



Global Citizens



More than ever, there is recognition of the need for cooperation among business, government and community leaders on issues dominating the global agenda. In the modern world, we have become interconnected in ways we could never have anticipated or imagined. And today, as perhaps never before, there is a common global agenda that requires integrated problem-solving and forward-looking management by all leaders in the global economy.

As we see an increasing trend of companies entering new international markets and mergers on a global scale, the question is how do corporations manage the fundamental obligation to maximize shareholder value, and create social value for the communities in which they operate and the citizens of these societies? More and more business leaders acknowledge a broader commitment – to lead not only in profitability, but also with responsibility.

While there is a distinction between corporate social responsibility and philanthropy, there is also a close connection. Reasonable and responsible strategic

philanthropy, like corporate social responsibility, is integrated and included in the way in which corporations operate. Community programs are examples of good business practices, and are models of good citizenship.

Global issues will continue to challenge CEOs, as they figure out how their organizations will best compete and be more engaged in global communities. As global citizens, multinational corporations have the ability to significantly impact the major items on the global agenda – security, growth, social and environmental stability, economic disparities, health, human rights, cultural identity and world peace.

Globalization has created new opportunities for a wide range of new partnerships between business, civil society and governments at local and national levels.

John C. Whitehead

This issue of New Century Philanthropy examines global dimensions of corporate philanthropy and citizenship.

CECP INTERVIEW WITH JOHN C. WHITEHEAD



Introduction by Paul A. Volcker

On behalf of the Committee to Encourage Corporate Philanthropy, I am delighted that this issue of *New Century Philanthropy* honors John C. Whitehead for his international and philanthropic commitment. As founding director and an active Honorary Chairman of this Committee, there is no one better than John to discuss the critical need for, and value of, global corporate philanthropy.



Paul A. Volcker

John's experiences and successes in private, public and independent sectors offer keen perspectives and insights. John argues rightly that even the United States is not, and cannot be, an economic, political or social island. The simple fact is we need to work within and through international organizations – organizations that we largely created – if we want our vision of open markets, political consensus and social justice to prevail.

Paul A. Volcker is former Chairman of the Federal Reserve Bank, and serves as an Honorary Chairman of the Committee to Encourage Corporate Philanthropy

CECP Interview

What are the implications of September 11 for business leaders?

September 11 showed business leaders that they have to worry about more than just making a profit for their companies and stockholders. They need to involve themselves in greater society, beyond their own organizations. If not, we will have even greater problems than we have now. Terrorism is a threat to the free world, to our business system, to companies' existence, our system of stock ownership, and to all shareholders. Terrorism is real and threatens all of our interests. Businesses need to pay attention to this and stay involved. There is a steadily lengthening list of very serious foreign policy crises that now face us around the world. It will take involvement of the business community to solve these problems. These are not just our government's problems. These are also our problems as business people.

How should new and emerging business leaders prepare for expanding roles and responsibilities in society?

Leadership training is important. It is incumbent on institutions of higher education to train leaders broadly, rather than training people to become experts in specific areas. There should be broader course offerings, to prepare and make future leaders aware of global economic and social issues. Companies should look always for leadership ability within their companies, and prepare their people to build and operate the company in all aspects, including as part of local and global communities. Business leaders – in particular, chief executives and chairpersons – should also strive toward higher standards as corporate citizens. And they should share experiences with each other, in business forums such as the Committee to Encourage Corporate Philanthropy, The Business Council and other organizations.

How are global events changing the role of business?

Business today is truly international and interconnected. We market and sell our products all over the world. We have factories and facilities everywhere. National boundaries mean

less and less. We business people have a stake in world stability. We have a stake in peace in the world. Disruptions, unstable governments, sanctions, boycotts and violence all harm our business, cut us off from raw materials, separate us from markets for our products. In many ways, we are all now part of a single world. The instant availability of information, instant communications and rapid transportation make it impossible for us to avoid problems elsewhere in the world for very long. Whether we like it or not, as leading corporations of the world, these problems are our problems.

We business people have a stake in world stability. We have a stake in peace in the world.

John C. Whitehead

With your leadership perspective in private, public and independent sectors, how should leaders address critical and urgent shared global issues?

It seems to me that it is very much in our interest as business people and in the interest of our country to become more involved, more influential, and more participative in foreign affairs, which we have historically left to government to handle. I do not believe our government will be able to solve these problems alone. In many other countries around the world, government and business work closely together. In America, government and business have historically had more of a confrontational relationship. Business must spend more time learning about foreign policy problems and contributing its knowledge and ideas and its contacts. And this must be done not only in Washington, but around the world, where business experience and knowledge and contacts are often more extensive than that of our government. I have said this before – foreign policy is too important to be left solely to the State Department.

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New Committee Members Join CECP



Lord John Browne of Madingley

John Browne is Group Chief Executive of BP plc. Lord Browne is a member of the Board of Directors of Intel Corporation and The Goldman Sachs Group, trustee of The British Museum, Emeritus Chairman of the Advisory Board of the Stanford Graduate School of Business, trustee of The Conference Board, Inc., Vice President and member of the Board of the Prince of Wales International Business Leaders Forum. He is also a member of the British American Chamber of Commerce, the International Advisory Board of the Financial Times, Cambridge Consultative Committee & Chemistry Appeal, Guild of Cambridge Benefactors, Reuters/Carnegie Endowment for International Peace and holds membership on boards and councils of numerous arts and science organizations in the United States and abroad.



Harold McGraw, III

Terry McGraw is Chairman, President and Chief Executive Officer of The McGraw-Hill Companies, Inc. Mr. McGraw is Chairman of the Emergency Committee for American Trade, and is a member of The Business Council and Business Roundtable. He serves on the boards of a number of non-profit and educational organizations, including Hartley House, The National Actors Theatre, The National Academy Foundation, The National Council on Economic Education and the Wharton Graduate Executive Board. He is Co-Chair of Carnegie Hall's Corporate Fund.

Vance D. Coffman

Vance Coffman is Chairman and Chief Executive Officer of Lockheed Martin Corporation. Dr. Coffman is a member of the Board of Directors of Bristol-Myers Squibb. He also serves as a board member of The Kennedy Center Corporate Fund, D.C. College Access Program and the United Negro College Fund. He is a member of the National Academy of Engineering and the Security Affairs Support Association, and a Fellow in the American Institute of Aeronautics and Astronautics, as well as the American Astronautical Society



Marjorie M. Scardino

Marjorie Scardino is Chief Executive of Pearson plc. Ms. Scardino serves on the boards of ConAgra, Inc. and Nokia Corporation. She is a member of several charitable and advisory boards. She is an Honorary Fellow of the London Business School, and recipient of the Maria and Sidney E. Rolfe Award by the Women's Economic Roundtable, the New York City Partnership's 1997 International Commerce and Leadership Award, and the 1998 Veuve Cliquot Business Woman of the Year Award.



