How Can HACR Hold Companies Accountable?

Through a Comprehensive Corporate Accountability Strategy.

Overview of Corporate Accountability Strategy

For the past 23 years, HACR has advocated for the inclusion of Hispanics in Corporate America at a level commensurate with the U.S. Hispanic community’s economic contributions. At 15 percent of the nation’s population, Hispanics now represent the fastest-growing group of Americans in several categories: consumers, employees, business owners, taxpayers, and voters.

HACR’s Board of Directors adopted the Corporate Accountability Strategy earlier this year. These Coalition Members represent 13 of the most influential and respected grassroots organizations in the United States and Puerto Rico.

The four focus areas of the comprehensive Corporate Accountability Strategy are:

- Agreements are contractual relationships that provide opportunities to increase visibility to the 13 HACR Coalition Members with the individual corporation.

- The Corporate Inclusion Index (CII) survey will measure comprehensive outreach and inclusion of the Hispanic community within our four pillars of employment, procurement, philanthropy and governance. This is the second CII survey conducted by HACR, the first being released in 2005. Many of the same principals and focus areas still apply in the 2009 survey, although the questions and findings will not be compared.

- Research & Analysis will gather informal data on Fortune 100 companies as well as quick survey requests of Fortune 500 corporations based on relevant questions. As well as surveying community leaders from across the U.S. about performance of Fortune 100 companies.

- Stock Fund is to invest in and support companies that help advance HACR’s mission and identify the companies who are not Hispanic Inclusive.
We, the 13 Coalition Members of the Hispanic Association on Corporate Responsibility (HACR), comprising the most recognized, influential, grassroots advocacy organizations in the United States and Puerto Rico are eager to share the 2009 HACR Corporate Inclusion Index report. Since our foundation in 1986, it has been our mission and goal to advance the inclusion of Hispanics in Corporate America at a level commensurate with our economic contributions.

We are pleased to work with our corporate partners, stakeholders and others to provide them with the expertise and tools that are necessary to ensure the inclusion of Hispanics in our four core areas: employment, procurement, philanthropy, and governance.

Amidst the current economic climate, this year’s survey shows the commitment by some corporations to include Hispanics in their workforce and the value they place on a diverse workforce. On the other hand, the survey sheds a tremendous light on the work that many companies still have yet to do to ensure that Hispanics are represented at all levels of their companies.

According to the U. S. Census reports, Hispanics will make up about 60% of the nation’s population growth between now and 2050, which means that Hispanics will continue to drive the growth of our nation’s labor force in the coming decades.

Those corporations who have embraced this reality have engaged the Hispanic consumer and converted them into a loyal customer, thus sustaining their viability in tough times. We all understand that Corporate America’s bottom line is their brand, which translates into profit. However, it’s not enough for a company with a brand to hire Hispanic personnel to capture the Hispanic market. They must also lay the necessary groundwork to make the experience fulfilling, or risk totally losing their market share.

HACR will continue to promote the inclusion of Hispanics in Corporate America at all levels and work with our partners to provide them the knowledge to capture market share in our community. For these reasons, we are disappointed in the companies that chose not participate in this year’s survey.

We want to thank all of the participants in this year’s Corporate Inclusion Index — your continued commitment to Hispanic inclusion resonates strongly to our larger community.

Sincerely,
HACR 2009 Board of Directors

HACR Coalition Members

American GI Forum of the US
ASPIRA Association, Inc.
Congressional Hispanic Caucus Institute
Congressional Hispanic Leadership Institute, Inc
Cuban American National Council
Hispanic Association of Colleges and Universities
League of United Latin American Citizens
MANA, A National Latina Organization
National Association of Hispanic Publications
National Council of La Raza
National Puerto Rican Coalition
SER-Jobs for Progress National, Inc.
US Hispanic Chamber of Commerce

Ignacio Salazar
SER-Jobs for Progress National, Inc.
Guarione Diaz
Cuban American National Council
Octavio Hinojosa Mier
Congressional Hispanic Leadership Institute, Inc.
Clara Padilla Andrews
National Association of Hispanic Publications
What makes a company “good” for Hispanics?

