

Otis McAllister

Philanthropic Newsletter
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Otis McAllister, Inc has always made decisions after evaluating the potential effects on suppliers and customers. Otis maintains strong, positive professional relationships and adheres to its mission to conduct business in an ethical manner. With such commitments, it should come as no surprise that Otis McAllister is now arising to the additional challenge to engage in philanthropic activities that will not only benefit the community, but have quantitative and qualitative effects on sales, brands, and the satisfaction of its suppliers and customers. This edition of newsletter will detail Otis McAllister's past involvement and its future plans in what has come to be known as corporate social responsibility.

Charitable Causes

Within the last decade, Otis has practiced *corporate philanthropy* – that is providing cash contributions in the form of donations, grants, and relief funds to various causes and organizations in several regions of the world. Otis McAllister has focused on organizations that demonstrate a commitment to the community and in particular the care and education of children. These organizations are located primarily in regions where Otis products are sourced or sold.

Potter's House

Potter's House Association (Casa Alfarero en español) is a non-profit organization that addresses the basic needs of Guatemala City's residents who have turned to the city dump as their source of livelihood. Adults and

children alike, known as "scavengers" spend their days in the filth and rubbish collecting anything that has been discarded that could be of value. Potter's House has a portfolio of five programs that model the changes that would improve the lives of these scavengers. The programs focus on personal development, education, health, micro-enterprise, and community support. The ultimate goal for Potter's House is to provide a means by which participants can live in a healthy, respectable, prosperous environment. Otis McAllister has donated money to Potter's House which has gone to providing a classroom and school supplies, school and sporting uniforms, shoes, and nutritious meals for students. For more information about the Potter House program, please visit www.pottershouse.org.gt



Students in the classroom at Potter's House

Fotokids

Fotokids (Fundación de Niños Artistas Guatemala en español and formerly known as Out of the Dump) is a non-profit organization that teaches children skills in photography and digital technology. An organization which originally supported a small number of children living in the garbage dump in Guatemala City, Fotokids has grown to include children from urban and rural areas in Guatemala and Honduras. The philosophy of Fotokids is that by teaching a set of skills while developing a positive morale through long-term personal relationships with mentors and teachers, children can break from the cycle of poverty and be a part of a more prosperous generation. Otis McAllister has funded a classroom for Fotokids as well as provided financial support to purchase materials and supplies for the

students. Otis McAllister plans to continue working with Fotokids to support the education and get children out of the dump. To learn more please visit www.fotokids.org

Children of Faith Ministries

Children of Faith Ministries is a non-profit organization which provides parentless children in Vizag, India an alternative to begging in the streets. It provides shelter, education and food in a nearby orphanage in the village of Narava. Since its foundation in 2003, Children of Faith Ministries has been growing steadily and now houses 50 children. Otis McAllister has donated money to provide for the construction of a new building that will increase the capacity of the orphanage. More information can be found on the Children of Faith Ministries website www.cofmvizag.org



Two boys of the orphanage, Vijay and Krupa

Involvement in the USA

Although Otis has been working primarily with organizations which operate outside of the United States, one of its goals is to become more involved in the local community. Thus far, Otis has contributed to two organizations: Earth Island Institute and the Monument Crisis Center. While both are located in the Bay Area, they each have different objectives. Earth Island Institute is based in San Francisco and works to uphold the dolphin-safe standards in fishing practices; Otis has contributed to its worldwide Dolphin-Safe Monitoring Program. The second organization with which Otis has been involved is the Monument Crisis Center in

Concord. The center works to distribute food to low-income, at-risk families, seniors and individuals in need of nutritious meals. As Otis builds its domestic social-giving structure to be more involved with health and nutritional programs for families, Otis hopes to continue working with organizations such as Monument Crisis Center to fulfill this objective.

People, Planet, Profit

More recently, Otis has been moving past the concept of corporate philanthropy towards *corporate social responsibility*. The difference between corporate philanthropy and corporate social responsibility lies in the degree and level of participation on the part of the corporation. Whereas corporate philanthropy provides support solely in monetary form, corporate social responsibility suggests that a corporation has a responsibility that extends past its financial bottom-line – that it is environmentally and socially responsible as well. In effect, a socially responsible corporation reports its triple-bottom line – its financial impacts, environmental impacts, and social impacts. Corporate social responsibility also redefines a company's stakeholders. No longer are shareholders and consumers the only stakeholders the business. They now include a company's employees, its suppliers and practically anybody who exists in a firm's external environment.