William G. Jurgensen

Jerry Jurgensen is Chief Executive Officer of Nationwide. Mr. Jurgensen is a member of the Financial Services Roundtable, the Economic Club of Chicago, and the Chicago Council on Foreign Relations. He also serves as Vice Chairman and Trustee of Loyola University-Chicago, Director of The Lyric Opera of Chicago, Trustee of The Newberry Library and is a member of the Greater Columbus Chamber of Commerce Board of Directors.



George A. Schaefer, Jr.

George Schaefer is the President and Chief Executive Officer of Fifth Third Bancorp. Mr. Schaefer is a board member of the University of Cincinnati, Children's Hospital Medical Center, Greater Cincinnati Chamber of Commerce, the Health Alliance of Greater Cincinnati, the United Way, the Cincinnati Institute of Fine Arts, the Johnny Bench Scholarship Fund, The Queen City Club and The Commercial Club. He is also active with other affiliations including the Dan Beard Council Boy Scouts of America, The Taft Museum, Greater Cincinnati/Northern Kentucky International Airport, the Medical Center Fund, Hamilton County Republican Party Finance Committee and Cincinnati Business Committee.

James M. Kilts

Jim Kilts is Chairman of the Board and Chief Executive Officer of The Gillette Company. Mr. Kilts is a member of the Board of Directors of the May Department Stores Company and Whirlpool Corporation. He is Vice Chairman of the Board of Directors of the Grocery Manufacturers of America, member of the Board of Trustees of Knox College and a member of the Advisory Council of the University of Chicago Graduate School of Business.



Charles F. Knight

Chuck Knight is Chairman of the Board of Emerson, and served as CEO for 27 years. Mr. Knight serves on the boards of Anheuser-Busch Companies, Inc.; BP plc; IBM Corporation; Morgan Stanley Dean Witter and SBC Communications, Inc. He is trustee and Chairman Emeritus for the Barnes-Jewish Hospital, and trustee of the Missouri Botanical Garden and Olin Foundation in New York. His memberships include the St. Louis Area Council, Boy Scouts of America Executive Board, The Business Council, National Council and John M. Olin Graduate School of Business at Washington University.



Seymour Sternberg

Sy Sternberg is Chairman, President and Chief Executive Officer of New York Life Insurance Company. Mr. Sternberg is the 2001 Chairman of the American Council of Life Insurers. He is also a member of The Business Roundtable and serves on its Task Force on Health and Retirement, and International Trade and Investment. He is a board member of the New York City Partnership & Chamber of Commerce, member of the Board of Trustees for Big Brothers/Big Sisters of New York City and Vice Chairman of the Kennedy Center Corporate Fund. He is a member of the Leadership Committee of the Lincoln Center Consolidated Corporate Fund and the Board of Governors of the United Way of Tri-State. He currently serves as an U.S. representative to the Asia-Pacific Economic Cooperation Business Advisory Council, and is also member of the Board of the US-China Business Council.

Acumen Fund: Global Community. Far-Reaching Change.



by Jacqueline Novagratz, Chief Executive Officer, Acumen Fund, New York

Globalization has made our world more interconnected and interdependent than at any other time in history. This was made tragically clear in the terrible events of September 11th. Philanthropy – strategically applying private resources and initiative to solve public problems – is at the heart of social change. Today, corporations can play a more powerful role in that change than ever before. Despite its power to solve global problems – Rockefeller’s philanthropy helped eradicate hookworm, find a vaccine for yellow fever, create the Green Revolution – most philanthropy remains highly localized. The U.S. alone gives more than \$200 billion annually, yet less than 2% is given internationally. Reasons for this include the difficulty of identifying strong organizations, supporting their organizational development, and measuring success. It was for this reason that Acumen Fund was created.

The mission of Acumen Fund is to accelerate global change by connecting committed philanthropists – both individuals and corporate foundations – to some of the world’s best innovators and social enterprises. Our threefold strategy reflects the international development, financial, and entrepreneurial skills of our management team, board of directors and founding partners. First, we create strategic portfolios of some of the world’s best social enterprises working within related fields and geographic areas and provide both financial and technical support to them. Second, we link these innovations to a community of donor-investors. Third, we measure the progress (or lack thereof) of each investment and report to our partners on a regular basis. A business approach to investment, combined with building an active network of resource-rich philanthropists, provides Acumen Fund with a comparative advantage in tackling tough global issues.

Acumen Fund’s vision has been to create a mechanism similar to a mutual fund, but one that provides a return of social change rather than a financial return on investment. Acumen Fund

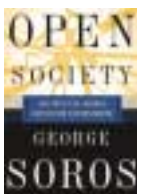
targets serious issues of global concern by identifying and supporting high impact organizations, understanding the political and economic contexts in which these social enterprises must operate, and monitoring and evaluating their progress. All of these activities require time, resources and networks rarely available to individual or even to well-connected corporate philanthropists or foundations. We believe that private sector initiative and resources can solve global social problems. Thus, corporate involvement in tackling tough issues is critical. This can also be a community-building opportunity for corporate employees, as they both contribute their hard-earned dollars and share the tracking of results and successes.

Our community is a global one. Providing real opportunity to create enormous change that ultimately will build stronger markets and more loyal potential customers, both in local communities internationally and in the U.S., where there is a growing interest in how we can solve the problems that, if not solved, will come back to haunt us.

Our first portfolio, “Health Technologies Changing Lives,” was launched in December 2001 and invests in projects and organizations that use technology to address the health needs of the poor in South Asia and Africa. Some examples are a project which will design, manufacture, and distribute a programmable analog hearing aid at low enough cost to make it accessible to the poor, and another which will collect data rapidly on essential public health programs by getting information via PDAs to and from health professionals in the field. Our next portfolio, on “Civil Society Leadership,” to be launched early in 2002, grew out of an Acumen Fund Roundtable last fall where participants concluded that there is a great need to support civil society leaders and youth movements to offer viable economic and political alternatives to the ideology of terrorism.

Open Society: Reforming Social Capitalism

by George Soros



When I became active as a philanthropist, I was determined to keep my foundations as strictly separate from my business, as I had kept my private life. I am sure that this contributed to their success, because it allowed me to be as single-minded about my philanthropy as I had been about my business. But I have not been able to maintain the segregation. The countries where I have foundations need investment as badly as they need philanthropy. At the same time, the foundations became increasingly involved in business activities, supporting newspapers, publishing, enterprise incubators, Internet, and microlending. These developments have forced me to reconsider my stance. I am still leery of mixing business and philanthropy, but I realize that it cannot be avoided. Now I am prepared to go even further: It should not be avoided. I have argued that we cannot do without politics, even if it is corrupt and inefficient. The same argument applies to social responsibility in business. If we cannot avoid mixing business and morality, we might as well try to do it well.

