



2006

ORACLE'S COMMITMENT





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We are committed to using our technology and resources to advance education in innovative ways, promote diversity, enrich the life of communities, and protect the environment.

WELCOME

TO *ORACLE'S COMMITMENT*

Oracle has a long history of employee volunteerism, charitable giving, respect for the environment, and a strong commitment to improving education. But we have never taken the step of recording our efforts for the benefit of our employees, shareholders, customers, and policy makers around the world—that is, until now.

We are proud that the same innovative spirit behind Oracle's technological success also drives innovative solutions and programs for the benefit of our communities. Programs such as ThinkQuest, our global competition for students to create educational Web sites and thereby build understanding across cultures, and Oracle Academy, which works in partnership with secondary schools to educate students, are just two examples of our creative efforts.

I would like to take this opportunity to thank our employees for their generosity and their sense of volunteerism. Without them, none of this would be possible. Whether it is by responding to major international tragedies such as the Tsunami or by helping out at the local homeless shelter, our employees' actions are a source of pride for Oracle.

With continued hard work, we intend to maintain our reputation as an innovative leader in our industry, as we continue our commitment to good corporate citizenship. I welcome your feedback to this report at commitment_ww@oracle.com.

Safra A. Catz
President, Oracle



ORACLE CORPORATION AT A GLANCE

Chief Executive Officer

Lawrence J. Ellison

Business

Data/Enterprise Management Software

Annual Revenue

US\$14 billion

Employees

Approximately 55,000

Countries of Operation

More than 79

Headquarters

Redwood Shores, California, United States

ABOUT ORACLE

Oracle's business is information—how to manage it, use it, share it, and protect it. For nearly three decades, Oracle, the world's largest enterprise software company, has helped governments and businesses around the world drive their enterprises based on quality, real-time information. Oracle is helping enterprises use high-quality information to collaborate, measure results, and generate a single view of critical business data.

The success of our products and services is based on three principles:

- Simplify – Enterprises must increase the speed of information delivery with integrated systems.

- Standardize – Enterprises must reduce cost and maintenance with open, easily available technology.

- Automate – Enterprises must improve operational efficiency with technology and best practices.

Throughout the company's history, Oracle has pursued a position of leadership in the technology industry. In the course of that pursuit, the company and its employees have committed to high standards—in daily business and in the policies set forth by the organization. This report is a reflection of that commitment to excellence.

ORACLE PRODUCTS AND SERVICES

The Oracle Database – Oracle was founded on the concept of an enterprise-strength relational database—software that allows businesses to store and access immense amounts of data. For example, Costa Rica’s National Biodiversity Institute (INBio) uses the Oracle Database to gather data about the country’s biological diversity and generate information that promotes sustainable use.

Oracle Applications – Oracle’s Applications products help businesses input, manipulate, and view business data based on job role or business processes. For example, the U.S.-based National Aeronautics and Space Administration’s Jet Propulsion Laboratory uses Oracle Applications to automate business processes, reduce operational costs, and reinvest savings into space exploration projects.

Oracle Fusion Middleware – This software controls the flow of information between the database and applications, ensuring that different computer systems can work together, security policies are enforced, and new applications can be easily deployed. The city of Kingston upon Hull in the United Kingdom uses Oracle Fusion Middleware to integrate interactions with its 250,000 citizens and improve access to city services.

Oracle Services – Oracle provides services to help our customers get the most from our software products, including 24/7 global technical support, consulting services to help with implementation and upgrades, and Oracle University to assist with training. Oracle Consulting helped Yonsei University—one of South Korea’s leading teaching and research institutions—improve access to Web-based services and internet research tools for its 45,000-student community.

MEHSANA DISTRICT COOPERATIVE MILK PRODUCERS UNION

The Mehsana District Cooperative Milk Producers Union doesn’t only deliver nutritious food to the tables of urban Indians. It also ensures that farmers in the country’s poorest rural regions have buyers for their goods and money for their families. The program, which works to maximize milk production in India’s most fertile regions and distribute dairy products to the city centers with highest demand, has received worldwide recognition for its efforts. It is part of a dairy project that The Food and Agriculture Organization of the United Nations calls “the central event of twentieth-century dairying in India.”

