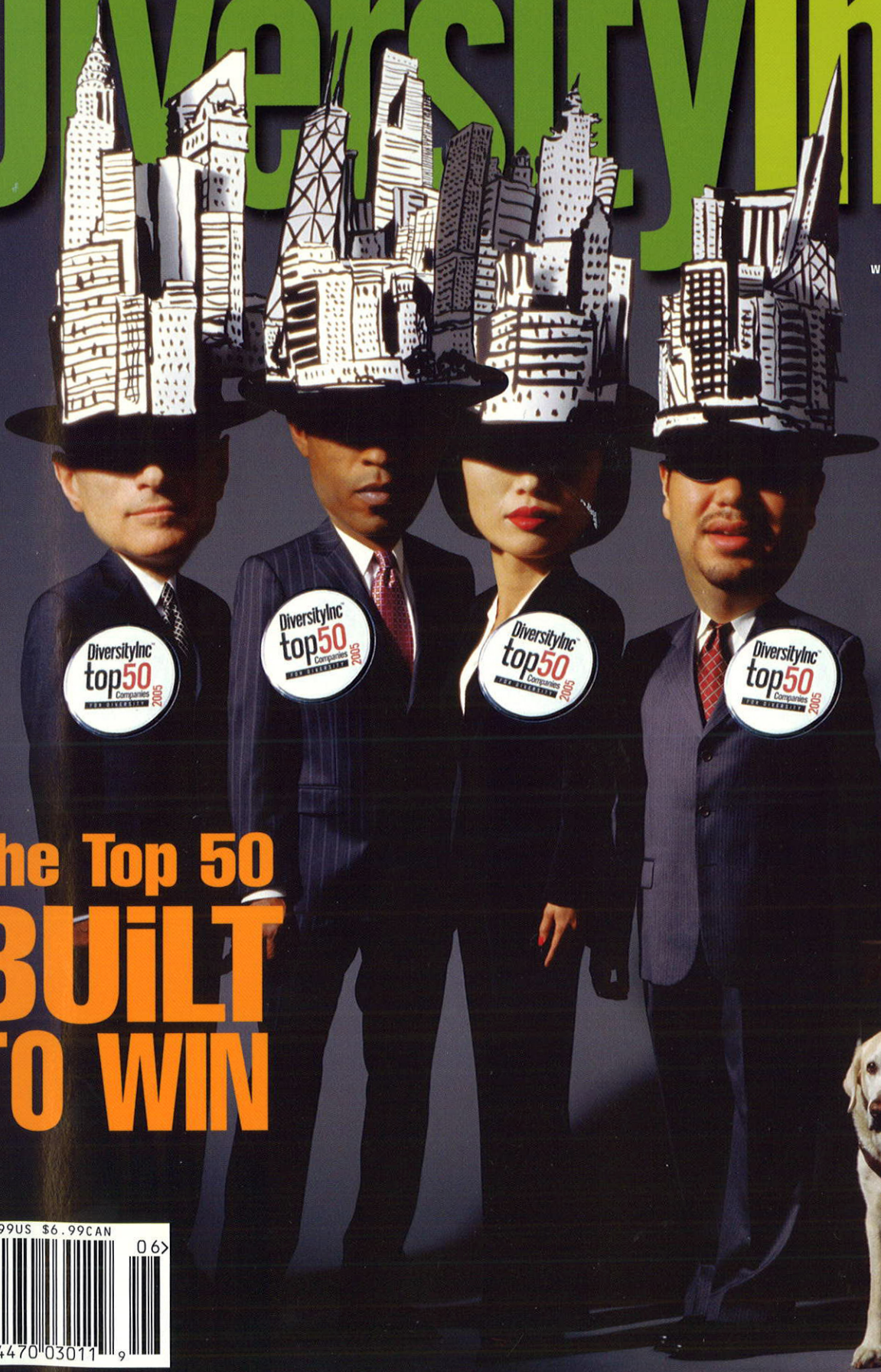


2005 TOP 50 COMPANIES FOR DIVERSITY

DiversityInc

June 2005

www.DiversityInc.com



The Top 50
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Innovation comes from diverse people and places

