2011 HACR CORPORATE INCLUSION INDEX
We, the 16 members of the Hispanic Association on Corporate Responsibility (HACR) Board of Directors, are honored to present the 2011 HACR Corporate Inclusion Index (HACR CII) report.

As representatives of the organizations that serve as HACR’s Board of Directors, our organizations represent some of the most influential grassroots advocacy groups and national associations in the U.S. and Puerto Rico. Though each of our respective missions are different, we all share one common goal: to support the advancement—and most importantly—the inclusion of Hispanics in Corporate America.

The last three years have seen an increase in participation, better reporting, and overall a clearer, more transparent sense of what corporations are doing in terms of diversity best practices.

The 2010 U.S. Census stated: Hispanics are the largest minority group in the U.S. and we have the largest buying power of any minority group. Yet, Hispanics are the most underrepresented group in Corporate America. All trends and studies support the benefits of diversity and the positive financial impact it has to the bottom line. This information needs to be utilized considering the Hispanic purchasing power is projected to reach $1.5 trillion by 2015.

Accordingly, in 2009, a new Securities and Exchange Commission (SEC) rule referenced as the Diversity Policy Disclosure was established for corporations. This disclosure is noteworthy because instead of just talking about the diversity policy and how it is implemented, the company must now give investors facts that show the results of the company’s efforts. It is our belief that this rule will not only impact the discussion at the board level, but also provide insight into how companies define diversity and inclusion when considering new board members.

We are pleased to have the support of so many corporate partners, without whom what we do would not be possible. As the HACR CII report illustrates, the overwhelming majority of our corporate partners value the survey and understand it is our responsibility to advocate for Hispanic inclusion. They also appreciate the relationship because it holds them accountable for goals and objectives they have set for themselves.

Together, we give one voice and send one message to the rest of Corporate America: diversity is not only an ethical imperative, it is essential for a company’s ability to innovate and compete. To those who participated in this year’s survey, we thank you for being transparent and we appreciate all you do to make our united vision come to fruition.

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 Hispana Leadership Institute
- National Puerto Rican Coalition
- National Society of Hispanic MBAs
- SER-Jobs for Progress National, Inc.
- United States Hispanic Chamber of Commerce
- United States Hispanic Leadership Institute

Janet Murguia
National Council of La Raza

Guarione Díaz
Cuban American National Council

Ronald Blackburn-Moreno
ASPIRA Association, Inc.

Clara Padilla Andrews
National Association of Hispanic Publications

Ignacio Salazar
SER-Jobs for Progress National, Inc.

Albert Gonzales
American GI Forum of the United States

Esther Andrades
Congressional Hispanic Caucus Institute

Mary Ann Gomez
Congressional Hispanic Leadership Institute, Inc.

Dr. Antonio R. Flores
Hispanic Association of Colleges and Universities

Margaret Morán
League of United Latin American Citizens

Alma Morales Rojas
MANA, A National Latina Organization

Barbara J. DesMarais
National Hispana Leadership Institute

Rafael Fantauzzi
National Puerto Rican Coalition

Manuel “Manny” Gonzalez
National Society of Hispanic MBAs

Javier Palomarz
United States Hispanic Chamber of Commerce

Dr. Juan Andrade Jr.
United States Hispanic Leadership Institute
That quote, attributed to Peter Drucker, known as one of the greatest management thinkers and lauded as the creator and inventor of modern management, stands as true today as it did decades ago.

Making a case for improvement is only as relevant as the data that supports it. Measuring and analyzing the reality of a situation is what validates grassroots and advocacy efforts. This is the purpose of the 2011 HACR Corporate Inclusion Index (HACR CII) survey.

This year’s HACR CII survey saw a 40 percent increase in corporate participation. Individually, the corporations that participated showed gradual improvements in their rating, and we also saw better reporting from those participating. However, the results still pointed out the gap between our goals for diversity and inclusion and what is really taking place inside Corporate America.

For years, the dialogue about the growing force of Hispanics in the U.S. has been taking place, that we are loyal to brands, we are the fastest growing minority group in the U.S. - 50 million consumers strong - and as such, market reciprocity dictates that we should be represented across all levels of a corporation, from internships all the way to the corporate boardrooms. But we are not, and that needs to change.