To improve the efficiency of dairy operations and streamline distribution to the five cities it serves, the Mehsana District Cooperative Milk Producers Union implemented Oracle E-Business Suite 11i. Now, information that was once exchanged on paper or over unreliable phone connections is sent over the internet. As a result, the time it takes to process a purchase order has been reduced—from 20 days to 3 days.



Students joined Oracle volunteers to rebuild classrooms after the Ban Bang Bane School was badly damaged by the tsunami of 2004.

Oracle Volunteers Rebuild a School Devastated by the Tsunami

As the world watched in horror during the days following the tsunami in South Asia on December 26, 2004, people everywhere thought: “What can I do to help?” For Oracle employees living and working near the devastated areas, as well as those living half way around the world, the answer was simple enough. With Oracle’s help, the employees organized funds and relief efforts within hours of a disaster that had left more than a million people homeless.

to 120 children and 20 teachers and staff in the new school year. “We are glad that Oracle selected Ban Bang Bane School to repair after the tsunami,” says Manut Chansakul, principal.

In March 2005, Oracle rebuilt two teacher housing units on school grounds. Most of the teachers are from other provinces, and traveling to and from the school is difficult. “Before the living quarters were rebuilt, teachers had to



The donations helped fund initial relief efforts by specially trained disaster relief workers focused on providing critical aid to survivors. In addition to monetary contributions, Oracle employees in the Asia Pacific region were able to volunteer to help rebuild some of the more devastated areas.

One in particular is the Ban Bang Bane School in Thailand. The school was severely damaged, and Oracle staff in Thailand visited the Ranong Province to help rebuild the school. Fifty-five volunteers worked for several days to rebuild the school, which opened

travel 15 kilometers between the school and town each day,” Chansakul says. “They are very appreciative and grateful to the Oracle volunteers who dedicated their time and efforts to help us out following the disaster.” Volunteers’ efforts in March made it possible for the school to open for the second semester in May 2005.

“Oracle Thailand employees were pleased we had the opportunity to help reconstruct the school,” says Khun Natasak Rodjanapiches, managing director for Oracle in Thailand. “This effort will help ensure a brighter future for these students,” he said.

Think.com and WebPlay Promote Cross-Cultural Learning

Imagine a place where thousands of children can participate in an experience that promotes creative and cross-cultural collaboration and learning. Oracle's Think.com teamed with WebPlay to create such a place, engaging students with technology and drama.

The two programs are a natural fit. Think.com, an online learning community hosted by Oracle Education Foundation, provides collaboration tools that allow students and teachers to share information within the protected site and post their work for other students to read and offer feedback. WebPlay, another online education program, enables primary school children to create and produce plays while collaborating with a professional theatre company and students from partner schools in different countries.

"We enable children from contrasting communities to communicate, collaborate, and create," says Sydney Thornbury, WebPlay's executive director. As part of WebPlay, students use Think.com's free, online educational platform to share ideas, exchange information, and develop plays while building technology skills.

Last March, Think.com and WebPlay welcomed more than 250 Los Angeles students to the Skirball Cultural Center for a live performance by the U.K.'s Hoi Polloi Theatre Company. During the three-day event, more than 500 third-, fourth-, and fifth-grade students attended a play and special workshops to learn about drama and playwriting as part of WebPlay's new education initiative, WebPlay L.A. Devised as a nine-month project, WebPlay L.A. students first built Web pages in Think.com and conducted research with their partner schools

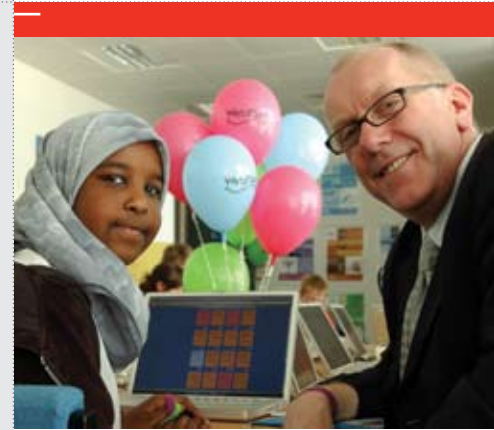
to discover facts about one another's neighborhoods. They explored themes such as where other students live and what makes their hometowns special.

During the drama development phase, students interacted with Hoi Polloi's actors, backstage teams, writers, and directors to learn how to develop plays from page to stage. The students then attended a live performance at Skirball Cultural Center, had lunch with their partner class, and participated in a workshop with the theatre company and WebPlay staff.