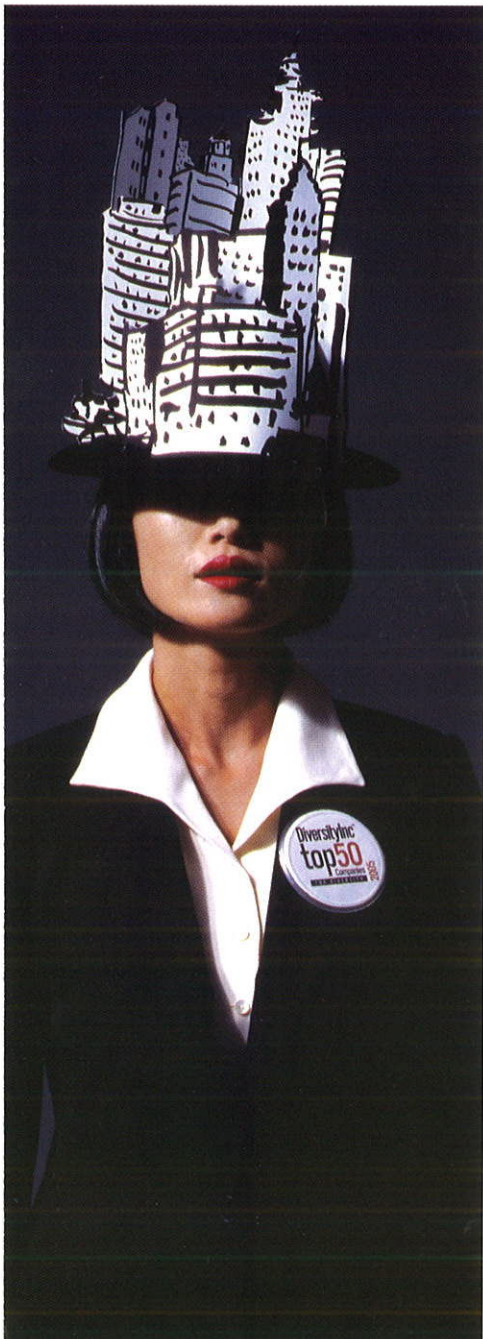
Altria believes that diversity in people provides diversity in ideas and perspectives. To learn more about Altria and the people who make up our family of companies, visit altria.com



Altria

Kraft Foods
Philip Morris International
Philip Morris USA
altria.com

The Top 50



1. Altria Group
2. Turner Broadcasting System
3. Citigroup
4. PepsiCo
5. Abbott Laboratories
6. The Coca-Cola Co.
7. Xerox
8. Allstate Insurance
9. Verizon Communications
10. Kraft Foods
11. Ford Motor Co.
12. Marriott International
13. KeyBank
14. Pepsi Bottling Group
15. SBC Communications
16. Sears, Roebuck & Co.
17. Health Care Service Corp.
18. Tribune Co.
19. Pitney Bowes
20. HSBC North America
21. New York Life
22. American Express
23. General Mills
24. Merck & Co.
25. JPMorgan Chase
26. Bank of America
27. Procter & Gamble
28. Knight Ridder
29. Wal-Mart
30. IKON Office Solutions
31. Wachovia
32. Prudential Financial
33. Bausch & Lomb
34. Comerica Bank
35. Unilever Foods N.A.
36. MetLife
37. Sprint Corp.
38. SunTrust Banks
39. Colgate-Palmolive
40. Wells Fargo
41. Staples
42. BellSouth
43. Visteon Corp.
44. Eastman Kodak
45. Cingular Wireless
46. Nielsen Media Research
47. The Chubb Corp.
48. General Motors
49. MasterCard
50. SC Johnson

Specialty Lists

All these Top 10 require mandatory diversity training for managers, compared with 80 percent of The Top 50 and 45 percent of companies ranked after 90.

These Top 10 also have higher retention rates in all categories of employees. For example, their retention of whites is 13 percent higher than The Top 50 and 25 percent higher than companies ranked after 90.

Marriott International



Top 10 Companies for Recruitment & Retention

This list emphasized work-force numbers, particularly for management, but as in all human-capital lists, demonstrable CEO commitment and corporate communications were critical to success. This year, for the first time, we asked companies for their retention numbers broken down by race/ethnicity and gender. We also divided management into three levels and studied all demographics on women by their race/ethnicity as well. We looked at programs to recruit people with disabilities and GLBT people, whether diversity was factored into succession planning, and recruitment methods. We also measured work/life benefits, mentoring programs, employee-resource groups and domestic-partner benefits for same-sex couples.