So, to begin addressing the issue, this year HACR launched a new campaign called Advocate, an initiative that highlights the need for support to ensure Hispanic inclusion at all levels of a corporation. Through clever print ads, the Advocate campaign highlights facts and figures about where Hispanic inclusion is today in the areas of employment, procurement, philanthropy and governance: HACR’s four pillars of corporate social responsibility and market reciprocity.

Being an advocate starts with each of us. Every Hispanic corporate executive, corporate director, community leader and elected official should be an advocate for Hispanic inclusion. It is good for the enterprise, it is good for the community, and it is good for the individual.

Allow me to highlight three leaders who are advocating from their positions of power: Securities and Exchange Commission (SEC) Commissioner Luis Aguilar, U.S. Congressman Joe Baca, and U.S. Senator Robert Menendez.

Thanks to Commissioner Luis Aguilar’s foresight and commitment to diversity and inclusion, the SEC now requires companies to disclose whether diversity is a factor in considering candidates for nominations to their board of directors, how diversity is considered in that process, and how a company assesses the effectiveness of its policy.

Understanding there is much more work to be done, Commissioner Aguilar often speaks about taking a page out of the National Football League’s (NFL) playbook and instituting a version of the Rooney Rule when it comes to diversity on corporate boards. You may recall the NFL instituted the Rooney Rule in 2003, requiring all teams to interview at least one minority candidate when filling a head coaching position. If there was a Rooney Rule today in Corporate America, boardrooms would be reflective of the U.S. population, thus creating opportunities for all women and minorities.

U.S. Representative Joe Baca (D-CA), a staunch advocate for Hispanic inclusion at Fortune 500 companies, has been instrumental in creating change and opening doors of opportunity for Hispanic executives. As Co-Chair of the Congressional Hispanic Caucus’ Corporate America Task Force, his efforts have been instrumental in ensuring Corporate America’s participation on the HACR CII survey. He also has provided a platform at the CHCI Public Policy conference for us to discuss the HACR CII report, holding companies accountable, forcing a discourse, and keeping the conversation front and center.

U.S. Senator Robert Menendez (D-NJ), who chairs the Senate Democratic Hispanic Task Force, is looking at diversity and inclusion at all Fortune 500 companies via his Corporate Diversity Report. Senator Menendez’s focus is on measuring progress in the areas of corporate boards, executive management, supplier contracting, procurement processes, and consulting services. The Senator’s leadership serves as a straightforward and clear reminder that diversity and inclusion is important because it carries inherent benefits for all.

These are just three examples of leaders who are advocating from their positions of power and clearly understand that “what gets measured gets done.”

The moment is now. Become an advocate, move the needle forward, create a sense of urgency so that we can take our seat at the table.

Sincerely,

Carlos F. Orta
President & CEO
How Can HACR Hold Companies Accountable?

Through a Comprehensive Corporate Accountability Strategy

Overview of Corporate Accountability Strategy

At its foundation, the Hispanic Association on Corporate Responsibility (HACR) has representatives from the 16 largest and most respected national community focused organizations that are Hispanic-serving and/or Hispanic-led. The 16 member board adopted the HACR Corporate Accountability Strategy (HACR CAS) that provides a roadmap for HACR to identify, report on, and collaborate with Fortune 100 and HACR corporate partners around the concept of Hispanic Inclusion.

For the past 25 years, HACR has advocated for the inclusion of Hispanics in Corporate America at a level commensurate with Hispanic economic contributions. With the latest census numbers reporting a 43 percent growth, Hispanics continue to represent the fastest-growing group of Americans in categories including: consumers, employees, business owners, taxpayers, and voters.

The HACR Corporate Accountability Strategy has a four-pronged approach to achieving its objectives in measuring and encouraging Hispanic inclusion:

- **Agreements.** This first focus area establishes a contractual relationship with corporate partners that provide opportunities to increase visibility to all HACR Coalition Members and leverages the relationship to gain first hand knowledge along with an understanding from the top leaders of the Hispanic community. The agreements also allow for an open dialogue around best practices between HACR and the individual corporation.