"The main focus of the WebPlay program is on using technology to further enhance the live theatre experience for young audiences," says Thornbury. After seeing a live performance, the students returned to the classroom to create their own plays set in their partner school. The plays were performed, digitally videotaped, and uploaded to Think.com.

"We chose Think.com because it is a fantastic environment with tons of potential for collaborative learning. And it was so easy. None of us were techies, so it was great that the system could be learned quickly and easily by all," Thornbury says. "Oracle is really providing access to technology for schools—there are no barriers."



Together, Think.com and WebPlay are breaking down cultural and geographical barriers between teachers and students.

"We enable children from contrasting communities to communicate, collaborate, and create."



Egyptian teachers joined counterparts from around the world at the Oracle Academy in Los Angeles, California.

Oracle Academy Supports Teachers and Students Worldwide

What's the best way to give today's teenagers a competitive edge in the global marketplace? Offer them training in the world's quickly expanding technology base. For the last six years, the Oracle Academy has hosted an annual event to help train secondary-school teachers around the world.

Recently, the Academy brought that expertise to Egyptian educators who, along with their counterparts from 18 countries and 34 states, participated in the weeklong event at University of California, Los Angeles (UCLA). The professional development forum helps teachers to prepare their students for future academic and business success.



"Quality teacher training is critical to help educators incorporate technology into their broader curriculum," says Clare Dolan, vice president of Oracle Academic Initiatives.

Prior to the professional forum, participating teachers attend preliminary training sessions consisting of online classes, quizzes, weekly conference calls, and ongoing e-mail dialogue with Academy mentors. During the forum, the teachers spend the week with Oracle staff and Oracle University instructors. The teachers then demonstrate their readiness to teach the curriculum by completing a project that challenges

them to apply their new technical skills, as well as by passing an exit exam.

Once they've completed their training, teachers go back to their home schools and deliver the curriculum to their students. So far, at least 360 Egyptian students and 10,000 students from other countries have benefited from the program.

The Egyptian involvement is the result of a joint initiative between the Oracle Academy and Egypt's Ministries of Education (MOE) and Communications and Information Technology (MCIT). "The partnership demonstrates Oracle's deep commitment to the successful development of IT in the region," says Atef Helmy, Oracle's managing director for Egypt.

This kind of training can have an invaluable impact on the next generation of business leaders. After just two semesters of study, Academy students gain database design, SQL, and project management skills that are applicable to a variety of technical jobs. For advanced students who wish to build upon those skills, an additional semester prepares them to complete the Oracle Certified Associate (OCA) 9i Developer certification—providing a greater competitive edge in today's job market.

"It's been quite exciting to see new opportunities that have opened for my students as a result of their Oracle Academy experiences," says Robin Smith of Arnold R. Burton Technology Center, Roanoke County, Virginia. "The real-world technical skills they learn boost their confidence and give them a competitive edge for their future."

"It's been quite exciting to see new opportunities that have opened for my students as a result of their Oracle Academy experiences."

Oracle's ThinkQuest Promotes a Student's War on AIDS

When Ammu Irivinti accidentally bumped her head and it bled, one of her friends convinced her that she had contracted AIDS. Imagine Ammu's relief to discover that she had been misinformed.

The incident, which took place six years ago, also made Ammu realize that other kids might be as in the dark as she was. So, using her skills and interest in the online world, she created a Web site whose purpose is to inform other children about the realities of

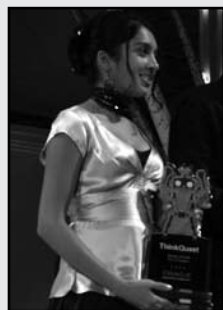
that if people did something constructive we could solve this issue," says Ammu. The Web site gets 6,000 visits each month, an encouraging sign. "It's rewarding to know that the effort is making people understand AIDS better."

Ammu created an international team that worked together via e-mail and online chats to assemble the Web site. First she turned to her cousin, Kalanidheesh Medavaram, in India, who took charge of the content research

"You can work with anyone regardless of religion and race when you see that we are all people going for the same thing."

the disease and its devastating effects. At 15, the young woman from New Hampshire—who has helped raise more than \$85,000 for children and young mothers with AIDS—was invited to speak at the United Nations as one of 50 students from around the world to address issues of poverty and disease.