1. Altria Group
2. PepsiCo
3. Abbott Laboratories
4. Turner Broadcasting System
5. Xerox
6. Allstate Insurance Co.
7. The Coca-Cola Co.
8. Citigroup
9. Marriott International
10. Tribune Co.

Specialty Lists

These Top 10 have a 17 percent higher retention rate for black employees than The Top 50 and a 37 percent higher rate than the companies ranked after 90.

They are strong in supplier diversity. The percent of their procurement budget going to women- and minority-owned companies is six times the national average (12.4 percent vs. 2 percent).*

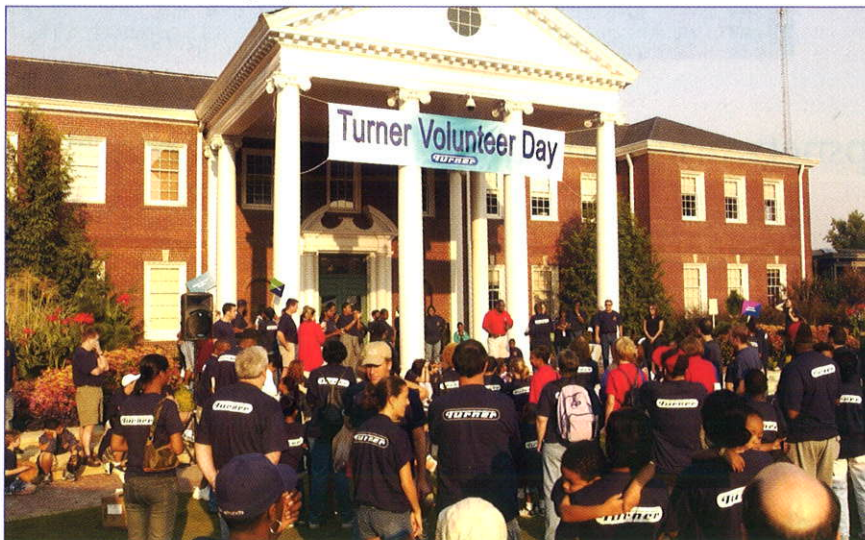
*Private industry averages

Top 10 Companies for African Americans

This list was determined by examining human-capital demographics and the factors that lead to them, including recruitment, retention, CEO commitment and diversity-management strategies. In the demographic area, we looked at companies' percentage of African Americans in their total work forces, new hires, management in three levels, the top 10 percent highest-paid employees and boards of directors. All demographics on African Americans also were broken down by gender.

1. PepsiCo
2. Altria Group
3. Colgate-Palmolive
4. Xerox
5. Citigroup
6. Allstate Insurance
7. Health Care Service Corp.
8. Ford Motor Co.
9. Kaiser Permanente
10. Turner Broadcasting System

Turner Broadcasting System



Specialty Lists

These Top 10 have an 18.5 percent higher retention rate for Asian Americans than The Top 50 and a 41.7 percent higher rate than companies ranked after 90.

They have almost four times the number of Asian-American women in the highest level of management than The Top 50 and almost five times more than companies ranked after 90.

Top 10 Companies for Asian Americans

This list was determined by examining human-capital demographics and the factors that lead to them, including recruitment, retention, CEO commitment and diversity-management strategies. In the demographic area, we looked at companies' percentage of Asian Americans in their total work forces, new hires, management in three levels, the top 10 percent highest-paid employees and boards of directors. All demographics on Asian Americans also were broken down by gender.

1. **Cummins**
2. **Altria Group**
3. **Citigroup**
4. **PepsiCo**
5. **Ford Motor Co.**
6. **Abbott Laboratories**
7. **Marriott International**
8. **Visteon Corp.**
9. **Starwood Hotels & Resorts**
10. **New York Life**

Specialty Lists

These Top 10 have 11 percent more women in top management than The Top 50 and 38 percent more than companies ranked after 90.