- **HACR Corporate Inclusion Index** (HACR CII) survey. The HACR CII takes a comprehensive measurement of the business practices and corporate strategies of participating companies around HACR’s four pillars of employment, procurement, philanthropy and governance.

- **Research & Advocacy** function of the HACR CAS will allow HACR to gather informal data on Fortune 100 companies as well as quick survey requests of Fortune 500 corporations based on relevant questions. HACR will also survey community leaders from across the U.S. about performance of Fortune 500 companies and their impacts to local and national Hispanic communities.

- **Stock Purchase Fund** is an actionable plan to invest in and support companies that help advance HACR’s mission and identify the companies who are not Hispanic inclusive.
A total of 122 corporations that were a Fortune 100 company and/or HACR corporate partner received invitations to take part in the 2011 HACR Corporate Inclusion Index (HACR CII) survey. Of the companies who were sent requests to participate, 52 submitted surveys this year, and 50 were rated.

The HACR CII survey collects key pieces of information in and around the four HACR pillars of Employment, Procurement, Philanthropy and Governance; to calculate a corporation’s rating score and other information that helps the HACR Research Institute to gauge trends and best practices among all businesses or particular industries.

The primary source of information for the HACR CII rating is the HACR CII survey. Corporations are also asked to provide supporting documentation for the criteria and information that was submitted.

Although not a pioneer in the diversity and inclusion survey space, the HACR CII is the only survey presented by a Hispanic non-profit with a focus on Hispanic inclusion in the areas of employment, procurement, philanthropy and governance.

Invitations for the 2011 HACR CII survey were sent out in May 2011. If a corporation had not previously participated in the HACR CII, surveys were sent to the chief executive officer, as well as the highest-level executive responsible for human resources and/or diversity when it was possible to obtain their contact information. If a corporation had previously participated in the HACR CII, surveys were first sent to the individuals responsible for previous submissions along with communications being sent to senior level executives.

The HACR staff provided additional assistance and advice throughout the process and reviewed submitted documentation for appropriate language and consistency with survey answers. Corporations were invited to provide HACR staff with any additional information, corrections to data and/or updates prior to this report going to print.

There may be variances between the total survey respondents and the number of respondents for every question. This is due to the fact that not all participants responded to every question. The median rate for each question was calculated solely based on the number of responses.

Acknowledgements

The HACR Research Institute (HRI) is the research arm of HACR. HRI is devoted to objective research, analysis and publication of Hispanic-related issues in Corporate America. HRI focuses its research in the areas of corporate governance, workforce employment, philanthropy, procurement, Hispanic economics and national demographics. The goal of the HRI is to assess current Hispanic trends and stimulate discussion on Hispanic inclusion in Corporate America.

On behalf of the HACR Board of Directors, we would like to acknowledge and extend a special thank you to the following for their support of the 2011 HACR CII report.

Ana M. Valdez – Ana currently serves as the executive director of HACR and leads the efforts of the HACR Research Institute. Ana also serves as the Executive Editor and contributor for the annual HACR CII report.

Dr. Sue Fogel – Department Chair and Associate Professor of Marketing at DePaul University and Co-Director of the Kellstadt Center for Market Analysis and Planning. Dr. Fogel’s work has been published in Marketing Science, Journal of Consumer Psychology, Marketing Letters, and other academic journals. She holds a Ph.D. in Cognitive Psychology from the University of California at Berkeley. Dr. Fogel oversaw the data compilation and analysis of the 2011 HACR CII report.

Roxana Vergara – Principal at V Consulting served as Project Director for the 2011 HACR CII. Roxana lead the compilation, analysis and result findings of the 2011 HACR CII report. V Consulting focuses on research and data analysis in identifying opportunities for creating positive customer-focused experiences, while ensuring operational excellence by promoting cross-functional collaboration across business functions and teams.