This question has been asked by the Hispanic Association on Corporate Responsibility (HACR) since its founding in 1986, when several progressive, community-based visionary leaders joined together to form a coalition of national advocacy organizations focused on corporate social responsibility initiatives and the emerging U.S. Hispanic consumer.

The purpose of the 2009 HACR Corporate Inclusion Index is to seek answers to this question in a pragmatic manner — not an easy task, but one that has to be undertaken.

It is the one question that allows HACR to determine Corporate America’s commitment to the nation’s fastest growing consumer, voter, taxpayer, and workforce population. The answers provide HACR a tool with which to measure levels of Hispanic inclusion in four key areas: employment, procurement, philanthropy and governance. Like Corporate America, we fully subscribe to the fact that what gets measured gets results.

HACR recognizes that no report can fully answer the question in a definitive manner. Some would argue that the question is a moving target and that a “good” company today may not be a “good” company tomorrow.

The 2009 HACR Corporate Inclusion Index continues the process of seeking answers to the question of what makes a company “good” by providing a glimpse into inclusion efforts at Fortune 100 and HACR Corporate member companies in 2008.

If there are “good” companies for Hispanics, what would they look like from an employee, consumer, or community and business partner’s perspective?

Would one recognize it by visiting their corporate headquarters? By interviewing their management, employees, customers, and its community and business partners? How would one know? At HACR, we believe there are some obvious answers:

- Having Hispanics in senior management positions with policy-making responsibilities; and staff members with significant budgetary control and responsibilities.
- Having a Hispanic workforce that equals or exceeds the growing U.S. Hispanic population and its consumer sales across all of its business units, thus ensuring cultural relevance and competence throughout the company’s operational platform.
- A measurable commitment in the area of procurement and supplier diversity that provides significant business opportunities for Hispanic-owned businesses.
- Significant investments in Hispanic-led community service organizations at the local, regional and national levels in which a corporation operates.
- Having Hispanic directors on its board, along with senior level executives, who help develop company policies that ensure inclusion of a changing customer base.

In the end, a “good” company should achieve a level of economic reciprocity equal to the revenues derived from the more than 50 million Hispanic consumers who help to fuel our nation’s economic engine.

To gain a better understanding of the methodology used to measure current levels of Hispanic inclusion, the 2009 HACR Corporate Inclusion Index Survey was sent to all Fortune 100 and HACR Corporate member companies.

Over 70% of Fortune 100 companies did not participate in the survey — and in some cases declined to respond. Yet, nearly 80% of HACR’s current corporate member companies responded. This is significant because it validates HACR’s belief that companies that engage with us are serious about Hispanic inclusion and value its benefits to their “bottom line” and shareholder value.

More importantly, companies that submitted surveys revealed an important trait about their corporate culture: Transparency is a core value. Any company that claims to be a “good” company must also be transparent with its employees, stockholders, and evolving customer base.

HACR commends the Fortune 100 and HACR Corporate member companies for submitting their 2009 HACR Corporate Index Surveys. We are confident that those companies that did not participate this year will do so in the future; if for no other reason than to lend credence to their claims of being “leaders” in their respective industries.

Sincerely,

Carlos F. Orta
President & CEO
Methodology

A total of 114 businesses that were a Fortune 100 company and/or a HACR corporate member, received invitations to take part in the 2009 HACR Corporate Inclusion Index (CII) survey. Of the companies who were sent requests to participate, 34 submitted surveys, 28 of the 34 were HACR corporate members.

These companies were surveyed based on HACR’s four pillars for corporate inclusion — Employment, Procurement, Philanthropy and Governance. Each section was extensive, with a desire to draw information on subject matter from hiring practices, to the percentage of Hispanic board members, to whether a priority is placed on outsourcing to Hispanic vendors.

The primary source of information for the Corporate Inclusion Index rating is the CII survey. While many questions in the survey are required for participation in the CII, others are informational questions that gauge trends and best practices among all businesses or particular industries.