It would be a mistake, however, to leave social concerns to the care of corporations. Publicly owned companies are single-purpose organizations – their purpose is to make money. The tougher the competition, the less they can afford to deviate. Those in charge may be well-intentioned and upright citizens, but their room for maneuver is strictly circumscribed by the position they occupy. They are duty-bound to uphold the interests of the company.

The same applies to nongovernmental organizations (NGOs). They, too, are single-purpose organizations that cannot divorce themselves from the causes for which they stand. In some ways, the leaders of NGOs are more committed to their cause than business executives are to profits because they feel they are on the side of the angels, whereas businesspeople may feel less righteous about their business interests. I know whereof I speak, because I am the founder of probably the largest network of NGOs in the world. I think NGOs can do a lot of good in protecting the interests of neglected sectors of society, but they cannot be entrusted with making the rules any more than the business sector. They can advocate a particular point of view, and so can business. A democratic government will hold

itself open to all perspectives, but the decisions must be ultimately left in the hands of the citizens. To fulfill their role as umpire, citizens must be able to distance themselves from their role as participants whose interests are at stake. This is more easily accomplished than getting publicly owned companies to subordinate the profit motive to the public interest.

I used to be negative toward (social entrepreneurship) because of my innate aversion to mixing business with philanthropy. Experience has taught me, however, that I was wrong. As a philanthropist I saw a number of successful social enterprises, and I became engaged in some of them. Eventually, I discovered an error in my logic. There is no duplicity, no mixing of motives in social enterprise, as there is in reconciling social responsibility with the profit motive. In social entrepreneurship, profit is not a motive, it is a means to an end. Not-for-profit enterprises face a more difficult task than for-profit enterprises because they lack a single criterion, the bottom line, by which their success can be judged. But that is no reason to shy away from them; on the contrary, they present a greater challenge. Philanthropy, social work, and all forms of official intervention are mired in bureaucracy. Yet there are imaginative, creative people who really care about social conditions.

I have come around to thinking that entrepreneurial creativity could achieve what bureaucratic processes cannot. For instance, I gave a \$50 million guarantee for a mortgage-finance institution in South Africa that has financed more than 100,000 low-cost housing units. So far, not a penny of my guarantee was called down, because the institution is well-managed. The difficulty is in establishing the appropriate yardsticks for success. Consider microlending: It is an effective method for alleviating poverty. The Grameen Bank and its peers have changed the social landscape of Bangladesh. The trouble is that microlending requires outside capital for growth. If the proper criteria could be developed, I am sure that a lot more outside capital could be attracted to the field.

Excerpt reprinted with permission from *Open Society*, Chapter 6, *The Problem of Social Values*.

Global Power Brings Social Responsibility: The Challenge to Business



by David Logan, Executive Director, The Corporate Citizenship Company, London

The UN estimates that there are at least 34,000 transnational companies in the world with some 280,000 foreign affiliates. While being decisive and creative in the pursuit of new business opportunities, most large companies ignore or are deeply ambivalent about their wider role in society. Companies like IBM, Levi Strauss, American Express, BP, The Body Shop, Novartis, Hitachi, Anglo American and San Miguel have led the way in trying to create international corporate responsibility practices. The challenge is to get others to follow them.

Multi-national companies, especially from industrialized nations, should be taking the lead in setting standards of corporate responsibility and social engagement around the world. Companies succeed best in open, pluralistic societies. Therefore, they should work to strengthen non-profit

and public sector organizations, which are vital to the world’s institutional frameworks and cultures. As companies invest around the world in newly established, economically and socially open societies, they should also invest the ethics and values of social engagement assumed at home. Unfortunately, too few have done so.

The great changes of the last two decades have set the scene for a worldwide pattern of social organization. It is based on public, for-profit and non-profit sectors working separately and together, within the context of the informal relationships that are the basis of family and everyday life. Only a few countries, such as North Korea and Cuba, resist this model of social organization. For these countries, the state dominates all aspects of economic and social life. Most other

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Global Power Brings Social Responsibility: The Challenge to Business

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countries, industrialized and developing, have now rejected the dominance of the state and are increasingly fostering a large, new for-profit sector through a wave of denationalization and deregulation.

The boundaries of the state have contracted in the social sphere as well. A dynamic non-profit sector is emerging around the world both to provide human services and to campaign for social and environmental causes. Non-profit organizations are a vital part of a pluralistic society, but they are still barely established in most post-communist societies and developing countries.

The United States was once a developing country. A strong tradition of community self-help is central to its growth and success. Nineteenth Century corporate leaders like Andrew Carnegie, J. P. Morgan, Levi Strauss and others played a vital role through their philanthropy, in supporting community action to solve problems and build a vibrant society. The United States has maintained an unbroken tradition of private enterprise and corporate community involvement as part of its culture. The American model of social organization has, with local and regional variations, become the global norm. In Europe, Asia, Latin America and Africa, companies are examining their social role in society. Today,

when companies face so many problems, they seek new models of socially responsible business to manage the new social and economic challenges.

It would be reasonable to expect a great upsurge in international corporate philanthropy from the American corporate sector, but global philanthropy lags behind. Despite pouring vast amounts of capital and commercial effort into foreign markets, philanthropy has been very slow to follow. It is not unusual to find major companies drawing over 60% to 75% of their revenues from overseas but doing 75% of their giving in the US. Companies cite issues such as poor tax incentives, suspicious company motives and the lack of non-profit sector grant seekers as a reason for a lack of action internationally. Though fair points, if a company can tackle much worse obstacles to establish a business, it can overcome these problems as well.

Unfortunately, American corporate giving is one of the last business practices to become global. As leaders of the global economy, American business leaders should invest more in worldwide community programs. With employees and facilities around the world, these companies are members of communities across the globe. And like American communities, it is time to invest in the stability of a global society. The good corporate citizenship models of American businesses are especially needed abroad.

Net Aid: A Partnership for Global Action on Poverty

by Mark Malloch Brown, Administrator, UNDP

World leaders meeting at the historic United Nations Millennium Summit in September 2000 committed themselves to a goal of halving extreme poverty by 2015. Today, one in five of the world's people - 1.2 billion - live on less than a dollar a day, and more than 50 countries have lower real per capita incomes than they did a decade ago. The challenge is enormous, but at the United Nations Development Programme (UNDP) we firmly believe that the Millennium Summit goal is a realistic one.