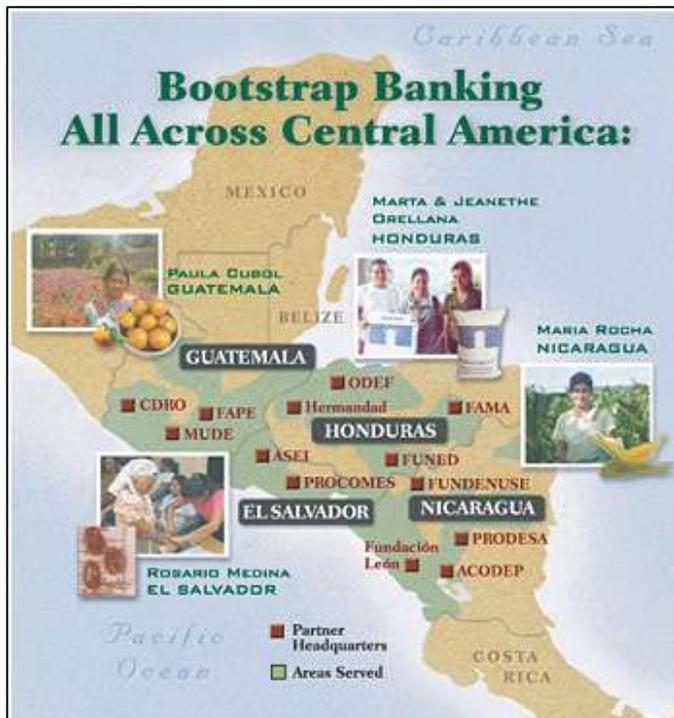
Corporate social responsibility enforces the idea that it is important to get involved in ways which add value to the company and the global space in which it engages. In a sense, Otis McAllister has already donated in this “responsible” way – by providing financial support in areas where it has consumers or suppliers – For example, the Company's “La Sirena” brand has a strong credibility in Latin America. Otis is able to lend that credibility to worthy new charitable organizations by participating in joint promotions.

In the coming months, Otis McAllister will be establishing several grants which will be available to organizations whose visions are compatible with the goals and vision of Otis McAllister. In addition, Otis will also be developing a method for measuring the success and impact of its contributions, as well as creating a business plan and model to apply to future socially responsible activities.

One prospective benefactor is the Katalysis Bootstrap Fund, run out of the Center for Social Entrepreneurship in Stockton. Katalysis is a microfinance organization which links with over 16 established microcredit organizations in Honduras, Nicaragua, El Salvador and Guatemala to provide small loans to enterprising men and women. These small loans give men and women the capital necessary to start a variety of revenue-generating activities that will ultimately turn a profit and begin to end the cycle of poverty. Micro-credit loans are based on the concept of Mohammad Yunus and the Grameen

measured and recorded. Overall, Katalysis would be compatible with Otis' social vision.

The foundation for creating a socially responsible mission already exists. Otis McAllister has already demonstrated a strong interest in improving the welfare of its consumers and its mission is one which permits and encourages corporate involvement in its external environment. The greatest challenge facing Otis will be the measurement of its impact in terms other than dollars, and the implementation of a model that will be successful in the long-run. – JB



Bank. In Bangladesh, Yunus watched the loan sharks repeatedly give large sums to villagers and then charge excessive interest rates. The borrowers would become so indebted to the lender that it became impossible to ever pay off the debts and they became hopelessly trapped in the cycle. As a solution, Yunus created the Grameen Bank, which makes micro-loans to groups of women who repay the loan in small amounts over a realistic timeline. The success of Grameen and other micro-credit initiatives has sparked an international surge toward the use of microfinance as a means of eliminating poverty.

Katalysis is a logical option for several reasons. Otis has already contributed to Katalysis and was satisfied with the outcome. Katalysis is also consistent with Otis' objectives to be involved in the Latino community. It is a local, respected organization whose actions are easily