Invitations for the 2009 HACR CII survey were mailed in June 2009. Surveys were sent to the chief executive officer, as well as the point(s) of contact for HACR corporate member companies.

This survey did not seek to report obvious outcomes, but it does intend to dig deeper into the practices and procedures of these Fortune 100 and HACR corporate member companies. The survey also intends to shine a light on those companies who need to make improvements while highlighting those who have made a commitment to the Hispanic community in all four of the cornerstone areas. One new section was included — Political Engagement.

The information required to generate CII ratings for businesses is largely considered proprietary and is difficult to ascertain from public records alone.

HACR staff provided additional assistance and advice throughout the process and reviewed submitted documentation for consistency with survey answers. Businesses were able to provide HACR staff with any additional information or updates before this report went to print.

HACR would like to acknowledge and extend a special thank you to Dr. Sue Fogel, Marketing Department Chair and graduate assistant John Schneider at DePaul University for their involvement in the development, guidance and compilation of the survey results.

Snapshot of Findings

This level of response indicates that many of these companies are on track for addressing the challenges of significant Hispanic representation on their Boards. The reality is that only two respondents received full points to indicate that there was MORE than ONE Hispanic Board Member on their board. It is clear to see that there is room for improvement.

As for Employment, most respondents indicated a high number in the areas of full and part-time Hispanic employees. Areas that were lacking can potentially set one company apart from the others: a Hispanic employee association with an internal executive champion and internships established to specifically recruit Hispanics.

Procurement results showed that most companies did outsource to Hispanic vendors, however of those who completed this section, the submissions indicated 5% or less set as their outsourcing goals to Hispanic vendors.

Lastly, the area of Philanthropy showed that financial contributions are being made in the Hispanic community, but at a much lower percentage than the general contributions.

HACR would like to thank Roxana Vergara of V Consulting; Teresa Chaurand of Vista Communications Group and Nancy Saiz of Saiz Design for their support in the compilation, communication, design, presentation and graphical layout of the 2009 HACR Corporate Inclusion Index Report.
HACR Corporate Index: Companies that Participated

Aetna
Allstate
ALTRIA Group
AT&T
Bank of America Corp.
Burger King
Citigroup
Coca-Cola
Comcast
Comerica
Dell
Ford Motor Company
General Electric/Telemundo
IBM
Kraft Foods
Marriott International
McDonald’s Corporation
MillerCoors
PepsiCo
Prudential Financial
Sodexo Inc.
Starwood Hotels & Resorts
State Farm Insurance Cos.
Time Warner
Tyson Foods
United Parcel Service
Verizon Communications
Wal-Mart Stores
Wells Fargo
Wyndham Worldwide

Abbott*
Macy’s*
Microsoft*
Pfizer*
Univision Communications*

* Companies who submitted past deadline. Information will not be included in final report.

76% of HACR Corporate Member Companies Submitted a Survey

24% of Fortune 100 Companies Submitted a Survey
HACR Corporate Index: Companies that Did Not Participate

3M
Alcoa
American Express
AmerisourceBergen
Anheuser-Busch, Inc.
Apple, Inc
Archer Daniels Midland
Berkshire Hathaway*
Best Buy
Boeing
Cardinal Health
Caterpillar
Chevron*
CHS, Inc
Cisco Systems
ConAgra Foods*
ConocoPhillips
Costco Wholesale
CVS/Caremark
Deere & Company
Diageo
Dow Chemical
DuPont
Eastman Kodak Company
Emerson Electric Co*
Enterprise GP Holdings
Exxon Mobil
FedEx
General Dynamics
GMAC
Goldman Sachs Group
Harrah’s Entertainment, Inc.
HCA
Hess
Hewlett-Packard
Honeywell International
Humana
Ingram Micro
Intel
International Paper
Company
J.P. Morgan Chase
& Co.*
Johnson & Johnson*
Johnson Controls
Kroger
Liberty Mutual Insurance
Group
Lockheed Martin
Lowe’s
Marathon Oil
McKesson
Medco Health Solutions
Merck*
MetLife
Morgan Stanley
Motorola
Murphy Oil Corporation
New York Life Insurance
News Corp.
Northrop Grumman
Occidental Petroleum
Corporation
Plains All American
Pipeline, L.P
Procter & Gamble
Rite Aid Corporation
Safeway
Sears Holdings
Sprint Nextel
Sunoco
SuperValu
Sysco
Target*
Tesorio Corporation
The Home Depot
TIAA-CREF
Travelers Cos.
United Technologies
UnitedHealth Group
Valero Energy
Walgreen
Walt Disney
WellPoint