Creative Services

Republica provided all creative services for the 2011 HACR CII report. República is a cross-cultural agency specializing in advertising, branding, digital, social media, public relations, media buying, promotions and research.
HACR Corporate Inclusion Index: Companies that Participated

*AARP
*Aetna
Allstate
*Altria Group
*Anheuser-Busch, Inc.
*AT&T
*Bank of America Corp.
*Chrysler
*Cisco Systems
*Citigroup
Coca-Cola
*Comcast
*Comerica Bank
*ConAgra Foods, Inc.
Deere & Co.
*Dell
*Diageo
DuPont
*Ford Motor Company
*General Electric
*General Motors
Goldman Sachs Group
HCA
Hewlett-Packard
*Intel
IBM
J.P. Morgan Chase & Co.
*Johnson & Johnson
*Kraft Foods
Kroger
*Macy’s Inc.
*Marriott International
*Marsh and McLennan
*McDonald’s
*Microsoft
*MillerCoors
New York Life Insurance
Northrop Grumman
*PepsiCo
Pfizer
*Prudential Financial
*Sodexo, Inc.
*State Farm Insurance Cos.
*Target
*Time Warner
*Toyota Motors

*United Parcel Service
*Verizon Communications
*Wal-Mart Stores
WellPoint
*Wells Fargo
*Wyndham Worldwide

*HACR Corporate Member
HACR Corporate Inclusion Index: Companies that Did Not Participate

3M
Abbott Laboratories
Amazon.com
American Express
American International Group
AmerisourceBergen
Apple
Archer Daniels Midland
Berkshire Hathaway
Best Buy
Boeing
*Burger King
*Caesars Entertainment Inc.
Cardinal Health
Caterpillar
Chevron
ConocoPhillips
Costco Wholesale
CVS Caremark
Delta Air Lines
Dow Chemical
Enterprise Products Partners
Express Scripts
Exxon Mobil
Fannie Mae
FedEx
Freddie Mac
*GameStop
General Dynamics
Google
Hess
*The Home Depot
Honeywell International
Humana
*ING
Ingram Micro
INTL FCStone
Johnson Controls
Liberty Mutual Insurance Group
Lockheed Martin
Lowe’s
Marathon Oil
*Manpower
*Mckesson
Medco Health Solutions
Merck
Metlife
*MGM
Morgan Stanley
News Corp.
Oracle
Philip Morris International
Plains All American Pipeline
Procter & Gamble
Rite Aid
Safeway
Sears Holdings
Sprint Nextel
Sunoco
Supervalu
Sysco
TIAA-CREF
*Tyson Foods
United Technologies
*UnitedHealth Group
Valero Energy
Walgreen
Walt Disney

*HACR Corporate Member
# Rating Methodology and Criteria

## POINTS POSSIBLE

### 1. EMPLOYMENT — WORKFORCE & RECRUITMENT [30]

| A. Does the company have a Hispanic Employee Association? | 5 |
| B. Does the organization have an executive champion? | 5 |
| C. Does the company specifically monitor the attrition rate of Hispanic employees? | 5 |
| D. What percentage of total hires represents Hispanic hires? | 10 |
|   - 6% > = 10 |
|   - 1–5.99% = 5 |
| E. Does the company have an internship program specifically designed/geared to recruit Hispanics? | 5 |

### 2. PROCUREMENT — SPENDING [20]

| A. What is your Hispanic supplier spend goal as % of total opportunity dollars? | 10 |
|   - 6% > = 10 |
|   - 1–5.99% = 5 |
| B. Does the company have a full-time executive responsible for supplier diversity?* | 5 |
| C. Is this executive or function held accountable for establishing and attaining supplier diversity goals? | 5 |

### 3. PHILANTHROPY — COMMUNITY INVESTMENT [20]

| A. What is your Hispanic give as % of total dollars contributed/invested? | 15 |
|   - 11% > = 15 |
|   - 6–10.99% > = 10 |
|   - 1–5.99% = 5 |
| B. Does your company have plan for outreach & corporate giving to local and national Hispanic Organizations? | 5 |

### 4. GOVERNANCE — LEADERSHIP [30]

| A. What percentage of total board are Hispanic (2010)? | 10 |
|   - 10% > = 10 |
|   - 5–9.99% = 5 |
| B. What percentage of total Executive Officers are Hispanic (2010)? | 10 |
|   - 6% > = 10 |
|   - 1–5% = 5 |
| C. Does management report to the Board of Directors on Diversity performance annually? | 5 |
| D. Does the company have a full-time executive responsible for Diversity? | 5 |

