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Opinion: Intel Surpasses First 2030 Goal: $2 Billion in Diverse Supplier Spending

Early success boosts Intel's commitment to strengthening supplier diversity in the semiconductor ecosystem.

SANTA CLARA, Calif.--(BUSINESS WIRE)-- *The following is an opinion editorial by Jackie Sturm, corporate vice president of Global Supply Chain Operations at Intel Corporation:*

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20230511005088/en/

The first general contractor for Intel's Ohio construction project committed to 20% diverse spending, exceeding the 10% expectation outlined in Intel's Supplier Diversity Policy. Intel is investing more than $20 billion in the new semiconductor manufacturing site in Licking County, Ohio, to produce leading-edge chips. (Credit: Intel Corporation)

Three years ago, Intel announced a goal to increase global annual spending with diverse suppliers to $2 billion by 2030. We are proud to announce we reached $2.2 billion in diverse supplier spending in 2022, eight years ahead of schedule. This $2.2 billion represents nearly 15 times the annual total when our supplier diversity program launched in 2015 and double our 2019 results.

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Intel's commitment to a more inclusive supply chain allows us to leverage our purchasing power to address social gaps in our pursuit of fair business practices. Included in today's milestone are two more goals that have been met early:

- $250 million in spending with U.S. Black-owned suppliers by end of 2023.
- $800 million in spending annually with minority-owned suppliers globally by end of 2023.

We attribute the ability to reach our goals ahead of schedule to our processes and incentives that encourage diverse suppliers to work with us. Additionally, due to our rapid manufacturing expansion around the world in the past few years, we have had the opportunity to bring in more suppliers than ever before.

Influencing Inclusion Across the Semiconductor Ecosystem

When Intel launched its supplier diversity program, there was limited awareness among semiconductor manufacturers of the positive benefits diverse suppliers bring to the supply chain. Through several initiatives and proactive partnerships with our largest non-diverse suppliers and industry groups, Intel has led the expansion of diverse-owned suppliers across

the semiconductor industry.

In 2016, we began formally inviting our manufacturing and construction suppliers to join us in building a more inclusive supply chain. We encouraged these suppliers to create their own supplier diversity programs and to report their spending with diverse subcontractors working on Intel contracts by incentivizing them with supplier scorecard points, which are prerequisites for prestigious Intel supplier awards. While originally this initiative was small, today it represents 45% of our 2022 total reported diverse spending.

In 2018, Intel, along with three of our largest suppliers, led the creation of the SEMI Manufacturing Owners Diversity (MOD) Working Group to further increase awareness and opportunities. This working group now encompasses more than 70 corporations, diverse-owned companies and certifying NGOs, and it has established a diversity baseline for the semiconductor supply chain that didn't exist before. Additionally, the group actively promotes the development of a SEMI standard featuring common definitions and best practices for supporting global supplier ownership diversity.

Why It Matters

Beyond the impact that our technology has on people's lives, we strive to make a positive difference in our supply chain and in our communities. Developing a diverse semiconductor ecosystem creates equitable opportunities for individuals from historically underserved groups and helps uplift their communities. By working with diverse-owned suppliers, we increase our resilience, and generate new value within our global supply chain and the communities in which we operate.

A diverse and inclusive supply chain also introduces greater competition and helps drive innovation. Diverse-owned suppliers have proven to bring different perspectives and innovative solutions that benefit our customers and stakeholders. For example, when larger direct suppliers could not deliver a critical component last year, a woman-owned supplier successfully filled the gap to help Intel fulfill a customer commitment.

Since launching our renewed supplier diversity and inclusion (SD&I) commitment in 2015, we have also seen the direct impact of increased competition within our supply chain. Four of the five diverse suppliers on Intel's supplier scorecard are outperforming their competitors.

What's Next: Maintaining Momentum

Since Intel began its focus on supplier diversity from a standing start in 2015, we have progressively exceeded our commitments, including the most recent achievement of our 2030 diverse supplier spending goal, and we are not done. For Intel, supplier diversity is not added work. It's how we work.

For every new sourcing opportunity, our procurement teams will continue to include at least one diverse-owned company in the bidding process. For our larger contracts where there aren't diverse supplier options at the scale or expertise required, we include diverse spending expectations in negotiations. Doing so can lead to greater commitments than anticipated. For example, the first general contractor for our Ohio project committed to 20% diverse spending, exceeding the 10% expectation outlined in ourSupplier Diversity Policy. Internal diverse spending goals will continue to be included as part of Intel's annual

employee bonus structure, highlighting the importance not only in procurement but across all business units.

We continue to operate in a tough market while simultaneously pursuing our multiyear corporate transformation. As we work to establish a new goal against a renewed timeline, we will continue to focus on maintaining our progress and providing opportunities for diverse suppliers and subcontractors to help us in this transformation.

Learn more about Intel's Supplier Diversity & Inclusion program on Intel.com.

About Intel

Intel (Nasdaq: INTC) is an industry leader, creating world-changing technology that enables global progress and enriches lives. Inspired by Moore's Law, we continuously work to advance the design and manufacturing of semiconductors to help address our customers' greatest challenges. By embedding intelligence in the cloud, network, edge and every kind of computing device, we unleash the potential of data to transform business and society for the better. To learn more about Intel's innovations, go to newsroom.intel.com and intel.com.

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