*Companies who declined to participate.
The face of America is changing rapidly. U.S. Census Bureau estimates that by 2050, one out of every four Americans will be of Hispanic decent. With the current Hispanic population nearing 50 million and expectations of it more than doubling, why hasn’t there been a stronger effort for corporations to attract, hire and retain Hispanic employees? Couple that with the inequality of pay for Hispanics in the corporate workplace, one has to ask, “Has Corporate America missed the boat?”

Today’s corporate shareholders and executive leadership bear a responsibility to set the plan in motion to ready their workplaces for the Hispanic employee just as their predecessors did when women entered the workforce during World War II and African Americans entered in strong numbers after the Civil Rights era. Systemic changes that were initiated in the middle of the last century were key to equal access, pay and treatment legislation. That paved the way for LGBT and differently-abled employees who entered the corporate workforce in larger numbers during the later half of that same century. Although inequities continue to exist, the corporate environment is no longer off limits or unprepared to handle the expectations of female, black, differently-abled or LGBT employees.

What attracts a Hispanic candidate to choose one employer over the other?
Hispanic employees look for companies that show cultural competency and sensitivity to Hispanics as well as positive outreach to the community. They, like all employees, want opportunities for networking, professional growth, volunteering/giving back to the community and a work life balance.

These benefits require an internal advocate and access to an employee resource/affinity group (ERG) that specifically reflects the make-up of the workforce. In this case, 78% of the survey respondents do provide a Hispanic ERG with 88.5% designating an executive champion for the group. These ERGs must be substantive with real opportunities to contribute, shape policies and offer best practices that affect the employees and ultimately, the corporation.

The Trend in Small Business — Latinas!
Latina business owners are doing their fair share of keeping the economy moving and employing workers. In research gathered by MANA, a National Latina Organization:
- Latinas generate close to $70 billion in sales and employ over 500,000 employees
- Latina-owned businesses are growing at the rate of 6 times the national average
- Latina business owners represent nearly 600,000 businesses nationwide
- Latinas are the fastest growing segment of the small business arena
- Latina-owned businesses employ 18.5% of the total workers in all Hispanic-owned firms

Wages and Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average exempt income</td>
<td>$81,660</td>
</tr>
<tr>
<td>Average Hispanic exempt income</td>
<td>$69,073</td>
</tr>
<tr>
<td>Medical benefits for part time? (YES)</td>
<td>88.0%</td>
</tr>
<tr>
<td>Hispanic employees receiving medical</td>
<td>90.2%</td>
</tr>
<tr>
<td>Total Employee % base in 401K</td>
<td>74.0%</td>
</tr>
<tr>
<td>Total % Hispanic in 401K</td>
<td>67.7%</td>
</tr>
<tr>
<td>Hispanic Employee Ass’n? (YES)</td>
<td>78.6%</td>
</tr>
<tr>
<td>Executive champion? (YES)</td>
<td>88.5%</td>
</tr>
</tbody>
</table>

Internships

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have an internship program? (YES)</td>
<td>100%</td>
</tr>
<tr>
<td>Internship program targeted to Hispanics?</td>
<td>(YES) 42.3%</td>
</tr>
<tr>
<td>Conversion of Hispanic interns to FT staff?</td>
<td>(NO) 57.7%</td>
</tr>
<tr>
<td></td>
<td>31%</td>
</tr>
</tbody>
</table>

With approximately 1,281 executive and director positions available at the companies surveyed, Hispanics held only 61 of those positions.
Procurement Findings

Equally important to the goals established for utilizing Hispanic owned businesses, companies should allocate proportionate dollars for marketing to Hispanics via targeted Hispanic media and Spanish/bi-lingual language outlets. Of the companies surveyed over 90% advertised in Spanish, which shows a commitment and understanding of the consumer base.