In Tamil Nadu, India, almost half of the children in rural areas never go to school. Cisco, the Cisco Foundation and NetAid support teacher training and the enrollment of over 8,000 children in school.

It's realistic when it is shared by all sectors of society. We need the commitment not only of world government leaders, but also of business and civil society to reach the goal of halving extreme poverty by 2015. Since taking the helm at UNDP two and a half years ago, I have welcomed opportunities to partner with global corporations in achieving UNDP's mission. One key partnership is with Cisco Systems, the worldwide leader in Internet networking technology.

Together, we created NetAid, an innovative venture to raise public awareness about poverty and development. Cisco, with its commitment to applying technology for social benefit, joined with UNDP, with our extensive knowledge of what works in international development, to build a new, interactive constituency for development. NetAid started life two years ago with three celebrity fund-raising concerts that put global poverty in the spotlight, and were webcast in the largest ever broadcast on the Internet.

Now an independent non-profit with a growing circle of supporters, NetAid's members include over 27,000 individual members around the world. Using the power of the Internet to make direct connections, NetAid enables corporations, organizations and individuals to learn about issues in international development, and to take action by giving money and volunteering online for local projects in some of the world's poorest communities.

NetAid's World Schoolhouse focuses particularly on projects designed to make education a reality for the 125 million elementary-age children without access to schooling. For, as UN Secretary General Kofi Annan said when he and the United Nations were honored with the Nobel Peace Prize: "Poverty begins when even one child is denied his or her fundamental right to education".



With support from NetAid, junior high school students in Ghana are exchanging letters and artwork with students from one of Cisco partner elementary schools in East Palo Alto, CA. Photo by CamFed

In NetAid's World Schoolhouse, Openwave Systems, a leading provider of mobile Internet software, has partnered with NetAid to support an innovative youth education and mentoring program in Peru. In addition to raising money, the company's employees volunteer their time and expertise, over the Internet, to support the Peruvian group managing the project. For companies with global horizons, NetAid offers global connections - introducing companies and their employees, wherever they work, to carefully screened development projects in communities that desperately need help. NetAid is building a new constituency in the industrialized world of people - especially younger people - committed to taking action against extreme poverty. NetAid's partners are leading the way in giving the public support for international development that is vital to achieving the Millennium Summit goals.

As a founding partner of NetAid, I find this joint venture with the corporate sector immensely valuable. At the UNDP, we benefit from the application of business practices and cutting-edge technology to work on global poverty. Our partnership with Cisco Systems to create NetAid has also led to further collaboration and learning; we have now launched a program to take Cisco's Networking Academies for technology training into twenty-four of the least-developed countries.

Corporations, I believe, benefit from partnering with an initiative backed by the UN's trusted blue flag, and extensive presence in emerging markets, and from NetAid's expertise in brokering and managing connections between global companies and terrific development projects in needy communities. With the new urgency to foster global understanding and sustainable development, this is an excellent time for companies to join the NetAid partnership and take action for a better world.

Global Social Investing: A Preliminary Overview

by Jane Maddox, Communications Director, The Philanthropic Initiative, Boston

The U.S. isolationist idyll has ended, and corporate leaders and philanthropists acknowledge aloud the new risks to our global environment. These risks involve health, the environment, human security and education. Today, the danger of not investing in the world and not addressing the vast inequities between the rich and poor are as real as our shattered sense of security.

Corporate and other international leaders recognize that regional problems are global problems. Political boundaries can neither circumscribe nor contain our greatest challenges - infectious diseases, environmental degradation, and escalating ethnic conflicts have grave consequences for people regardless of borders. A desire to address these issues and the underlying inequities that exacerbate them, have given rise to an increasing interest and growth in global social investing (GSI).

Paula Johnson offers an in-depth look at the growth, development and prospects of global social investing, in her recently published paper "Global Social Investing: A Preliminary Overview." Johnson refers to GSI as "the strategic and systematic investment of private philanthropic resources to address complex interconnected manifestations of chronic underdevelopment." With a view to the magnitude and complexity of global challenges, Johnson provides a compelling case for practicing strategic philanthropy without regard to national borders. She demonstrates how growing interdependence argues for global approaches to issues such as poverty, education and health.

The paper outlines recent trends and developments that enable global social investing, including technological innovation, the growth of the nonprofit sector in countries throughout the world and the beginnings of a global philanthropic infrastructure. New partnerships between

private and corporate foundations, individual donors and governments also drive effective global social investing. These sectors collaborating with each other in new ways deliver resources and diverse and complementary expertise.

For example, a collaborative effort of Germany's Bertelsmann Foundation and six other European and U.S. philanthropies will create a decentralized, transnational "think tank," to convene funders from around the world to support and promote the growth of greater strategic giving.

There are several prominent global social investors, including George Soros, Ted Turner, and Bill Gates. Through their philanthropic efforts, these individuals address issues ranging from children's health, to the environment, to human rights, demonstrating that global social investing can be practiced strategically at both the macro and micro levels. Opportunities abound to make significant differences regardless of the level of available resources.

Despite the prominent examples of global philanthropy and a growing interest in GSI, relatively little of the world's private philanthropic capital can be characterized as such. Of the \$190 billion dollars of private giving in the United States in 1999, only \$2.65 billion or 1.4 percent supported international concerns. Johnson discusses barriers to the widespread practice of global social investing, including issues of NGO accountability and capacity, insufficient information and resources, and legal and tax concerns. Still, the infrastructure to support effective and strategic GSI is growing and includes an increasing number of U.S.-based intermediaries with issue and geographical expertise, giving circles, venture philanthropy funds, and Internet-based opportunities.



Recognizing Excellence

2001 Excellence in Corporate Philanthropy Awards

The Committee to Encourage Corporate Philanthropy is pleased to honor International Business Machines Corporation and The Timberland Company with the 2001 Annual Excellence in Corporate Philanthropy Awards.

"The Committee's mission is to celebrate and encourage corporate giving. And we're pleased to recognize IBM and The Timberland Company, which have exhibited exemplary

practices in their philanthropic initiatives and demonstrate an outstanding commitment to the principles of corporate citizenship," said Paul Newman, Committee Co-Chair.

An Award Nomination Roundtable comprised of thought leaders from organizations representing academia, government, media, and private foundations participated in the selection process. The Committee's Board of Directors reviewed company nominations, and selected the award winners.