Ammu's initial online effort grew into an award-winning Web site that won first place in the ThinkQuest student competition—a program sponsored by the Oracle Education Foundation. She viewed the competition as a new way to make an impact on the AIDS crisis and educate other kids about the history and current state of the disease. "I thought



and writing for the site. The rest of the team comprised students who had left comments in the forum on that original educational AIDS Web site, which she had created when she was nine. "I enjoyed leading the team, even though I had never done this internationally," she says. "The time differences were definitely a major barrier, but we managed with online chat, e-mail, and an occasional phone call."

Overcoming cultural barriers was a side benefit to the site development. "They can be overcome," says Ammu. "You can work with anyone regardless of religion and race when you see that we are all people going for the same thing. That was the most valuable thing I learned."



ThinkQuest winner Ammu Irivinti accepts her first-place award from Oracle President Safra Catz.

Oracle will work in innovative ways to advance education programs that prepare students for 21st century technology demands.



Children in Zagreb, Croatia, benefit from an improved computer center, renovated by local Oracle employees.

ORACLE IN THE COMMUNITY

Oracle works actively to address community needs and improve quality of life in the communities in which it does business. Preferring to solve problems rather than manage their consequences, Oracle and its employees focus on bringing about positive change in four key areas: education, giving, community partnerships, and volunteerism.

Oracle Education Initiatives

Oracle believes in the power of education to create change. Oracle invests in math, science, and technology programs that target low-income communities and encourage the gifted innovators of tomorrow. In addition, Oracle increases access to technology by providing resources, training, and curricula to academic institutions.

The ability to use technology to learn and succeed in the twenty-first century has become a new basic requirement for all students. Oracle has created a family of education programs that leverages its core competencies in information technology and the internet. These include the following:

- Oracle Education Foundation – A nonprofit funded by Oracle working in partnership with schools, governments, and other nonprofits and NGOs to promote education with technology through select grants, research and evaluation, and its ThinkQuest and Think.com programs.
- ThinkQuest – An international competition in which students and teachers are challenged to create educational Web sites and build understanding across cultures.
- Think.com – A no-cost, advertising-free, protected online environment for schools worldwide that provides a suite of tools for Web site publishing, research, discussion, and project collaboration.
- Oracle Academic Initiative – A program in which Oracle provides state-of-the-art software and curricula for colleges and universities and trains educators to teach technical curriculum.

Oracle will use our resources to partner with organizations that strive to enrich the quality of life in communities around the world.



Students show some school pride at the Oracle-sponsored Rand Afrikaans University School of Maths in Johannesburg, South Africa.

- Oracle Academy – A partnership with secondary schools that educates students on the fundamentals of database and Java technology, and equips them with interviewing, presentation, project management, and collaboration skills.
- Workforce Development Program – A program that addresses the need for accessible and low-cost IT skills-training in local communities, with the goal of preparing students for Oracle certification testing and career advancement opportunities.

Oracle Giving

Oracle Giving is committed to being a vital, contributing partner to the world community, building long-term alliances with nonpolitical, nonreligious, nonprofit organizations to make a substantial impact on education, the environment, and medical research.

Since its inception, Oracle Giving has supported projects with measurable outcomes in the areas of primary or secondary math, science, and technology education; environmental and endangered animal protection; and medical research for AIDS, cancer, and neuroscience. In addition, Oracle encourages employee community involvement through the Oracle Matching Gifts Program, in which the company matches donations made by employees to eligible nonprofit organizations.

Oracle Giving works closely with partners who share our vision: to seek genuine intersections between the needs of society and the goals of our company, and make investments that benefit both. Integral to this vision is a commitment to support communities around the world where Oracle has employees. By combining our resources, strengths, and technology with those of our partners, we can make a visible difference.

RAU/ORACLE SCHOOL OF MATHS

In association with RAU University in Johannesburg, South Africa, Oracle supports the development of mathematics in Soweto's secondary schools. In the Saturday School program, conducted year-round with more than 400 students from Grades 8 through 12, students are tutored in mathematics by RAU lecturers and senior math students who also come from disadvantaged backgrounds. The Winter School, a six-day intensive program for Grade 12 students, assists students with final-exam preparation to improve their exam marks. Both programs provide instruction, additional learning aids, lunch, and refreshments.