Why are Supplier Diversity/Procurement programs relevant?
Hispanic owned businesses are the single fastest growing segment of small businesses in the country. Close to 3 million Hispanic-owned businesses now generate almost $400 billion in annual revenues. These small businesses have grown from 900,000 a decade ago to 2.9 million today, and the number of Hispanic Chambers of Commerce have doubled to 210. In some cities in America, the Hispanic Chamber is the largest chamber of commerce (Source: U.S. Hispanic Chamber of Commerce).

This growth reflects the Hispanic population boom and the entrepreneurial spirit of the community. The Small Business Administration (SBA) has not seen this type of growth in single proprietorship since the turn of the previous century with the large influx of European immigrants. However, with the growth and expansion of access, Hispanic business owners are still gravely under represented in procurement dollar spend and entry into corporate procurement programs. Although, Corporate Inclusion Index (CII) respondents reflected a high utilization of Hispanic-owned business at 72%, the actual dollars allocated represented an average of only 2% of their company total spending goals.

The following are best practices for strong procurement and supplier diversity programs:
• Procurement objectives should be a part of senior management’s performance goals.
• Clearly articulate company purchasing goals from the company CEO and board.
• Consideration of minority-owned businesses included as a formal part of the contracting procurement process.
• Purchasing system that tracks supplier diversity performance and can target specific contracts for additional focus, outreach, or consideration.
• Strategic partnerships with ethnic chambers, publishers, and other organizations that can assist in outreach.
• Set specific annual goals for purchasing from minority-owned businesses.
• Establish an executive position that oversees the procurement goals of the company and reports directly to the company CEO and board.
• Build minority enterprises through procurement and strategic alliances.

<table>
<thead>
<tr>
<th>Procurement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Hispanic owned firm?</td>
<td>72.0%</td>
</tr>
<tr>
<td>Advertise in Spanish?</td>
<td>91.7%</td>
</tr>
<tr>
<td>Hispanic targeted media?</td>
<td>96.3%</td>
</tr>
<tr>
<td>Hispanic TV?</td>
<td>74.0%</td>
</tr>
<tr>
<td>Hispanic radio?</td>
<td>66.7%</td>
</tr>
<tr>
<td>Hispanic newspapers?</td>
<td>64.0%</td>
</tr>
</tbody>
</table>
# Rating Methodology and Criteria