They are more than 200 times more likely to offer onsite childcare as other corporations (70 percent vs. 3 percent).*

*Family & Work Institute, Society of Human Resource Management

Top 10 Companies for Executive Women

This list was determined by examining human-capital demographics and the factors that lead to them, including recruitment, retention, CEO commitment and diversity-management strategies. In the demographic area, we looked at companies' percentage of women in management in three levels, the top 10 percent highest-paid employees and boards of directors. We also examined work/life policies. All demographics on women also were broken down by race.

1. **Abbott Laboratories**
2. **Staples**
3. **Altria Group**
4. **Turner Broadcasting System**
5. **The New York Times Co.**
6. **Sears, Roebuck & Co.**
7. **Marriott International**
8. **Knight Ridder**
9. **Pepsi Bottling Group**
10. **MasterCard**

Marriott International



Top 10 Companies

What Makes Them So Strong

Attaining the No. 1 rank on The DiversityInc Top 50 Companies for Diversity list means a company's diversity excellence transcends all four areas of the survey: human capital, CEO commitment, corporate communications and supplier diversity. Altria Group achieved that recognition this year.

Altria, which includes Philip Morris USA and Kraft Foods—No. 10 on The DiversityInc Top 50 Companies for Diversity list—is benefiting from years of recruiting at universities and colleges and among professional organizations. The company's continuous focus on feeding the pipeline with qualified recruits of color has allowed it to develop a diverse senior-management pool and a deep bench. Of Altria's



Louis C. Camilleri,
Chairman and CEO



Edith Chen,
*Senior Director, Leadership
Development & Diversity*

new hires, 31 percent were people of color: 13.25 percent black, 9 percent Asian American and 9 percent Latino.

"Advancement planning is mature at Altria," says Edith Chen, senior director, leadership development and diversity for Altria.

Investing in diversity recruitment reveals that Altria's senior leadership believes in diversity. Further proof is that Chen is only one direct report removed from the company's CEO, Louis Camilleri, who, upon taking the reigns in 2002 (when Altria still was called Philip Morris), instructed executives to learn why the company did not place higher on that year's DiversityInc Top 50 Companies for Diversity list. That year, Philip Morris placed fifth.

Camilleri personally reviews diversity metrics and programs, signs off on executive compensation tied to diversity, chairs the company's diversity council and makes sure Altria's corporate-vision statement incorporates diversity. His vigilance sets the tone for Altria's leaders, who are expected to create an environment that invites people to contribute, says Chen.

"Performance evaluations ... talk about [a leader's] ability to run a group and build an organization that has inclusive aspects," says Chen.

#1 Altria Group

No. 1 - Top 10 Companies for Recruitment & Retention

No. 6 - Top 10 Companies for Supplier Diversity

No. 2 - Top 10 Companies for African Americans

No. 2 - Top 10 Companies for Asian Americans

No. 3 - Top 10 Companies for Executive Women

Business Type: Consumer Products

Corporate Headquarters: New York, N.Y.

Number of U.S. Employees: 59,000

Annual Worldwide Revenue: \$64 billion

Many departments conduct organizational reviews where directors share progress reports. This opens up the evaluation process so peer directors, in addition to managers, can say who is performing well.

"It levels the field and ensures that quality candidates are being seen," says Chen.

"Philip Morris USA has a training program that talks about when you get your first management job, you are accountable and responsible as a manager for creating a culture that's inviting."

Philip Morris, in 2003, changed its name to Altria Group to distance Kraft and other holdings from ongoing tobacco litigation. The three companies—Kraft, Philip Morris USA and Altria—now utilize their close relationships to build their supplier-diversity initiatives. Supplier diversity is the area in which Chen expects to see Altria's effort increase most throughout the next year. Currently, 7 percent of Altria's procurement budget goes to more than 651 diverse suppliers, and the company is a member of the Billion Dollar Roundtable, a group of companies that spend more than \$1 billion with minority- and women-owned suppliers annually.

Supplier-diversity executives at the three companies are members of their respective company's procurement divisions, says Chen. "That's key because that's where the work of looking for and qualifying suppliers is," she says.

The three companies formed a Supplier Diversity Task Force that includes members of each operating company. Task-force members share information on their respective suppliers, which enables an Altria supplier to develop business with Philip Morris USA and Kraft. — Yoji Cole