Indonesian children get a lesson from an Oracle employee during 2004 Oracle Global Volunteer Days.

ORACLE IN THE COMMUNITY

Oracle Volunteers

Established in 1991, Oracle Volunteers provides opportunities for Oracle employees to actively address social needs and make a measurable, positive impact in the community. Oracle volunteers lend their time and talents to not only serve underserved populations, but also to enrich the quality of life in the communities where we live and work. Volunteers teach basic safety and life skills lessons to the blind, protect native habitats for endangered wildlife, tutor and mentor disadvantaged youth, provide companionship for lonely and isolated elders, and build playgrounds and housing for low-income families to revitalize neighborhoods in transition.

Oracle Volunteers engages employees in a variety of volunteer opportunities throughout the San Francisco Bay Area and worldwide. This year, Oracle employees at the company's headquarters participated in over 85 projects, logging over 3,400 volunteer hours to support Bay Area nonprofit organizations. During Oracle Global Volunteer Days, a company-wide service initiative to further Oracle's commitment to social responsibility,

more than 2,400 volunteers in 28 countries contributed more than 14,700 volunteer hours to benefit local communities around the world.

Oracle Community Partners

Oracle is committed to the local communities in which its employees live and work. To complement Oracle Giving and Oracle Volunteers, Oracle created Community Partners to establish a local presence in each major U.S. community with an Oracle facility. This program gives Oracle the opportunity to interact with local government agencies and community planning commissions, participate in local chambers of commerce and community events, promote health and safety efforts such as supporting local firefighters and police, and share company facilities such as conference rooms with local nonprofit agencies.

[FACTS]

- Oracle Japan supported 127 nonprofit organizations in FY05.
- ThinkQuest was named “Best Internet Site for Kids” by Common Sense Media.
- Since October 2003, 1,100 teams made up of 4,750 international students from 42 countries have submitted entries to the ThinkQuest competition.



- Think.com has 143,210 active users in 3,140 schools in 18 countries, with an FY05 grant value of US\$1.4 million.
- From June 2003 to May 2005, the Oracle Education Foundation Grants program has delivered US\$1.3 million in cash and hardware, plus US\$600,000 in services.

- The Oracle Academic Initiative currently serves 331,558 students in 1,949 institutions in 72 countries—with growth in 2003 of 70 percent in Asia Pacific alone.



In Italy, Oracle staffers put their best foot forward by working with a local youth soccer team.

ORACLE LATIN AMERICA E TALENT PROGRAM

Oracle e-Talent is a student program developed by Oracle Latin America, in which students with business and engineering backgrounds from leading Latin American universities are recruited to work for Oracle during their last year of study. Students come from 10 Latin American countries and receive technical training, project management and presentation training, weekly meetings with an Oracle technical coach, regular performance evaluations, and networking opportunities with senior executives. Once students graduate they may be invited to work full time with Oracle or one of its business partners.

ORACLE IN THE COMMUNITY

Commitment to Accessibility

Successful access to information by people with disabilities is known as “accessibility.” Accessibility is a significant issue for a growing user population.

Historically, users with disabilities have been provided customized solutions, but given state-of-the-art e-commerce applications with built-in color keys, drop-down menus, graphical user interfaces that require a mouse, and plug-ins that can’t be translated by screen readers, custom solutions for individual users in an enterprise are no longer practical. Accessibility must now be integral to the basic design so that enterprise-wide solutions can accommodate the changing needs of users.

Worldwide standards that define accessibility are based on Section 508 of the Rehabilitation Act (U.S.) and the World Wide Web Consortium’s Web Accessibility Initiative (WAI). Oracle began releasing products coded to Section 508 standards in 2001.

Additionally, Oracle documentation is available in a variety of formats, including HTML, plain text, and PDF. Work began in 2000 to ensure that documentation would be available in accessible format, in accordance with applicable Section 508 standards.

However, in live technical implementations, Oracle’s products must often interact with technology from other vendors—technology over which Oracle exerts no control. Accessibility may be a universal goal, but it is a shared responsibility across the hardware, software, and assistive technology industries. Oracle’s goal is to ensure that products and services are accessible to the disabled community with excellent usability. Industry standards will continue to evolve over time, and Oracle is actively engaged with other market-leading technology vendors in addressing technical obstacles.