### CORPORATE INCLUSION INDEX TOTAL POSSIBLE

100

*In 2009 & 2010 – Previously rated question: 2B) Does your company actively source Hispanic vendors?
## HACR Corporate Inclusion Index Rating

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<th>Company Name</th>
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* Indicates companies that did not participate in the 2009 and/or 2010 HACR CII Survey.
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* Indicates companies that did not participate in the 2009 and/or 2010 HACR CII Survey.
The purpose of HACR’s Corporate Inclusion Index (HACR CII) is to help gain an understanding of business practices through performance analysis in operational areas within Corporate America and the implications it has on the Hispanic community.

While the HACR CII is not the sole evaluator of diversity and inclusion, it is the only one that carries the support from 16 national Hispanic led and serving nonprofit organizations in the U.S. and Puerto Rico. HACR is a Hispanic advocacy nonprofit organization that invests in this kind of research.

Since its inception in 2005, survey participation for the HACR CII has increased 52 percent. From 27 Fortune 100 companies participating in the survey’s first year to 52 companies participating in this year’s HACR CII. It’s important to acknowledge and commend the 27 original HACR CII participants -- their participation in the survey demonstrates their commitment to improving which lead many to develop and/or consider developing retention strategies.

Hispanic inclusion within their organizations. Since first participating more than half of these companies have shown great improvement in their ratings which reflect improvement in their inclusion practices.

The increased participation from corporations in the HACR CII and being a part of the overall conversation about Hispanic inclusion is seen as a positive first step toward change. HACR works closely with participants so that these corporations can utilize the feedback to set goals for making internal improvements.

These efforts have led to better reporting and improvements within the Corporation.

This report provides key highlights on this year’s findings with respect to the four HACR pillars: Employment, Procurement, Philanthropy and Governance.

The 2012 HACR CII survey window will open in May 2012. We look forward to working with the Fortune 100 companies and HACR Corporate partners in gathering better and more insightful data.
Employment Findings

As the Hispanic population continues to grow, corporate outreach and inclusion of the Hispanic community will be vital to the nation’s economic growth. The 2011 HACR CII survey measured how corporations handle Hispanic recruitment, provide support through employee groups, the role and importance of an executive champion, and the impact of monitoring attrition rates of Hispanics.

Of the total respondents, 72 percent reported having or supporting an internship program specifically geared toward recruiting Hispanics. For the question, “What percentage of total hires represents Hispanic hires,” of the 48 responses received on this question, there was an average of 11 percent of new hires representing the Hispanic workforce. All respondents reported that their employee groups had an executive champion. An executive champion advocates from the higher ranks of management and consistently, as well as strategically, supports the efforts and views of Hispanic employee resource groups.

Having an executive champion is key for every corporation that is serious about taking positive steps to change their own employment practices. Having this type of supporter within executive management allows the company to create effective retention strategies, employee engagement and a positive environment.

This year’s survey asked if companies monitored the attrition rate of Hispanic employees. Of those companies who responded to this question approximately 86 percent said that they did in fact monitor the attrition rate in their corporations, which lead many to develop and/or consider developing retention strategies.

Best Practices - Employment

Keeping Good Talent - Smart Just Got Brilliant.

Over 40 years ago, Intel introduced the world to the first commercially available microprocessor, triggering the start of a digital revolution. Today the devices that contain them have become so integrated into daily life that they have become virtually indispensable.

Today, Intel is implementing a retention strategy called “TouchPoint” that will help them keep their employee talent, thus readying them for the next revolution that comes along. It all started six years ago when Intel found that the attrition rate for Hispanics during their first year of service was significantly higher than any other employee classification. To combat this, they instituted the “1st Year Hispanic TouchPoint Program” to monitor the attrition rates for Hispanics in their first year of service, and takes steps to reduce it.

The objectives of this program include connecting senior Hispanic leaders in the Intel Hispanic Leadership Council (IHLC) with first-year Hispanics for a status check-in or potential mentoring opportunities. Each leader is assigned a list of first-year exempt Hispanic employees with the goal to establish contact and a relationship with each of them within a 30-day window.