<table>
<thead>
<tr>
<th>POINTS POSSIBLE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. EMPLOYMENT — WORKFORCE &amp; RECRUITMENT [30]</td>
<td></td>
</tr>
<tr>
<td>A. Does company have a Hispanic Employee Association?</td>
<td>5</td>
</tr>
<tr>
<td>B. Does the organization have executive champion?</td>
<td>5</td>
</tr>
<tr>
<td>C. Does company specifically monitor the attrition rate of Hispanic employees?</td>
<td>5</td>
</tr>
<tr>
<td>D. What percentage of total hires represents Hispanic hires?</td>
<td>10</td>
</tr>
<tr>
<td>• 6% &gt; = 10</td>
<td></td>
</tr>
<tr>
<td>• 1–5.99% = 5</td>
<td></td>
</tr>
<tr>
<td>E. Does company have an internship program specifically designed/geared to recruit Hispanics?</td>
<td>5</td>
</tr>
<tr>
<td>2. PROCUREMENT — SPENDING [20]</td>
<td></td>
</tr>
<tr>
<td>A. What is your Hispanic supplier spend goal as % of total opportunity dollars?</td>
<td>10</td>
</tr>
<tr>
<td>• 6% &gt; = 10</td>
<td></td>
</tr>
<tr>
<td>• 1–5.99% = 5</td>
<td></td>
</tr>
<tr>
<td>B. Does your company actively source Hispanic vendors?</td>
<td>5</td>
</tr>
<tr>
<td>C. Is this executive or function held accountable for establishing and attaining supplier diversity goals?</td>
<td>5</td>
</tr>
<tr>
<td>3. PHILANTHROPY — COMMUNITY INVESTMENT [20]</td>
<td></td>
</tr>
<tr>
<td>A. What is your Hispanic give as % of total dollars contributed/invested?</td>
<td>15</td>
</tr>
<tr>
<td>• 10% &gt; = 15</td>
<td></td>
</tr>
<tr>
<td>• 6–9.99% &gt; = 10</td>
<td></td>
</tr>
<tr>
<td>• 1–5.99% = 5</td>
<td></td>
</tr>
<tr>
<td>B. Does company have plan for outreach &amp; corporate giving to local and national Hispanic Organizations?</td>
<td>5</td>
</tr>
<tr>
<td>4. GOVERNANCE — LEADERSHIP [30]</td>
<td></td>
</tr>
<tr>
<td>A. What percentage of total board are Hispanic (2008)</td>
<td>10</td>
</tr>
<tr>
<td>• 10% &gt; = 10</td>
<td></td>
</tr>
<tr>
<td>• 5–9.99% = 5</td>
<td></td>
</tr>
<tr>
<td>B. What percentage of total Executive Officers are Hispanic (2008)</td>
<td>10</td>
</tr>
<tr>
<td>• 6% &gt; = 10</td>
<td></td>
</tr>
<tr>
<td>• 1–5.99% = 5</td>
<td></td>
</tr>
<tr>
<td>C. Does management report to Board of Directors on Diversity performance annually?</td>
<td>5</td>
</tr>
<tr>
<td>D. Does company have a full-time executive responsible for Diversity?</td>
<td>5</td>
</tr>
<tr>
<td>CORPORATE INDEX TOTAL POSSIBLE</td>
<td>100</td>
</tr>
</tbody>
</table>
## HACR Corporate Inclusion Index Rating

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>2008 Fortune 1000</th>
<th>2009 CII RATING</th>
<th>CRITERION (see page 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>77</td>
<td>55</td>
<td>1A</td>
</tr>
<tr>
<td>Allstate</td>
<td>81</td>
<td>55</td>
<td>1B</td>
</tr>
<tr>
<td>Altria Group</td>
<td>160</td>
<td>60</td>
<td>1C</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>8</td>
<td>80</td>
<td>1D</td>
</tr>
<tr>
<td>Bank of America</td>
<td>11</td>
<td>40</td>
<td>1E</td>
</tr>
<tr>
<td>Burger King</td>
<td>790</td>
<td>55</td>
<td>2A</td>
</tr>
<tr>
<td>Citi</td>
<td>12</td>
<td>55</td>
<td>2B</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>73</td>
<td>75</td>
<td>2C</td>
</tr>
<tr>
<td>Comcast</td>
<td>68</td>
<td>50</td>
<td>3A</td>
</tr>
<tr>
<td>Comerica</td>
<td>559</td>
<td>65</td>
<td>3B</td>
</tr>
<tr>
<td>Dell</td>
<td>33</td>
<td>60</td>
<td>4A</td>
</tr>
<tr>
<td>Ford Motor Company</td>
<td>7</td>
<td>65</td>
<td>4B</td>
</tr>
<tr>
<td>General Electric</td>
<td>5</td>
<td>40</td>
<td>4C</td>
</tr>
<tr>
<td>IBM</td>
<td>14</td>
<td>50</td>
<td>4D</td>
</tr>
<tr>
<td>Kraft Foods</td>
<td>53</td>
<td>65</td>
<td>**</td>
</tr>
<tr>
<td>Marriott International</td>
<td>208</td>
<td>75</td>
<td>**</td>
</tr>
<tr>
<td>McDonald's Corporation</td>
<td>107</td>
<td>60</td>
<td>**</td>
</tr>
<tr>
<td>MillerCoors</td>
<td>**</td>
<td>50</td>
<td>**</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>52</td>
<td>55</td>
<td>**</td>
</tr>
<tr>
<td>Prudential Financial</td>
<td>84</td>
<td>55</td>
<td>**</td>
</tr>
<tr>
<td>Sodexo Inc.</td>
<td>**</td>
<td>90</td>
<td>**</td>
</tr>
<tr>
<td>Starwood Hotels &amp; Resorts</td>
<td>417</td>
<td>65</td>
<td>**</td>
</tr>
<tr>
<td>State Farm Insurance Cos.</td>
<td>31</td>
<td>60</td>
<td>**</td>
</tr>
<tr>
<td>Time Warner</td>
<td>48</td>
<td>65</td>
<td>**</td>
</tr>
<tr>
<td>Tyson Foods</td>
<td>89</td>
<td>45</td>
<td>**</td>
</tr>
<tr>
<td>United Parcel Service</td>
<td>43</td>
<td>55</td>
<td>**</td>
</tr>
<tr>
<td>Verizon Communications</td>
<td>17</td>
<td>70</td>
<td>**</td>
</tr>
<tr>
<td>Wal-Mart Stores</td>
<td>2</td>
<td>60</td>
<td>**</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>41</td>
<td>55</td>
<td>**</td>
</tr>
<tr>
<td>Wyndham Worldwide</td>
<td>528</td>
<td>40</td>
<td>**</td>
</tr>
</tbody>
</table>