International Business Machines Corporation (IBM)



IBM is leading a revolution in philanthropy, based on an entirely new model of corporate citizenship. The company's strategic approach to giving, drawing on the rich technological resources and tough problem solving skills on which IBM is built, is designed to effect lasting change in the global communities where IBM employees live and work. Since 1993, when Louis V. Gerstner Jr., took the helm of IBM, the company has applied unmatched levels of resources and time to devise creative solutions to the complex and pervasive problems in our K-12 public education system. Through its \$70 million Reinventing Education grant program, IBM is not just contributing money and equipment to help students achieve, but technological excellence and leadership. Recent reports and analysis from leading learning institutions including New York's Center for Children and Technology and Bank Street College indicate that Reinventing Education has resulted in significant gains in student achievement.

"The way we go about fulfilling our social responsibilities has evolved, and will continue to evolve," Chairman and CEO Lou Gerstner writes in IBM's Corporate Citizenship Report for 2001. "It's no longer a matter of broad-based checkbook philanthropy. It's about selecting specific issues, and crafting real solutions that combine

the best our company has to offer from applied information technology, to cash contributions, to the time, talents and leadership of the IBM people all over the world. We're proud of the difference we're making on a number of fronts: from enabling higher student achievement in our public schools, to building new ways for people to increase their employment opportunities, to helping close the digital divide."

IBM's worldwide contributions exceeded \$125 million in 2000, complimented by more than 4 million hours of community service by IBM employees.

Louis V. Gerstner, Jr. is Chairman and CEO of International Business Machines Corporation, and is a member of the Committee to Encourage Corporate Philanthropy.



IBM, in partnership with the United Way, has launched the IBM KidSmart Early Learning Program to give pre-K children attending United Way-funded centers across the U.S. and in over 30 countries internationally a jumpstart on education and technology.

The Timberland Company



Timberland employees painted this map of the United States on the playground of the Clara Barton School in the Bronx on September 11, 2001.

From its founding, The Timberland Company has operated on the basic human tenets of humanity, humility, integrity, and excellence. Its commitment to community is woven into everything the company does from business plans to benefits. One example is their employee volunteer program.

In 1992, Timberland launched The Path of Service™ program that gave each employee 16 hours of paid time to volunteer in his or her community. It then grew to 32 hours in 1995, and with Timberland's commitment to America's Promise, the program was expanded to 40 hours in 1997. The program is the cornerstone of Timberland's community involvement and has grown to give more than 200,000 hours of service in communities in 18 countries, 30 states, 73 cities, at more than 200

social service agencies. Employees have developed projects drawing upon their own individual talents and interests. This includes retail employees conducting environmental events in celebration of Earth Day; Returns Department mending damaged garments for re-distribution to homeless shelters; and HQ employees starting a Task Force to

impact local school and education concerns. An extension of the Path of Service™ program is the Service Sabbatical that allows employees to apply for a 6 month sabbatical at a non-profit organization. Both of these programs seek to provide transformational opportunities for both employees and participants. The company's goal is to engage participants in critical community needs and inspire them to seek long-term solutions.

"Everything we do, everything we sell has an impact on the communities in which we live and work," writes President and CEO Jeffrey Swartz in Timberland's 2001 Corporate Social Responsibility Report. "While it is essential that Timberland creates profit for our shareholders, it is just as essential that we create value for our communities. Timberland must serve our customers, shareholders, employees and communities by not only creating economic value, but also social value."

Jeffrey Swartz is President and CEO of The Timberland Company.



Timberland and the Finish Line teamed up for a day of service at the Concord Community Development Corporation last April in Indianapolis when Finish Line made service part of the company's annual manager's meeting.

Merck & Co., Inc.



The 2000 Annual Excellence in Corporate Philanthropy Award recognized Merck & Co., Inc., in its inaugural year in December 2000.



A young boy leads two of his relatives - both blinded by the parasitic disease River Blindness. Due to the efforts of many in the distribution of Mectizan, this scene is becoming a past memory.

What began as a simple commitment became an unprecedented worldwide partnership that now includes dozens of non-governmental organizations, foundations, Ministries of Health, the World Health Organization, the World Bank, UNICEF, and thousands of health care workers and community-directed distributors who have struggled against enormous odds to deliver Mectizan® to those in need.

River blindness is a devastating disease, leaving social and economic misfortune in its wake. Those who see the disease, and experience its

effects never forget the anguish it brings. For the victims, it is tragic. In parts of Africa, people are often bitten 10,000 times a day by the tiny black fly that carries the insidious parasite *Onchocerca Volvulus*. This affliction brings — among a host of symptoms — an itching that drives some to suicide and eventually a creeping blindness as the parasites make their way to the eyes. For decades, it was not uncommon to see entire villages impoverished and paralyzed, and even abandoned, by this devastating disease.

In the late 1980s, with the discovery and approval of Mectizan, new hope was available for the approximately 120 million people at risk and the more than 18 million infected with river blindness. Since 1987, when Merck announced it would provide Mectizan free of charge for as long as it is needed for the treatment of onchocerciasis,

more than 200 million treatments have been donated. Today, over 25 million people are treated annually through continuing treatment programs in 33 countries in Africa, Latin America and in the Middle East.

The Mectizan Donation Program is looked upon as a model for global health programs around the world. It has encouraged other companies and institutions to "make the reckless choice", as poet Robert Frost once wrote, in establishing new donation programs to conquer equally devastating tropical diseases.

After 14 years, the value of the Mectizan Donation Program continues to rise. The program administers a drug for the relief of incessant and more gradual symptoms, and provides a distribution mechanism that brings community involvement to the forefront, thereby empowering the communities to participate in their own well-being. This is a partnership of unprecedented diversity, with all working toward a common goal — the elimination of river blindness as a public health problem. The program is valued as an integration of drug delivery, additional disease identification and community-level information into the National Primary Health Care network of healthcare services. And it is a model for capacity building and sustainability.

While the Mectizan Donation Program still has much work to do to reach those in need, Merck's model public-private partnership provides a best chance for success in achieving this and other public health goals.

Raymond V. Gilmartin is Chairman, President and CEO of Merck & Co., Inc., and is a member of the Committee to Encourage Corporate Philanthropy.

An Uncommon Effort for the Common Good Corporate Philanthropy For Change In A Challenging World



by Peter R. Dolan

Every day we read headlines that focus on the pressing global and local issues that threaten health and prosperity everywhere. Even as extraordinary new discoveries and scientific tools emerge each day, the challenges of health scourges like cancer, HIV/AIDS, heart disease and diabetes continues to grow. And adequate funding often is not there to press forward on basic scientific research.

It is in the midst of this reality that our company – because of its focus on health and human care – and its Foundation must act. At Bristol-Myers Squibb, we take our commitment very seriously – especially in troubled times – because they relate directly to who we are as a company as defined by our mission: to extend and enhance human life.

