEL'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

Business overview

Intel is a producer of microprocessors, chipsets, systems-on-a-chip (SoC), multichip packages and other integrated circuit chips. It is classified in the semiconductor industry, as per ISS ESG's sector classification.

Its products are used in end-user devices (e.g., PCs, phones), data centers, and the Internet of Things. Intel's product portfolio includes key components for cloud computing infrastructures. Intel's subsidiary Mobileye specializes in technology for autonomous driving. The company was founded in 1968 and is headquartered in California, United States of America.

ESG risks associated with the issuer's sector

Key challenges faced by companies in terms of sustainability management in this sector are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE SECTOR

Labour standards and working conditions
Resource-conserving production
Hazardous substances
Responsible sourcing of raw materials

ESG performance of the Issuer

Leveraging ISS ESG's Corporate Rating methodology, ISS ESG assessed the current sustainability performance of the issuer to be high. Please note that the consistency between the issuance subject to this report and the issuer's sustainability strategy is further detailed in Part I.B of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along the issuer's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ²	DIRECTION OF IMPACT	UN SDGS
Cloud Services	10%	CONTRIBUTION	 
Key components for vehicle safety solutions	1%	CONTRIBUTION	

Breaches of international norms and ESG controversies

At issuer level

At the date of publication, ISS ESG has not identified any severe controversy in which the issuer would be involved.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the semiconductor industry are as follows: Anticompetitive behavior, failure to conduct human rights due diligence, and failure to respect the rights to just and favorable conditions of work.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

B. CONSISTENCY OF GREEN BONDS WITH INTEL CORPORATION'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Intel's sustainability strategy is anchored in its 2030 RISE strategy, formally launched in May 2020. Some key targets established as a part of this strategy include:

Climate and Energy Goals

- Achieve 100% renewable electricity use across Intel's global operations.
- Conserve 4 billion kWh of energy over 10 years (2020-2030).
- Drive 10% reduction in absolute Scope 1 and 2 emissions.
- Increase product efficiency 10x for Intel client and server microprocessors to reduce Scope 3 emissions.
- Ensure transparency around the company's carbon footprint and climate risk and use the framework developed by the TCFD to inform disclosure on climate governance, strategy, risk management, and metrics and targets.
- Follow an integrated approach to address climate change, with multiple teams responsible for managing climate-related activities, initiatives, and policies.

Net Zero Water Goals

- The company has a goal of achieving net positive water by conserving 60 billion gallons of water and funding external water restoration projects in the decade leading up to 2030. It has already conserved 16.4 billion gallons of water cumulatively (9.3 in 2021) and enabled restoration of 3.6 billion gallons of water cumulatively (2.3 in 2021) since 2020. In 2021, the company linked a portion of its executive and employee performance bonus to its targets to conserve 7.5 billion gallons of water in our operations and complete projects to restore more than 1.5 billion gallons to local watersheds.

Zero Waste/Circular Economy Goals

- Achieve zero total waste to landfill and implement circular economy strategies for 60% of the company's manufacturing waste streams in partnership with its suppliers. This can include reuse of waste streams directly in its own operations or enabling reuse of its waste streams by other industries. The company also focuses on upcycling waste through implementing waste segregation practices and collaborating with its suppliers to evaluate new technologies for waste recovery.

Rationale for issuance

Intel is issuing Green Bonds to finance activities defined by its sustainability objectives, especially activities that relate to Intel's environmental commitments, outlined in its 2030 RISE strategy.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under these Green Bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Semiconductors sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green Buildings	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective
Circular Economy and Waste Management	✓	✓	Contribution to a material objective
Pollution Prevention and Control	✓	✓	Contribution to a material objective
Water Stewardship: responsible consumption and production	✓	✓	Contribution to a material objective
Renewable Energy	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the Use of Proceeds financed through these bonds are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Green Bonds is clearly described by the issuer.*

PART II: ALIGNMENT WITH ICMA GREEN BOND PRINCIPLES (GBP)

This section describes ISS ESG’s assessment of the alignment of the Management of Proceeds proposed by Intel’s Green Financing Framework (dated 07.28.2022) with the ICMA Green Bond Principles (GBP).