The success rate of the program is seen in the fact that one year after the program was implemented, the Hispanic attrition rate dropped 633 percent and since then has remained under 5 percent. Also, 84 percent of first-year employees have remained with Intel.

Approximately 14 percent said that they did in fact monitor the attrition rate in their corporations, which lead them to develop retention strategies.
**Procurement Findings**

Hispanic-owned businesses continue to increase at more than double the national rate, according to U.S. Census Bureau data released in 2010. The U.S. Census Bureau estimates that there are 2.3 million Hispanic-owned businesses, which represents a growth rate of 43.7 percent between 2002 and 2007. During this same period, sales generated by Hispanic-owned businesses increased 55.5 percent, reaching $345.2 billion in 2007.

Yet, despite the overall growth in business ownership, Hispanics continue to be predominantly underrepresented in procurement spending and access to corporate procurement programs.

When asked whether their company has a full-time executive responsible for supplier diversity and whether that executive was held accountable for establishing and attaining supplier diversity goals, 96 percent of respondents stated yes to both questions. However, of the 21 companies that responded to the question regarding supplier spend goals only 50 percent of these 21 had goals above the median rate of 2.6 percent of total opportunity dollars directed toward Hispanic businesses.

If U.S. Hispanics represent nearly 44 percent of the small business growth rate with sales in the area of $345 billion a year and corporations are saying they have executives responsible for supplier diversity, why is the disparity of opportunity dollars so great?

Corporate America must do more to maximize and utilize the expertise that Hispanic-owned businesses bring. There is a missed opportunity to leveraging a positive return on investment (ROI) with Hispanic-owned businesses. There should be a concerted effort to engage and do business with Hispanic suppliers thus, diversifying the overall pool of suppliers. The potential ROI is not something that corporations who seek to grow can afford to ignore.

**Best Practices to Consider**

- A company should establish a minority supplier program as a policy of the corporation, that includes opportunities for Hispanic small businesses.
- Require executive management to be accountable for minority supplier development that include all minorities.
- Implement a written supplier diversity corporate policy that clearly delineates executive management commitment and measures success.
- Conduct employee reviews (of stakeholders, budget holders, etc.) tied to performance in developing minority suppliers cross-functionality.

Hispanic-owned businesses generated $345.2 billion in sales in 2007, up 55.5% from 2002.
Philanthropy Findings

Hispanics continue to play an increasingly relevant role as they discover their own voice and force in the social, cultural, economic and philanthropic arenas. Their philanthropic initiatives focus on efforts that support causes and organizations that resonate with their core values (i.e. family and faith), and that make a difference in their own communities.

The 2011 HACR CII survey provided data that indicated 96 percent of all participants have a plan for initiatives that reach out to local and national Hispanic organizations. Thirty-five participants (70 percent) responded that their company contributed or invested towards local and national Hispanic organizations.

Between 2000 and 2010, the share of people living in poverty rose to 15.1 percent, the highest poverty rate increase since 1993. And the poverty rate went from 21.5 percent to 26.6 percent. During this same period, Hispanic household income fell from $40,000 to less than $38,000. According to Census analysis, conducted by the Pew Hispanic Center, more Hispanic children are living in poverty. This is significant because Hispanic children represent the largest segment of the total population under the age of 18— (6.1 million).

Between 1999 and 2009, philanthropy dollars intended to benefit Hispanics remained at a steady 1 percent of total foundation funding according to a research briefing jointly released in 2011 by the Foundation Center and Hispanics in Philanthropy, entitled, Foundation Funding for Hispanic and Latino Communities in the U.S. and for Latin America.

The lack of growth in philanthropy funding magnifies the needs that Hispanics face in light of a challenged economy and rising unemployment rates, as dwindling resources will cause a strain on all communities in the U.S.

“The issues facing Latinos are similar to but not identical to the issues facing other communities of color or economically disadvantaged communities. The principle of targeted universalism suggests that if we aren’t intentionally targeting our grants to ensure that Latinos are benefiting, then we are more likely to fail. The Latino community needs a bigger slice of the philanthropic pie, and all Americans will be better off when fewer Latinos are in poverty or are struggling with other social and economic challenges.”

