

**GLOBAL SULLIVAN PRINCIPLES**  
*of Social Responsibility*

**ENDORSER BEST PRACTICES**

*“Best Practices” From GSP Endorser  
Annual Reports for the 2001 Calendar Year*

Revised July 1, 2002

## **Fannie Mae**

(Relates to Principle #2, 4)

At Fannie Mae, we consider our Diversity Initiative as an “outstanding practice.” Our unique public mission was the driver behind our Diversity Initiative - a comprehensive, corporate strategy designed to integrate Fannie Mae’s commitment to diversity into all aspects of who we are and what we do. The Initiative takes a two-tiered approach, consisting of internal and external programs. Internally, the Diversity Initiative is designed to foster the diversity of our workforce, recognize and value every employee’s unique skills and perspectives, and increase opportunities for all employees.

To do so, it takes the form of: a Core Corporate Commitment to Diversity; the Office of Diversity, Health, and Work Life Initiatives, which has overall management for the Diversity Initiative; the Diversity Advisory Council, made up of employees at all levels who identify and address diversity-related issues; Diversity Training, designed to increase employee sensitivity; Employee Networking Groups, which enable employees with shared interests to meet and talk; and a series of developmental programs, designed to help employees, particularly women and minorities, to enrich their careers.

Externally, the Diversity Initiative translates into programs designed to increase the diversity of the companies with which we do business; special business goals designed to help more women, minorities, and other underserved Americans afford homes; training, through which we help lending institutions learn how to increase the diversity of their own workforce; and outreach efforts, designed to share with other companies Fannie Mae’s experiences with Diversity and our successful initiatives.

Launched in 1992, Fannie Mae’s Diversity Initiative has evolved over time into an integral part of the company. At the same time as it has been sustainable, the Initiative has been flexible, changing and developing with our culture. For example, in 2001, Fannie Mae’s Health and Work/Life Center, responsible for the company’s non-traditional benefits, was integrated with the Office of Diversity. This demonstrated Fannie Mae’s commitment to develop benefits that help our diverse workforce meet their various work and life responsibilities. In addition, reflecting Fannie Mae’s belief that every employee can have a positive impact on the company, responsibility for the All-Employee Perspectives Survey was moved into the Office of Diversity, Health and Work Life Initiatives. Catalyst recently recognized our diversity efforts with the 2001 Catalyst Award.

Because our business model relies on mortgage lenders (we don’t lend directly to consumers, but provide money to lenders, who in turn lend money to home buyers), we must also work with the entire housing finance industry to create appreciation for diversity and an understanding of the unique needs of women and minorities. During the past ten years, we have introduced several initiatives aimed to help educate the industry, our partners, and ultimately the homeowners we serve: diversity training, benchmarking sessions, and corporate participation in the Fannie Mae Foundation home-buying fairs. These external efforts allow Fannie Mae to contribute our diversity “Best Practices” - as featured in *CFO* magazine’s May 2001 issue - and to help shape the mortgage industry to combat discrimination and predatory lending to families, especially minorities and the underserved. In addition, our Minority- and Women-Owned Business Program and ACCESS Program provide access and assistance to minority- and women-owned business suppliers and securities firms to transact business with Fannie Mae.

Fannie Mae’s Diversity Initiative has had tangible results both internally and externally. Internally, the Initiative has increased opportunities for all Fannie Mae employees, with a strong emphasis on women and minorities; and externally, it has helped to increase the diversity of the housing industry as well as the availability and affordability of homeownership and rental housing for women and minorities in America. In addition, the Initiative is based on a sound and unwavering business rationale; and is clearly sustainable, thanks to ongoing communication, education, accountability, and the support and commitment from employees at all levels of the company.

We are proud of our Diversity, Health and Work Life Initiatives at Fannie Mae and the fact well-known organizations and publications have recognized us. *Fortune* recognized us in 2001 as one of “America’s Best Companies for Minorities” and “100 Best Companies to Work For in America.” We were named to *Asian Enterprise’s* “Top Ten Companies for Asian Pacific Americans,” *Latina Style’s* “Top 50 Companies for Latinas to Work for in the U.S.,” *Computerworld’s* “Best Places to Work in IT,” and *Business Ethic’s* “100 Best Corporate Citizens.” We earned the “Catalyst Award” from Catalyst, “Corporate Conscience Award-Diversity” from the Center for Responsibility in Business, and the “Workplace Model of Excellence” from the National Healthy Mothers, Healthy Babies Coalition. Additionally, *Working Mother* recognized Maria Johnson, Vice President of the Office of Diversity, Health and Work Life Initiatives, with the 2001 “Diversity Champion Award.”

## **Hershey Foods Corporation**

*(Relates to Principle #2)*

Global cocoa industry initiative to address child labor concerns in West Africa.

## **Occidental Petroleum Corporation**

*(Relates to Principle #5)*

Occidental has delivered a strong performance in the field of health, environment and safety. Occidental periodically engages third-party experts to review operations and advise on the effectiveness of our HES Program. One such review was completed in 2001 when the respected firm, Environmental Resources Management (ERM) completed a three-year review of the HES Audit and Assessment programs of Occidental Petroleum and its operating subsidiaries. Following the implementation of improvements suggested by the review, ERM expressed the opinion that, 'Occidental Petroleum has implemented an effective Health, Environment, Safety and Process Risk audit program that clearly ranks in the upper quartile of companies in the chemical manufacturing and oil and gas industries.'

Additionally, in 2001 Occidental received two internationally recognized certifications – ISO 14001 for environmental management systems and OHSAS (Occupational Health and Safety Accreditation System) 18001 for health and safety management systems. Worldwide, few companies have achieved certification of both their environmental and safety management systems, and very few have received them concurrently. (For more information, see response to Principle 5.)