ICMA GREEN BOND PRINCIPLES (GBP)	ALIGNMENT	ISS ESG’S OPINION
1. Use of Proceeds	✓	<p>ISS ESG considers the Use of Proceeds description provided by Intel’s Green Financing Framework as aligned with the ICMA Green Bond Principles (GBP).</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP. Criteria are defined in a clear and transparent manner and environmental benefits are described.</p> <p>Intel follows best market practices by indicating a lookback period of 24 months, and by explicitly excluding harmful project categories.</p>
2. Process for Project Evaluation and Selection	✓	<p>ISS ESG considers the Process for Project Evaluation and Selection description provided by Intel’s Green Financing Framework as aligned with the ICMA Green Bond Principles (GBP).</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>Intel follows best market practices by providing transparency and clearly defined responsibilities in its evaluation and selection process.</p>
3. Management of Proceeds	✓	<p>ISS ESG finds that the Management of Proceeds proposed by Intel’s Green Financing</p>

		<p>Framework as aligned with the ICMA Green Bond Principles (GBP).</p> <p>The proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The proceeds will be tracked in an appropriate manner and attested in a formal internal process. Moreover, the issuer will disclose the temporary investment instruments for unallocated proceeds.</p>
<p>4. Reporting</p>	<p style="text-align: center;">✓</p>	<p>ISS ESG finds that the allocation reporting proposed by Intel’s Green Financing Framework as aligned with the ICMA Green Bond Principles (GBP).</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report in an appropriate frequency. Intel explains the level of expected reporting and the type of information that will be reported. Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>Intel follows best market practices by committing to provide impact reporting and publishing their reports on their website.</p>

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN BONDS TO THE UN SDGs

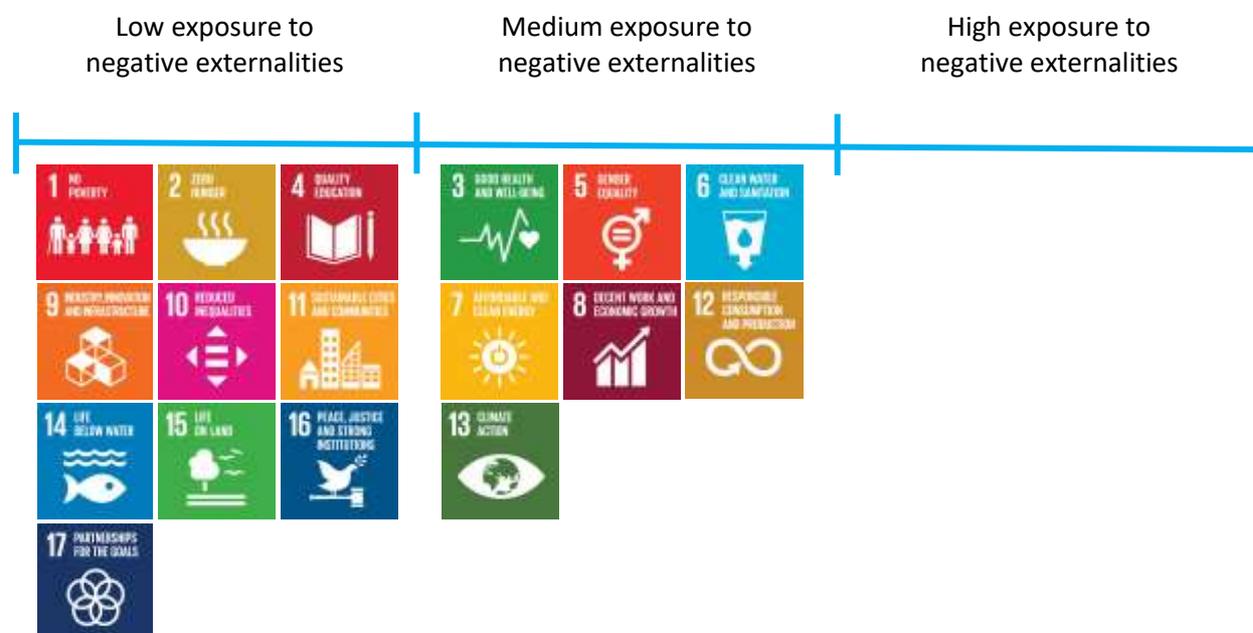
Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.