[FACTS]

- Using the Oracle Think.com learning environment, more than 500 students in Northern Ireland and South Africa discussed the book, *The Cinnamon Tree*—about an African girl who loses her leg in a land mine—online with the book’s author and with one another.
- Oracle Giving donated US\$40,000 to the Buck Institute to support the next stage of Dr. Christopher Benz’s studies involving the review and analysis of Marin County, California, breast-cancer cases, with a view to identifying underlying causes.



- Oracle Giving donated US\$100,000 to the Ocean Conservancy, Inc. in support of its continued partnership to support the annual International Coastal Clean-Up Day.
- Oracle Education Initiatives operates in 80 countries around the world, in over 4,100 schools, with more than 428,000 participants—and represents a grant value of over US\$2.06 billion.
- The Oracle Academy has trained 584 teachers and 13,125 students worldwide since 2001 and is currently active in 525 institutions.

- During Global Volunteer Days, Oracle volunteers in Santiago, Chile, planted over 300 trees in Bosque Santiago, a natural preserve in Chile.



Oracle volunteers have a close relationship with the Boys and Girls Club of the Peninsula, where employees spend their off-hours working and playing with local youth.



ORACLE'S

GLOBAL WORKFORCE

In an increasingly global economy, it is not surprising that a company that serves customers around the world would need staff to support those customers—wherever they are. Oracle uses our resources to develop and deliver quality products and services to the global market. Oracle employs people around the world in global development, sales, and services in order to meet the needs of our customers. Using a geographically dispersed workforce allows Oracle and other global companies to continue to drive innovation, improve the economic status of workers around the world, and build the global economy.

Additionally, customers running Oracle-based enterprise systems require access to technical support 24 hours a day, 7 days a week, 365 days a year—often delivered in the customer's native language. Employing a global workforce allows Oracle to address these demands and ensure that our clients receive the level of attention they require to keep their mission-critical computing systems online.

The number of employees by region and the revenue generated in those regions remain in balance.

Oracle seeks to build an inclusive workforce and work environment. We make every effort to attract, invest in, and develop the talents of a diverse group of people who reflect the society and community in which we live. We welcome and support people of all races, ethnicities, cultures, and religions, and seek to foster teamwork and effective partnerships among our employees.



Diversity

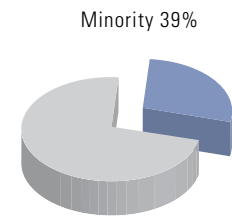
Oracle's diversity vision starts with cultivating an environment that is inclusive of all employees. Individual differences present us with opportunities to examine business issues from a variety of perspectives. Incorporating these different viewpoints gives us greater agility and creativity. The result is a workforce unified by common goals and strengthened by uncommon outlooks. Oracle believes that such an environment is necessary to effectively compete on a global scale. Valuing diversity by using effective communication skills and demonstrating mutual respect is simply good business. At Oracle, we are dedicated to realizing our diversity vision in our daily business practices worldwide.

Diversity has enriched the business community in every quarter of the globe, promoting the underlying themes of tolerance and respect. However, the concept of diversity is not uniform. Oracle acknowledges and embraces the cultural differences that shape the varying international

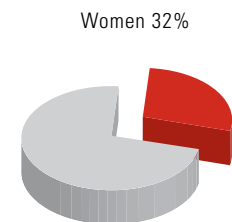
conceptions of diversity, as they manifest in law and in business. Our vision for diversity incorporates and provides for all such differences, in the spirit of diversity itself.

An example of our commitment to building a diversified workforce is our multi-year education grant to the United Negro College Fund (UNCF). This grant provides cash, curriculum, teacher training, certification, and technology resources to the UNCF and its 39 member institutions. The grant is a response to the Technology Enhancement Capital Campaign, launched by the UNCF to give historically black colleges and universities access to advanced teaching and learning methods, and cutting-edge technology within degree programs. Oracle's grant also funds a scholarship and internship program that helps students gain actual work experience across multiple disciplines.

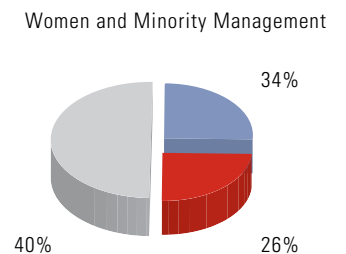
U.S. MINORITY EMPLOYEES vs. TOTAL U.S. WORKFORCE:



U.S. FEMALE EMPLOYEES vs. TOTAL U.S. WORKFORCE:



U.S. MINORITY AND FEMALE MANAGERS vs. TOTAL U.S. MANAGEMENT:



"Minority" is defined as employee's self-identified race or ethnicity.