** Indicates a privately held corporation.
Philanthropy Findings

The HACR Corporate Inclusion Index asked *Fortune 100* companies — In a given year, what is the percentage of total philanthropic dollars distributed to the Hispanic community? **On average, those who responded invested only 2.52% of all foundation and corporate dollars to the Hispanic Community.**

There are many benefits to being a part of philanthropic giving. It connects people’s energy and experience in a way to better the lives of others and enrich the community. It feels good and encourages a positive culture within all levels of any company.

The average corporate giving distributed in 2008 of those who responded, was approximately $31 million. Of these dollars, $1.37 million were directed to the Hispanic community. It is evident that this level of giving does not represent a true dedication to Hispanic programs and the value they bring to companies and their corporate environment.

For those who may not fully embrace the power of giving to the Hispanic community, they should look to AT&T. In 2008, AT&T awarded more than $26.4 million in grants to non-profit organizations that benefit and serve the Hispanic Community.

<table>
<thead>
<tr>
<th>Philanthropy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic Giving as % of total giving (median 2.52%)</td>
</tr>
<tr>
<td><strong>INDUSTRY/COMPANY</strong></td>
</tr>
<tr>
<td>MillerCoors</td>
</tr>
<tr>
<td>10%</td>
</tr>
</tbody>
</table>

Philanthropic giving has many tangible benefits, providing educational scholarships to the next generation of workers can help develop a direct recruitment pipeline of educated, well qualified, cultured, and well rounded candidates. The support of neighborhood health care services provides peace of mind for communities who would otherwise be limited in their access to these types of services. Investing in the stabilization of a community where the workforce on which corporations depend, can create their own version of the American dream.
Hispanics are still underrepresented at the highest levels of Corporate America. Many corporations have a very low percentage of C-Suite executives and even fewer representatives in the boardroom. Research has shown that in order to achieve true boardroom diversity and one that results in real value, there must be a balance. That balance must go beyond gender, race, ethnicity, orientation and ability. Those that do embrace diversity at every level, tend to perform better than those who do not.

There still lacks a significant representation on boards where the most crucial decisions and initiatives take shape. Those surveyed in this year’s Corporate Inclusion Index (CII) survey, showed that only 6% out of 384 open board positions are held by Hispanics. Only two of the respondents had more than one seat represented by a Hispanic. In addition, national figures indicate that only 4% of corporate director positions are held by Hispanics. The CII survey confirms that the percentages show — Hispanics occupy 1 out of 47 corporate board positions.