Improvements of operational performance (processes)

Leveraging ISS ESG SDG Impact Rating (SDGR) proprietary methodology, the below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

According to ISS ESG, the absolute impact of operations² in the semiconductor industry (to which Intel belongs) is the following:



² Please note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in section 1 of the SPO.

The table below aims to display the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (Processes)	OPERATIONAL IMPACT IMPROVEMENT	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings³</p> <p><i>Investments and financing related to real estate projects that have received or are expected to receive third-party sustainability certifications or verification such as:</i></p> <ul style="list-style-type: none"> – LEED: Gold, Platinum – ENERGY STAR: Certification of 85 or greater – BREEAM: very good or above – Additional recognized certifications⁴. 		
<p>Circular Economy and Waste Management</p> <p><i>Investments related to waste reduction, landfill avoidance, upcycling of waste, processes of waste reclamation, segregation, recycling, and/or reuse in our manufacturing operations and supply chain.</i></p> <p><i>Example projects include but are not limited to:</i></p> <ul style="list-style-type: none"> – Onsite OSS segregation (Cyclohexanone segregation from General Solvent Waste to enable recovery and reuse) – Offsite Sulfuric acid reclamation plants – New hot phosphoric acid segregation waste streams – Concentrated copper waste systems capacity upgrades 		
<p>Pollution Prevention and Control</p> <p><i>Investments aimed at reduction of air emissions, GHG control, and prevention.</i></p> <p><i>Example projects include but are not limited to:</i></p> <ul style="list-style-type: none"> – Point of Use Abatement, capital systems that are installed post process on tools to eliminate GHGs and other pollutants, that reduces GHG emissions and particles from waste gases to exceed or meet EPA and DEQ standards – NOx Reduction – Equipment and process optimization – Process chemical substitution 		

³ Green buildings financed under this framework could be both manufacturing or non-manufacturing sites.

⁴ To be eligible for financing under the category for green buildings, the buildings must receive widely accepted third-part certifications, in the case LEED, BREEAM, and Energy Star certifications are no longer the standard in the market, Intel will pursue the equivalent market standard certification.

Water Stewardship: responsible consumption and production⁵

Investments in efficient water management, conservation and watershed restoration.

Example projects include but are not limited to:

- Onsite water conservation (efficiency and reuse, such as water reclaim plant and low-flow faucets in restrooms)
- Offsite watershed restoration (projects that conserve, treat or protect water resources, such as in-stream flow protection and irrigation efficiency projects).



Energy Efficiency⁶

Investments related to design, construction, operation, and maintenance of energy/utility consumption saving projects.

Example projects include but are not limited to:

- Efficient LED lighting;
- HVAC;
- TPO roofing;
- Water conservation systems
- Energy management systems



Renewable Energy⁷

Investments related to improving existing assets, implementing renewable energy programs and securing PPAs.

Examples of renewable energy sources considered are zero emission sources including solar, wind, hydro, and geothermal.



⁵ The water stewardship projects financed under this framework could improve the water management of both manufacturing and/or non-manufacturing sites.

⁶ The energy efficiency projects financed under this framework could improve the energy efficiency of both manufacturing and/or non-manufacturing sites.

⁷ The renewable energy projects financed under this framework could increase the renewable energy supply of both manufacturing and/or non-manufacturing sites.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

ASSESSMENT AGAINST ISS ESG KPIs

KPIs RELEVANT FOR GREEN BUILDINGS CATEGORY

Community Dialogue

- ✓ The issuer has processes in place to systematically ensure that relevant projects feature a community dialogue as an integral part of the planning process. More specifically, the issuer has a Community Advisory Panel (CAP), which is volunteer advisory group that facilitates dialogue between the issuer and its wider community. Examples of issues communicated through the CAP include local construction/site expansion, traffic-related issues, water use and recycling, and chemical use and storage.

On-site safety

- ✓ The issuer has policies in place to systematically ensure that projects have high operational safety standards in place. The issuer commits to an 'Injury Free Construction Culture', whereby it ensures projects to be carried out without accidents. This is achieved through a combination of training, strategic planning with a safety focus, constant improvement of processes via taking onboard feedback, and other initiatives. As a co-founding member of the Responsible Business Alliance, the company also has sound labor policies and management systems in place for both in-house and outsourced production.