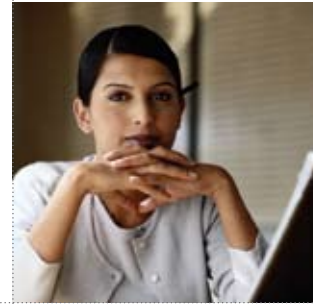
ORACLE'S GLOBAL WORKFORCE

Oracle at Work

Oracle provides an official Code of Ethics and Business Conduct to its employees worldwide for their guidance in addressing the legal and ethical issues they encounter when conducting Oracle business. Although employment by Oracle is subject to terms and conditions established by local organizations, employees are required to abide by the standards set forth in this Code. These standards cannot anticipate every situation that may pose an ethical or moral issue, but Oracle expects each employee to exercise sound judgment when evaluating an issue of conduct. When in doubt, employees are encouraged to seek counseling prior to taking any action that may compromise either personal ethical standards or those of Oracle.

To support employees in the pursuit of superior business ethics and conduct, Oracle has designed global courses, based on the Code, which new employees are required to take within the first 30 days of employment. Both the Code and the courses have been translated into many languages. These courses include the following:

- Ethics and Business Conduct – A required online self-study course that provides employees with information to aid them in understanding and abiding by the Code. It is offered in eight languages.
- Ethics and Business Conduct Supplemental – A required course for employees involved with government and higher education.



- Sexual Harassment Awareness – An online self-study course that provides employees with information about identifying, preventing, and reporting sexual harassment in the workplace. This course is offered in 13 languages.
- Data Privacy Awareness – A required eSeminar course that provides employees with information about the legislation and principles of data protection, including employee obligations related to data privacy.

Oracle also maintains a Compliance and Ethics Helpline and Web site to assist employees who have witnessed or suspect a violation of Oracle's Code of Ethics and Business Conduct and allow them to report the situation confidentially and anonymously.

Deviations from our business conduct standards are not tolerated. Disciplinary action is taken against any individual who is found to have authorized, condoned, participated in, or concealed actions that are in violation of these standards; against any manager who disregards or approves a violation, or who, through lack of diligence in supervision, fails to prevent or report violations; and against managers who retaliate, directly or indirectly, or encourage others to retaliate against an employee who reports a potential violation of these standards.



ORACLE'S GLOBAL WORKFORCE

Employee Training and Development

Oracle provides a variety of training programs designed to support employee knowledge and skills development. These programs are designed to help our workforce perform productively and effectively in current job roles as well as prepare employees for future challenges. On average, employees complete at least one week of formal internal training each year, and technical and sales employees typically receive up to four weeks of formal training each year.

Oracle offers a variety of technical, professional, and personal development training through a number of learning media. Oracle University's global internal training Web site provides online Oracle technology training courses. Courses are free for employees and are offered both as live and archived presentations. The site also provides on-demand access to Oracle's Compliance Program courses, educating employees about Oracle corporate policies and how to report conduct that deviates from Oracle's policy standards.



Oracle volunteers spend the day with children from the Forum for Street Children in Hyderabad, India.

THE STANDARDS SET FORTH IN THE ORACLE CODE OF ETHICS AND BUSINESS CONDUCT ARE GOVERNED BY THE FOLLOWING BUSINESS VALUES:

Integrity — Oracle employees demonstrate honesty and sound ethical behavior in all business transactions and personal integrity in all dealings with others.

Mutual Respect — Oracle employees consistently treat individuals with respect and dignity.

Teamwork — Oracle employees work together as a team for the collective interests of Oracle.

Communication — Oracle employees share information widely and effectively with one another, except when confidentiality is required.

Innovation — Oracle employees seek innovative and creative approaches to problem solving.

Customer Satisfaction — Oracle employees consistently treat customer satisfaction as a top priority.

Quality — Oracle employees make excellence and quality a part of their day-to-day work processes and seek continuous improvement in all that they do.

Fairness — Oracle employees are committed to dealing fairly with customers, suppliers, and one another.