In our everyday work world, we seek to develop products that make a difference in people's lives. And we aim to do the same in programs we support through the work of the Bristol-Myers Squibb Foundation. Like our business initiatives, these philanthropic efforts must be focused and strategic. That is why our Foundation has developed a sustained and deliberate strategy that focuses on key issues – over the longer term – where we know we can make a difference, set an example, become a catalyst for wider ranging actions.



HIV/AIDS is a formidable opponent that now has a sizeable part of Africa firmly in its grip. Bristol-Myers Squibb is committed to breaking the hold of this health scourge and restoring hope and promise to the women and children of the region.

We've set our sights on addressing major shortfalls in women's health globally and strengthening health care infrastructure in developing and transitional settings. We're steadily working to create a sustainable response to the terrible pandemic of HIV/AIDS in sub-Saharan Africa. And we're determined to enable truly unfettered scientific research around the world and truly impactful science education in the classroom, where the seeds of tomorrow's promises are sown.

Bristol-Myers Squibb Company and the Bristol-Myers Squibb Foundation are working to provide hope in all these areas and others through a serious commitment to effect and affect change. We bring resources to bear on all these issues and others. And while they include funds and products to aid in disaster relief, for example, they also represent efforts on the part of many of my colleagues across the company who devote their time and talent to nurture and energize these programs.

The multitude of health and human service issues facing our world will not be solved easily or quickly – or by any one company or foundation. But, we are certain that by working cooperatively and creatively, sustainable solutions will be found. Central to our mission in corporate philanthropy and social responsibility is our willingness and ability to partner with individuals and organizations that share our goals and are as vigorous in seeking tangible results.

After all, our central aim is to identify those issues where we can make a difference, forge solid relationships and help develop model, innovative and enduring solutions for the future. Ultimately, our actions will not be measured in dollars alone, but in the sustainability of the programs we support and in the enduring empowerment we provide to the people, the communities and the countries we seek to help.

Here, we highlight one such outstanding program, which characterizes an uncommon effort for the common good – an approach that calls on the best of what Bristol-Myers Squibb and its partners have to offer, a strategy for our philanthropic efforts to drive long-term and sustainable change.

SECURE THE FUTURE

The AIDS pandemic in sub-Saharan Africa is a serious health care problem as well as a serious development problem. It would be fruitless to contribute solely to efforts to thwart the disease without also working to improve the skills in the region necessary to ensure the efforts we are supporting are sustainable. The Bristol-Myers Squibb Foundation, therefore, focuses its efforts in the region not just on support, but on capacity building. And our granting process reflects that commitment. We work with the organizations in the region and take time to help them develop their proposals. And we draw on a pool of experts, including public health officials and professionals, academics and non-governmental organizations, to ensure that the programs we fund will help those communities long after these very pressing and immediate needs are addressed.

Creating Sustainable Strategies Against HIV/AIDS in Sub-Saharan Africa

HIV/AIDS has hit sub-Saharan Africa harder than any other region in the world. More new cases of HIV/AIDS and more deaths from the disease were reported there in the year 2000 than anywhere else on earth.

In 1999, Bristol-Myers Squibb pledged an unprecedented \$100 million over five years to address the HIV/AIDS epidemic in the countries of South Africa, Namibia, Lesotho, Swaziland and Botswana through a program called SECURE THE FUTURE™: Care And Support For Women And Children With HIV/AIDS. And in 2001, an additional \$15 million was pledged to the West African nations of

Senegal, Cote D'Ivoire, Mali and Burkina Faso. SECURE THE FUTURE's Community Outreach and Education Fund, through the Bristol-Myers Squibb Foundation, provides grants aimed at increasing these countries' capacity to focus on the epidemic over the long term.

Developing Local Capacity to Address The Need

On the regional level, the fund has supported a two-year master's program in HIV/AIDS policy at the School of Public Health at the Medical University of Southern Africa (MEDUNSA). The program to date has graduated more than 60 people, many of whom are already playing key roles in formulating their countries' and their communities' policies on dealing with the epidemic. "These fellowships represent capacity building on a very large scale," says Professor Allen Herman, dean of the National School of Public Health at MEDUNSA. "Bristol-Myers Squibb's decision to fund this project was extraordinary and its impact will be immeasurable."

Training in Project Management

In Swaziland, the fund is helping to mobilize local non-governmental organizations by supporting an eight-module training program to build the organizations' capacity to deal with HIV/AIDS-related projects. The subjects, taught by the Swaziland Institute of Management and Public Administration, range from creating a successful proposal to maintaining appropriate internal accounting through the use of computers. In May 2001, 80 organization members, including pastors in church-based efforts and youth activists, received certificates from the Institute.

Rural Health Motivators

Also in Swaziland, the fund, in partnership with the Cabrini Mission Foundation, has helped support training in home-based care dealing with HIV/AIDS for a cadre of community health workers known as Rural Health Motivators (RHMs) who represent the backbone of that country's health care system. The RHMs, who were already instrumental in helping rural Swazi families deal with health issues such as waste management and diarrhea, are familiar local figures. They will also try to work against the stigma associated with the disease that has prevented many community residents from seeking treatment.

Changing Behavior Through Drama

Another group the fund has helped support that will work against the epidemic's stigma is The Reetsanang Association of Community Drama Groups, an innovative Botswanan organization that travels across the country especially to marginalized and remote rural areas, conducting participatory HIV/AIDS education workshops and interactive theater performances that air community issues. The goal of the program is to de-stigmatize and mobilize through key HIV/AIDS intervention messages.

A Total Community Response

In South Africa, the fund is supporting the Bambisanani Project, an effort in three poverty-stricken rural areas in the Eastern Cape Province to provide an integrated approach to support people living with HIV/AIDS and their families. The efforts include identifying and training community care supporters and primary caregivers at home, building drop-in centers to house support groups and income-generating activities and conducting a study of children in distress as a result of the disease. "People in our communities are very happy about this grant," says Litha Klaas, the project's coordinator. "And we want to do everything we can to make sure the poorest of our people get help."

Local Decisions For Local Solutions

Every grant awarded by SECURE THE FUTURE must go through a rigorous and value-adding vetting process that includes review by an advisory committee whose membership includes representatives from ministries of health, non-governmental organizations, academia, faith-based organization and people living with AIDS. The goal is to make sure that the efforts are both relevant and sustainable over the long term. "With SECURE THE FUTURE, people here are partners in the decision-making process. We feel part of the team," says Audrey Kgosidintsi, chair of the Bristol-Myers Squibb/Botswana Non-Governmental Organization Task Force. "Even organizations that do not get grants learn from the process and will be better able to get funding from other sources. I think the lessons imparted by SECURE THE FUTURE will be valuable long after our current projects are over."