– Aaron Dorfman, Executive Director, National Committee for Responsive Philanthropy

1Foundation Funding for Hispanic and Latino Communities in the U.S. and for Latin America. Research Brief, Foundation Center, September 2011.
2Cauchon, Dennis and Barbara Hansen, Typical U.S. family got poorer during the past 10 years. USA Today, September 14, 2011.
Governance Findings

There are 50 million Hispanics in the United States making them a very attractive consumer market. Corporate America has found the way to target, and to speak to the Hispanic consumer which in 2015 will reach a buying power of $1.5 trillion. Yet, when it comes to seeking avenues for inclusion on corporate boards, Fortune 500 companies say that the search for good Hispanic candidates becomes harder because they “can’t find them.”

The Alliance for Board Diversity recently released the updated version of their 2010 survey which found that minorities and women represent 12.8 percent of corporate board seats in the Fortune 500, representing less than half of the total population that these groups represent. Hispanics are the lowest represented group on corporate boards. They comprise about 3.8 percent of total board seats of Fortune 500 companies, one-fifth of the 16.3 percent they represent in the U.S. population. Overall, the representation on executive teams (C-Suite) is far worse, with Hispanics holding only 2.9 percent of these positions.

Comparatively speaking, Fortune 500 boards are less diverse than Fortune 100 boards. Women and minorities represent about 15.5 percent of board seats on Fortune 100 boards. And, when looking at Fortune 1000 companies, minorities and women hold roughly 6.9 percent of all board seats, with Hispanics holding about 1.6 percent. When we broaden the scope of Fortune-ranked corporations, Hispanic inclusion in the boardroom significantly decreases presenting a clear understanding of the big picture: Top companies do a better job of including Hispanics on their boards but generally speaking, all corporations are still lagging on Hispanic inclusion in the boardroom.

The 2011 HACR CII participants were asked about the percentage of Hispanics on their boards as well as the percentage of total executive officers. The report finds that 25 respondents stated they have at least one Hispanic board member on their board, meaning Hispanics represent a median rate of 8.3 percent on these corporate boards. Regarding the question about Executive Officers, 23 companies responded to this by stating that Hispanics comprise on average 6.67 percent of total population in the C-Suite.

Of the 50 participants rated, 92 percent indicated that management reports to the Board of Directors on Diversity performance annually. Ninety-eight percent reported that they had a full-time executive responsible for diversity.

Although more and more companies are making a concerted effort to create change, the data shows that bolder initiatives and more action need to happen to have real impact in the boardroom and the C-Suite.

2010 Fortune 100 Percentage\(^4\) of Board Seats by Gender and Race/Ethnicity

\[\begin{array}{c|c|c|c|c|c|c}
\text{Gender} & \text{White Men (N=847)} & \text{Minority Men (N=146)} & \text{Minority Women (N=41)} & \text{White Women (N=177)} \\
\hline
\text{Minority Men} & \text{African-American 7.3%} & \text{Asian Pacific Islander 1.7%} & \text{Hispanic 3.1%} \\
\text{Minority Women} & \text{African-American 2.1%} & \text{Asian Pacific Islander 0.5%} & \text{Hispanic 0.7%} \\
\end{array}\]

\(^4\)Fortune 100 analyses are based on data from all 100 companies in the Fortune 100. Results are accurate within one-tenth of a percent. Percentages may not add to 100 because of rounding.
The 2012 HACR Corporate Inclusion Index Survey will be released 4Q 2012. For more information visit www.hacr.org.
About HACR

Founded in 1986, the Hispanic Association on Corporate Responsibility (HACR) is one of the leading advocacy organizations that represent the most influential and respected grassroots organizations in the United States and Puerto Rico.

Our mission is to advance the inclusion of Hispanics in Corporate America at a level commensurate with our economic contributions.

To that end, HACR focuses on four areas of corporate responsibility and community reciprocity: employment, procurement, philanthropy, and governance.

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 Hispana Leadership Institute
National Puerto Rican Coalition
National Society of Hispanic MBAs
SER-Jobs for Progress National, Inc.
United States Hispanic Chamber of Commerce
United States Hispanic Leadership Institute