Site location

- ✓ The issuer has processes in place to systematically ensure that relevant projects are in locations that are conveniently accessible by one or more modalities of public transport. It does so by following local zoning and building standards. In addition, the issuer offers a high degree of workplace flexibility to help reducing employee commute. The issuer shared some initiatives on the implementation of commuting programs. For example, in China, commute reduction and employee perks include providing busses to help employees access its sites, while in Oregon, US, sites offer remote/hybrid work options and shuttle service to the city-operated trains.

User safety

- ✓ The issuer has policies in place to systematically ensure that relevant projects provide for measures to ensure operational safety in buildings (e.g. emergency exits, fire sprinklers, fire alarm systems).

Environmental aspects of construction and operation (construction materials)

- ✓ The issuer has policies in place to systematically ensure that relevant projects provide for sustainable procurement of construction materials, so that products are designed and produced to minimize environmental impact – from raw materials through manufacturing and end of life treatment and disposal. The issuer expects its suppliers to continuously reduce environmental footprint as well as the social and governance risks associated with the creation of supplier's products. It has further set expectations for its "top Tier 1" suppliers on the reporting of greenhouse gas emissions, water, and waste metrics, and on the establishment of reduction goals.

KPIs RELEVANT FOR ENERGY EFFICIENCY CATEGORY

Environmental aspects of construction and operation

- ✓ The issuer has policies in place to systematically ensure that projects meet high environmental standards and requirements across the supply chain. The issuer has also received a Leadership score in CDP's Supplier Engagement Rating for its work to engage suppliers to expand their climate and water disclosure.

KPIs RELEVANT FOR WATER STEWARDSHIP CATEGORY

Environmental aspects of construction and operation

- ✓ The issuer has policies in place to systematically ensure that projects provide for high standards regarding sustainable water withdrawal (e.g. risk assessments, monitoring, pollution prevention). The issuer also has a commitment to achieve net positive water use by 2030, which it aims to achieve by 1) conserving 60 billion gallons of water in its operations and reduce use of incoming freshwater; 2) invest in water restoration projects; 3) create technology solutions to serve water conservation.
- ✓ The issuer has processes in place to systematically ensure that projects covered have high standards regarding water quality (i.e. healthiness and purity requirements). The issuer monitors and treats the water it uses in its manufacturing processes, because the semiconductor industry requires ultrapure water standards.
- ✓ The issuer has processes in place to systematically ensure that projects feature clear measures for water leak detection. The issuer uses applications that monitor water as it flows through its operations, which will flag any significant issues such as large water leaks. The issuer also has a process to systematically monitor, measure and report on relevant pollutants and effluent on a regular basis. According to the issuer, this information is reported to relevant local authorities and is part of the public domain. The issuer does not have policies on the use of specialized processes or technologies to ensure the treatment of pollutants that are relevant for its production. However, it does hold relevant licenses to ensure that it complies with wastewater and stormwater monitoring and testing regulations. All of its factory sites have onsite water treatment facilities, and in addition it has several large-scale water treatment operations that treat the wastewater which is reclaimed and reused onsite or discharged to its local authority. These facilities use membrane bioreactor technology to ensure their ultrafiltration capabilities.

KPIs RELEVANT FOR GREEN BUILDINGS, CIRCULAR ECONOMY AND WATER STEWARDSHIP CATEGORIES

Conservation and biodiversity management

- The issuer does not have a designated biodiversity management policy in place. Further, contractor requirements with respect to all constructions do not explicitly address the topic. However, the issuer states that each projects follow local ordinances, and the environment is considered in all stages of project planning. The issuer is further certified with the ISO 14001 certification. Finally, as mentioned above the issuer has policies in place to systematically ensure that projects meet high environmental standards and requirements across the supply chain.

KPIs RELEVANT FOR CIRCULAR ECONOMY CATEGORY

Environmental aspects of construction and operation

- ✓ The issuer's product sales are mostly shipped in accordance with European RoHS legislation. Moreover, the issuer implements measures banning various substances of concern not covered by European RoHS legislation.

- The issuer does not have policies ensuring that full life cycle analysis of its products are carried out. However, the issuer states that some level of LCAs are conducted and is further working on refining its product footprint. In addition, the issuer has a data management system and supply chain reporting requirements, through which it gathers product life cycle information. Product life cycle information collected and publicly shared include environmental information regarding materials, product carbon footprint, and product end of life information.