Peter R. Dolan is Chairman and CEO of Bristol-Myers Squibb, and is a member of the Committee to Encourage Corporate Philanthropy.

Ultimately, our actions will not be measured in dollars alone, but in the sustainability of the programs we support and in the enduring empowerment we provide to the people, the communities and the countries we seek to help.

*Peter Dolan
Chairman and CEO
Bristol-Myers Squibb Company*

Corporate Responsibility and Community Involvement at ChevronTexaco

ChevronTexaco

by Skip Rhodes and Jeff Seabright

At ChevronTexaco, we know that success demands the highest standards of responsible corporate citizenship in our operations worldwide. For us, this means being good stewards of the environment and constructive partners in the communities where we do business. It means respecting human rights, valuing our employees, embracing diversity, and respecting and learning from the cultures where we work.



Teacher and pupil, Luanda, Angola

The three companies that came together to form ChevronTexaco in October 2001 – Chevron, Texaco and Caltex – have for decades supported dozens of social initiatives in the Americas, Europe, Asia, Africa and Australia. We have touched millions of people positively through our sponsorship of environmental, economic development and health-care initiatives as well as cultural and educational programs. We are proud

of our common legacy, and are working to reach further by building on best practices.

Being a constructive community partner is a cornerstone of our commitment to partnership. Our programs, like many other corporate and governmental efforts, have evolved over the years to focus increasingly on capacity building and sustainable results.

Today, ChevronTexaco's community involvement spans a wide range of initiatives, including direct and in-kind financial support as well as donations by employees who volunteer their time and expertise. And we work with an increasingly wide array of stakeholders and partners, including global and local NGOs, national and local governments and multilateral agencies.

Environmental stewardship is a core element of ChevronTexaco's community programs and its strategy of operational excellence. In Papua New Guinea, for example, ChevronTexaco joined with government, landowners, our business partners and the World Wildlife Fund to protect habitat and wildlife. The result: protection for rare wildlife – as well as the fragile rain forest itself.

In Nigeria, a long history of community support evolved into the "Tradition of Care," in which ChevronTexaco and its partners have invested more than \$50 million to help build housing, hospitals, schools and clinics and provide scholarships and environmental awareness programs and job training. A recent \$5 million partnership with the International Foundation for Education and Self Help supports skills training, small-business development, and health and education programs.

Physical well-being is a community's first priority. ChevronTexaco's support of medical care assists thousands of residents and families as well as employees. In Angola,

ChevronTexaco co-sponsored a state-of-the-art blood bank to fight hepatitis and is working with USAID on HIV prevention.

ChevronTexaco pays special heed to childhood health, particularly in developing nations. In Venezuela and Colombia, for example, company-sponsored facial-cranial surgery aids low-income youngsters with dental and facial deformities. In Angola, staff doctors and health professionals of ChevronTexaco's affiliate have helped reduce measles, infant mortality and childhood infectious diseases.

Capacity building for enterprise development is key to our commitment to bring economic development to communities where we work. Providing access to capital and training are some of the ways ChevronTexaco helps support local economic development.

In Kazakhstan, for example, ChevronTexaco worked with the United Nations and the U.S. government to create the Small and Medium Enterprise program, benefiting area business firms and entrepreneurs with startup funds and counseling.

And in the US, ChevronTexaco responded rapidly and generously to help the families of September 11, reached out to victims of the recent floods in Houston, and continues to support a range of community initiatives, from childhood music and science education to leadership training for the nonprofit sector.

No business exists in isolation. ChevronTexaco is only as strong as the communities around it. That's why each community investment is designed to put tools in the hands of people, and each reflects the belief that, working as partners, the company and its neighbors can achieve mutual goals for economic, individual and social progress.

Ken Derr is former Chairman and CEO of Chevron Corporation, and is Co-Chairman of the Committee to Encourage Corporate Philanthropy.

Skip Rhodes is Manager of Corporate Contributions and Programs of ChevronTexaco Corporation.

Jeff Seabright is Principal Advisor for Corporate Social Responsibility at ChevronTexaco Corporation.

No business exists in isolation. ChevronTexaco is only as strong as the communities around it.
Skip Rhodes
Manager of Corporate Contributions and Programs
ChevronTexaco Corporation



Joe Wright at a Venezuelan orphanage

CECP Editorial

The Case For Not Giving Less

In early December, corporate leaders appealed to Committee members to boldly voice the common message: "Now is the time to give no less." The organization solicited select Committee members to endorse the letter and carry forth the message to the corporate community. Over twenty corporate CEOs and

Chairpersons joined the Committee's Board of Directors, to endorse the memorandum for distribution to the full Committee membership.

The full text of the Committee's appeal follows.

These are uncertain and difficult times. And these times call for determined and resolute leadership. More than ever before, it is critical for business leaders to play an active role in civic affairs.

It is a time for leaders to speak with one voice – a common language of leadership and management. As leaders with moral compasses, let us reaffirm our responsibility as equal partners – representing corporate, community and public sectors – in our communities. Let us share a powerful message of compassion, courage and commitment, with the nation and the world.

Unfortunately, some of our member companies have reported, or will report, lower earnings. However, now is not the time to report lessened commitment to, and support for our communities. Today, the roles and responsibilities of our corporations to society take on special meaning. Leaders able to convey a sense of purpose, beyond just profit, will benefit in the long term – more so than those who don't.

Civic leadership is desperately needed to fulfill the vision of unprecedented charitable outpouring in response to September 11.

CECP

Generous, reasonable philanthropy has always been good business. To cut back now would not be in the best interests of corporate reputation, stockholders, employee morale or the spirit of our nation. There is much at stake here. Civic leadership is desperately needed to fulfill the vision of unprecedented charitable outpouring in response to September 11. Our communities had many social needs prior to September 11th, and if anything, those needs have become even more crucial to the well-being of our communities.



Creative, strategic philanthropy is an opportunity to align corporate giving, employee volunteer service, and marketing into a valuable, long-term community-building partnership. Please continue to support the ongoing needs of our communities – our libraries, our museums, our youth programs and other nonprofit activities that keep our country – and businesses – strong. In times of uncertainty, the world is increasingly realizing that socially-minded leadership has a courage, honor and effectiveness all its own.

Please join our commitment to boldly voice our common message:

Now is the time to give no less.

How can corporations best manage the upsides and downsides of the globalization process?