Also, our Ecuador operation received ISO 14001 re-certification in 2001, and the Wildlife Habitat Council (WHC) renewed certification of Occidental's conservation management program at its Elk Hills operation in central California's San Joaquin Valley.

OxyChem's strong safety programs contributed to ongoing recognition under the federal government's prestigious OSHA Voluntary Protection Program. OxyChem had two facilities newly certified in 2001 and now has 18 OSHA Star work sites. Eight plant sites were also re-certified.

This third party verification of our commitment to health, environment and safety demonstrates that Occidental has a solid foundation of responsible corporate citizenship, consistent with the Principles.

## **Pennoni Associates, Inc.**

*(Relates to Principle #1, 7)*

During 2001, Pennoni participated in a *Habitat for Humanity* project. The project involved building new homes in West Philadelphia, a neighborhood close to our headquarters. Through a company initiative of donated engineering resources, many employees chose to donate their personal time to the project as well. Using the resources available to them as professional engineers and scientists, employees involved in this project made a difference in the lives of West Philadelphia community members. This project had a tremendous effect on both the families who moved into the homes and employees who found personal fulfillment through their involvement. Pennoni would like to continue our involvement in community-based projects because we value the benefits felt by the community and our employees.

## **The Procter & Gamble Company**

*(Relates to Principle #7)*

P&G has been working to prove that the concept of Sustainable Development can build the shareholder value of an enterprise through products and services that truly improve the quality of consumer's lives, particularly those in developing and least developed countries. To this end, we have been working to develop new business initiatives that would directly address problems and frustrations in consumer's lives in these developing economies. We have focused on the areas of water, health and hygiene. In 2001, P&G, along with DuPont, led a project of the World Business Council for Sustainable Development, WBCSD, called Sustainability Through the Market, STM. The report of that project, which defines the seven "keys" that must be in place for Sustainability Through the Market to work, is available on line at <http://www.wbcd.ch/newscenter/reports/2001/stm.pdf>

## **Shell International Ltd.**

*(Relates to Principle #2)*

One of the outstanding practices is the Diversity and Inclusiveness initiative. During 2001, the following has been achieved:

- Established Diversity and Inclusiveness as a Group Standard. This defines the expectations for each Shell company - to develop and implement a comprehensive plan for integrating diversity and inclusiveness in their day-to-day work as well as provide annual assurance of progress. Progress is and will continue to be reported publicly through the annual Shell Report. To our knowledge, Shell is the only company that has embraced diversity as a Standard (at a global level) with its corresponding disciplined annual assurance process.
- Engaged about 2020 Shell senior leaders across the world (78 different countries) through a one-day Diversity Engagement for Leaders workshop to generate commitment and ownership for taking diversity forward in their business.
- Established the Group Diversity Council chaired by the Chairman of the Royal/Dutch Shell Group to provide strategic direction and to monitor progress on diversity and inclusiveness across the world.
- Began to integrate diversity into key HR processes and systems such as Recruitment and the Talent Review Process.

Developed change agent networks within (and across) each business to catalyze action, support leaders and assist diversity efforts at the grass-root level.

## **Visteon Corporation**

*(Relates to Principle #1, #7)*

Visteon's Corporate Contributions Program provides charitable activity in the locations where we do business. The initiative is focused on children/environment.

## Rio Tinto plc

(Relates to Principle #6)

See: [www.riotinto.com/se](http://www.riotinto.com/se)

- The World We Live In>Sustainable Development>Summary

*Rio Tinto's near term sustainable development objectives are to:*

- *understand and make an effective sustainable development case for what the Group does, bringing together economic, environment and social aspects;*
- *develop mutual understanding of the relationship between external expectations and business activities; and*
- *increase participation in relevant public policy decision making.*

*To achieve these goals, Group businesses are being encouraged to:*

- *determine what sustainable development means to them: what are the implications, risks and opportunities;*
- *engage with stakeholders and examine what measures, targets and reporting requirements are best;*
- *find ways to include sustainable development principles in their business plans and decision making; and*
- *investigate how social, environmental, economic and governance issues can be integrated.*

- The World We Live In>Sustainable Development>Commitments for 2001>Business Integration

*Integrate the results of the Mining, Minerals and Sustainable Development (MMSD - [www.iied.org/mmsd](http://www.iied.org/mmsd)) analysis into the Group's policy and objectives, and develop measures to assess their implementation.*

*Facilitate the implementation of sustainable development programmes at all businesses, following the pilot programme at Rio Tinto Borax.*

*Participate in the design and implementation of a more efficient network of industry associations.*

- The World We Live In>Sustainable Development>Global Mining Initiative

*Rio Tinto is taking a leading role in the Global Mining Initiative (GMI - [www.globalmining.com](http://www.globalmining.com)), an industry programme involving nine major resource companies who are members of the World Business Council for Sustainable Development (WBCSD). The GMI addresses the challenges confronting the mining metals and minerals industry in the transition to sustainable development, including access to markets and resources, and the need to improve social and environment performance. The project aims to help the industry as a whole develop business directions that ensure economic viability while contributing to sustainable communities and a sustainable environment. The GMI is engaging in dialogue with stakeholders about how best to make the choices and trade offs required for successful mineral development on these terms.*

- About This Review>Chairman's Statement>From Words to Action>Ethical Corporation Interview

*Introduction: Debate about Corporate Social Responsibility may be of recent origin but caring, responsible management is certainly not. Few, if any, large companies have ever pursued profit at the expense of all other values. In many companies there has long been recognition that there is more to business than simply short-term profit. Indeed, in complex and sensitive businesses, such as those in the extractive industries, the creation of long-term shareholder wealth is incompatible with a purely near-term profit focus.*