KPIs RELEVANT FOR CIRCULAR ECONOMY AND ENERGY EFFICIENCY CATEGORIES

Environmental aspects of construction and operation

- ✓ The issuer has policies in place to systematically ensure that projects feature take back and recycling at end-of-life. The issuer incorporates considerations for product end of life throughout the product lifecycle – selection of materials throughout the product design and manufacturing. Furthermore, for products that fall within the EU Waste Electrical and Electronic Equipment (WEEE) Directive, the issuer has policies to ensure appropriate recycling either directly or through suppliers.

KPIs RELEVANT FOR GREEN BUILDINGS AND CIRCULAR ECONOMY CATEGORIES

Environmental aspects of construction and operation

- ✓ The issuer has policies in place to systematically ensure that projects meet high environmental standards and requirements during the construction phase (e.g. noise mitigation, minimisation of environmental impact during construction work).

KPIs RELEVANT FOR CIRCULAR ECONOMY, WATER STEWARDSHIP, AND POLLUTION PREVENTION AND CONTROL CATEGORIES

Environmental aspects of construction and operation

- ✓ The issuer has policies in place to systematically ensure that relevant projects are covered by a comprehensive and certified environmental management system (EHS). More specifically, the issuer's EHS policy and management system covers elements including environmental health and safety compliance, reduction of environmental impacts (continuous improvement), product stewardship, supply chain sustainability, energy efficiency and more.

KPIs RELEVANT FOR CIRCULAR ECONOMY CATEGORY

Waste

- ✓ The issuer has policies in place to systematically ensure that relevant projects provide for high recycling of waste component measures. Since the mid-1990s, the issuer has increased its global recycling rate of non-hazardous waste from 25% to 89%. It has a commitment to achieve zero total waste to landfill by 2030.

KPIs RELEVANT FOR GREEN BUILDINGS AND WATER STEWARDSHIP CATEGORIES

Water use minimization

- ✓ The issuer has policies in place to systematically ensure that relevant projects provide for water use reduction measures. More specifically, the issuer has policies to incorporate water efficient green building design principals across its own and operated premises.

KPIs RELEVANT FOR GREEN BUILDINGS, CIRCULAR ECONOMY, WATER STEWARDSHIP, AND ENERGY EFFICIENCY CATEGORIES

Working conditions

- ✓ The issuer has policies in place to systematically ensure that relevant projects provide for high labour and health and safety standards for construction, maintenance and operations work. As noted above, the issuer commits to an 'Injury Free Construction Culture', whereby it ensures projects to be carried out without accidents. This is achieved through a combination of training, strategic planning with a safety focus, constant improvement of processes via taking onboard feedback, and other initiatives.

KPIs RELEVANT FOR GREEN BUILDINGS, ENERGY EFFICIENCY AND RENEWABLE ENERGY CATEGORIES

Working conditions in supply chain

- ✓ The issuer has policies in place to systematically ensure that relevant projects for high labour and health and safety standards in the supply chain. More specifically, the issuer also requires contractor company it works with to meet minimum EHS (environmental, health and safety) qualifications. It also sets high safety training and performance expectations during its contracting process and orientation for new on-site-suppliers.

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to the Framework.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we provide Second Party Opinion (SPO) on bonds based on data provided by the issuer.
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ANNEX 1: Methodology

ISS ESG Green KPIs

The ISS ESG Green/Social Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Intel’s Green Bonds.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Intel (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Intel’s Green Bonds contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

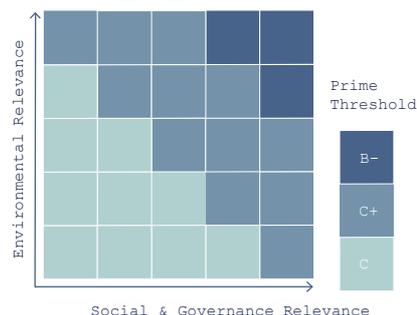
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

Intel commissioned ISS ESG to compile a Green Bonds SPO. The Second Party Opinion process includes verifying whether the Green Financing Framework aligns with the ICMA Green Bond Principles and to assess the sustainability credentials of its Green Bonds as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

Intel's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
- Documentation of ESG risks management

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bonds to be issued by Intel based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with Intel took place from March to May 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green Bonds SPO, please contact: SPOOperations@iss-esg.com

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