Powerful economic forces have driven, and will continue to drive the globalization process. Globalization has created vast new opportunities for a wide range of new partnerships between business, civil society and governments at global and national levels. We recognize that globalization has supporters, and it has dissenters. But, it is here to stay. It is with us, and there is no turning back on globalization. Companies should recognize that they live in an interconnected world where events and crises of distant and foreign regions may affect their businesses, because their products may be sold, manufactured or traded there. The economic community is integrated, and it is interconnected. Markets, nations and communities are interdependent. Companies, therefore, should be as well-prepared to meet global challenges as they are to address economic challenges. Corporations should strive to develop and expand public-private partnerships and cooperative efforts within all regions of their global business network.

What are your recommendations for corporations to engage in global philanthropy?

Each company should determine for itself, based on its own business, what a reasonable, strategic and sustainable philanthropic program should be. It is in the best interests of a company – and thereby, its stockholders – to become good citizens of the countries in

which it operates. Companies should support those governments, and its leaders and institutions, which enable business operations. Businesses should find appropriate charitable investments within the global community. I am a firm believer that good corporate responsibility results in better sales and better profits. A company interested in the countries in which it operates, and which provides help to the good non-profit institutions of those countries, will do better business within those countries. This is proven again and again by specific cases. I recommend that businesses direct philanthropic programs at both the local and global level – near their home headquarters and also in far-off regions where they operate.

John C. Whitehead, former Co-Chairman and senior partner of Goldman, Sachs & Co., has been active in a number of educational, civic and charitable organizations. He is the Chairman of the Goldman Sachs Foundation, former Chairman of the Board of the Federal Reserve Bank of New York, the International Rescue Committee, the Greater New York Councils of the Boy Scouts of America, The Andrew W. Mellon Foundation, the Harvard Board of Overseers, Haverford College, The Asia Society and International House. He is Vice Chairman of the United Nations Association of the USA. He is a Director of The Nature Conservancy, Lincoln Center Theater, the East-West Institute and the Eisenhower Exchange Fellowships, a member of the Council on Foreign Relations and a former Director of Rockefeller University, the J. Paul Getty Trust, the National Humanities Center and Outward Bound. In Washington, Mr. Whitehead is Chairman Emeritus of The Brookings Institution and of Youth for Understanding and a member of the Trustees Council of the National Gallery of Art.

John C. Whitehead is founding director and an active Honorary Chairman of the Committee to Encourage Corporate Philanthropy.

CECP News



COMMITTEE INTERNATIONAL OUTREACH

Charles H. Moore, Executive Director of the Committee to Encourage Corporate Philanthropy, traveled to London in December to learn more about the initiatives of several international organizations focused on corporate citizenship. Moore also met with several multi-national corporations to discuss global corporate citizenship trends and developments, and community programs and goals. Moore attended meetings with the following organizations:

The Prince of Wales International Business Leaders Forum is an international educational charity set up in 1990 to promote responsible business practices internationally that benefit business and society, and which help to achieve social, economic and environmentally sustainable development, particularly in new and emerging market economies. While global in its focus, the Forum concentrates on implementation in emerging markets, where the greatest challenges lie. Equally, it has consistently focused on partnerships – those of business with government, with civil society, and with other businesses operating in its region or its sector.

The Corporate Citizenship Company/London Benchmarking Group is a private consulting firm, helping companies succeed as commercial entities by being active corporate citizens. The Corporate Citizenship Company has developed a comprehensive methodology to help companies self-assess and manage their economic, social and environmental impacts, based on a stakeholder approach. The firm has successfully managed social audits for several multi-national companies, across a range of businesses and countries.

Business in the Community uses the London Benchmarking Group's measurement model to assist member clients to measure cash, time, giving-in-kind, and management costs involved in corporate social responsibility. In July 2002, Business in the Community will celebrate its 20th anniversary, making it the oldest such partnership between society, business and government.

Moore also spent time discussing measurement of community programs with Unilever and British Petroleum. These organizations discovered that measurement systems make it easier for business units to support giving programs, and allows for the inclusion of staff efforts into annual performance and appraisal reviews.

2002 Annual Meeting



Citigroup will host the Annual Meeting of the Committee to Encourage Corporate Philanthropy at its corporate offices in New York City Wednesday, May 1, 2002 from 4:00 to 6:00 p.m. More details will follow.

A NIGHT OF CORPORATE HONORS

The Second Annual Corporate Citizenship Awards 2001



Jeffrey Swartz, CEO and President of The Timberland Company and winner of the 2001 Annual Excellence in Corporate Philanthropy Award.

It was a night of many corporate honors in Washington on December 6. Together with the Committee to Encourage Corporate Philanthropy, the U.S. Chamber of Commerce's Center for Corporate Citizenship and the Kenan Institute of Private Enterprise hosted the Second Annual Corporate Citizenship Awards 2001 at the Hall of the Flags.

Susan Lisovicz, anchor and correspondent for CNN Business News, served as master of ceremonies for the evening program. Jeffrey Swartz, President and Chief Executive Officer of The Timberland Company, delivered a captivating keynote address.

"At Timberland, we are people of purpose and passion," Jeff Swartz told the audience. "What we believe is that doing well and doing good are not separate activities. We believe that doing well and doing good are inextricably linked. We believe that, yes, it is good business to be connected to, and powerfully cognizant of, the needs of our community. But it's more than good business. It's fundamental to who we are as people at Timberland. It is part of not what we do, but it is part of who we are."



Stan Litow, Vice President of Corporate Community Relations and President of the IBM International Foundation, accepts the 2001 Award on behalf of Lou Gestner, Chairman and CEO, IBM

Following Swartz remarks, the Committee to Encourage Corporate Philanthropy honored the outstanding and generous philanthropic commitments of International Business Machines Corporation (IBM) and The Timberland Company, with the 2001 Excellence in Corporate Philanthropy awards.

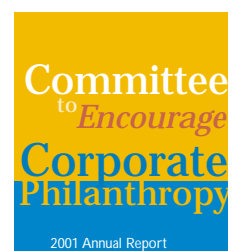


Susan Lisovicz, Anchor and Correspondent for CNN Business News, as Master of Ceremonies for the Annual Awards Program.

The U.S. Chamber of Commerce also presented The Coca-Cola Company and the American Malaysian Chamber of Commerce with the annual Center for Corporate Citizenship (CCC) Award for exceptional community involvement, and presented a special award to the Manhattan Chamber of Commerce for its post-Sept. 11 efforts to aid local small businesses. At the Awards dinner, the Kenan Institute for Private Enterprise also presented its Builder Award to IBM Corporation's CEO, Louis Gerstner.

2001 ANNUAL REPORT

The Committee to Encourage Corporate Philanthropy recently published and released its 2001 Annual Report. To view the report, please visit the Committee Web site at www.corphilanthropy.org, or contact the Committee at 212.622.1081 to request a copy of the report.



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