On a positive note, a high percentage of respondents showed that they understand the importance of having a diversity director and a direct link of communications from the diversity office to the boardroom. Strides are being made toward closing the gap on Hispanic and female representation in the boardroom and at all executive levels. It is imperative that these leading U.S. corporations embrace the belief that the sharing of cultures can only bring positive change and growth company-wide.

### Governance

<table>
<thead>
<tr>
<th>Year</th>
<th>AVG Total</th>
<th>Female</th>
<th>Hispanic</th>
<th>African American</th>
<th>A&amp;PI</th>
<th>Native American</th>
<th>Non-Hisp. White</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>2007</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>1.5</td>
<td>0</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>2006</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>%Total</th>
<th>Female</th>
<th>Hispanic</th>
<th>African American</th>
<th>A&amp;PI</th>
<th>Native American</th>
<th>Non-Hisp. White</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>16.67%</td>
<td>8.3%</td>
<td>8.3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>75%</td>
</tr>
<tr>
<td>2007</td>
<td>16.67%</td>
<td>8.3%</td>
<td>12.5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>75%</td>
</tr>
<tr>
<td>2006</td>
<td>16.67%</td>
<td>8.3%</td>
<td>8.3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>83%</td>
</tr>
</tbody>
</table>

McDonald’s is setting a great example of commitment to diversity. Latinos hold many key leadership positions equaling 15% of their Board of Directors and 12% of their U.S officers. Their philosophy, “From the crew room to the boardroom, diversity will always be on the menu at McDonald’s.”
Industry Response

The Following Industries Had the Highest Number of Companies in the *Fortune 100*.

<table>
<thead>
<tr>
<th>Industry*</th>
<th>Percentage of Fortune 100 Companies</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Refining</td>
<td>9%</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>8%</td>
<td>3 of 8</td>
</tr>
<tr>
<td>Aerospace &amp; Defense</td>
<td>6%</td>
<td>0</td>
</tr>
<tr>
<td>Food &amp; Drug Stores</td>
<td>6%</td>
<td>0</td>
</tr>
<tr>
<td>General Merchandisers</td>
<td>4%</td>
<td>1 of 4</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>4%</td>
<td>3 of 4</td>
</tr>
</tbody>
</table>

* Ranked by Percentage
Industry Response

The Following Industries Had the Highest Number of Companies in the *Fortune 100* that Did Not Submit a CII Survey.

<table>
<thead>
<tr>
<th>Petroleum Refining</th>
<th>Aerospace &amp; Defense</th>
<th>Food &amp; Drug Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>9% of the 2009 <em>Fortune 100</em></td>
<td>6% of the 2009 <em>Fortune 100</em></td>
<td>6% of the 2009 <em>Fortune 100</em></td>
</tr>
</tbody>
</table>

- Exxon Mobil
- Chevron
- Conoco Phillips
- Valero Energy Corp
- Marathon Oil
- Sunoco
- Hess
- Tesoro
- Murphy Oil Corp
- Boeing
- United Technologies
- Lockheed Martin
- Honeywell International
- Northrop Grumman
- General Dynamics
- CVS/Caremark
- Kroger
- Walgreen
- Safeway
- SuperValu
- Rite Aid Corporation

* Ranked by Percentage
HACR Mission
HACR’s mission is to ensure the inclusion of Hispanics in Corporate America at a level commensurate with our economic contributions. HACR focuses on four areas of corporate responsibility and market reciprocity. They are: Employment, Procurement, Philanthropy, and Governance.

In pursuit of its mission, HACR offers Corporate America direct access to the Hispanic community — its talent, entrepreneurs, and leadership — creating a forum to ensure corporate responsibility and market reciprocity for the nation’s Hispanic population.

HACR Coalition Members
American GI Forum of the US
ASPIRA Association, Inc.
Congressional Hispanic Caucus Institute
Congressional Hispanic Leadership Institute, Inc
Cuban American National Council
Hispanic Association of Colleges and Universities
League of United Latin American Citizens
MANA, A National Latina Organization
National Association of Hispanic Publications
National Council of La Raza
National Puerto Rican Coalition
SER-Jobs for Progress National, Inc.
US Hispanic Chamber of Commerce