Compliance — Oracle employees comply with all laws and regulations that govern Oracle's business.

Business Conduct — Oracle employees observe the standards that have been established by Oracle and act ethically in their approach to business decisions.

Oracle's Code of Ethics and Business Conduct can be found at oracle.com/corporate/investor_relations/codeofethics.pdf

ORACLE SUPPORTS GLOBAL EMPLOYEES

- Global HR services firm Hewitt Associates named Oracle India one of the "25 Best Employers" in its Best Employer Survey 2004.
- A DataQuest survey placed Oracle in its "Top 10 Employers" for 2004.
- Oracle's African Operations region was named the "2005 Employer of the Year" by *Africa Investor*.
- CCTV, China's national television network, recognized Oracle China as one of the country's "Top 10 Employers" in 2005.

ORACLE REVENUE vs. WORKFORCE BY REGION

Region	% of Revenue	% of Workforce
Americas	48.84%	49.99%
Europe, Middle East, Africa	36.37%	24.89%
Asia Pacific	14.79%	25.12%



ORACLE AND PRIVACY

In today's digital age, where information is the new currency, the protection of personal data and assurance of identity on the internet are important elements of corporate policy. These protections need to be deployed in the policies and practices of the company as well as in the technologies that support them.

Oracle has implemented corporate privacy policies and practices to protect the personal information of its customers and employees. As part of the company's international policy advocacy, we are active participants in intergovernmental initiatives to improve the state of privacy protection and develop workable policy solutions and best practices. There is an emerging understanding that workable solutions need to provide effective privacy protections to consumers and citizens while enabling the necessary and responsible information flows that are the basis of today's digital economy. We are working with other industry participants as well as governments and nongovernmental organizations to develop solutions that help us reach both of these objectives.

Oracle technology also plays a role in privacy protection. Privacy, by its very nature, is subjective. Our individual sensitivities about how our information is treated—for what it is used and with whom it is shared—are not uniform. Furthermore, the need to use information varies across business process and business types. A doctor will have more personal information that will be used, and possibly shared with other medical practitioners, than will an auto mechanic. The nature of the job and the information processes associated with that job dictate what is reasonable and necessary. In light of this need for tailoring technology to support a variety of business practices and information preferences, Oracle provides tools that our customers can configure to help support their own privacy policies and practices.



Because both privacy and security are focused on access control and protection of systems and information, technology solutions for each are closely related and often depend upon similar technological functions. Thus, many of Oracle's privacy tools and functions are derived from some of the security functionality that has been designed into the products. Although security and privacy tools share similar technological roots, they are separate priorities that must be considered when configuring software functions,

permissions, and roles. In order to help our customers address these issues, we have begun to develop guidance documents to help customers understand which parts of our technology may have privacy applications. We highlight considerations in configuration and application, but we leave it to customers to make the final decisions, because those decisions must be rooted in intimate knowledge of business priorities and practices.



GOVERNANCE

The Oracle group of companies consists of 183 companies in 79 countries. As a U.S.-based, publicly traded corporation, Oracle's goal is to comply with the laws of the United States and the laws of each country in which it conducts business.

Oracle provides detailed public accounting and analyst information. We also provide information about Oracle's values and vision; the Board of Directors and Board Committees; Oracle executives; and Oracle's business ethics for employees, partners, and suppliers.

Sarbanes-Oxley Regulations

In the United States, the Sarbanes-Oxley Act formalizes corporate accountability for financial reporting and disclosure of internal business controls and processes. Enacted in 2002, this regulation fundamentally changes the way U.S.-based businesses report financial information and the way that boards and executives discharge fiduciary responsibility.

As a U.S.-based corporation, Oracle believes we are in compliance with Sarbanes-Oxley regulations. Additionally, Oracle creates products and solutions designed to help other companies comply with the letter and spirit of Sarbanes-Oxley by increasing the control and efficiency our customers have over their critical business information and improving their financial transparency.



Oracle's Corporate Governance Principles

Oracle's Board of Directors has developed corporate governance practices to fulfill its responsibilities to Oracle shareholders. As part of these practices, the Board adopted a set of corporate governance guidelines to help ensure that it has the necessary authority and procedures in place to oversee the work of management and to exercise independence in evaluating Oracle's business operations. These guidelines include policies regarding:

- **Director Qualifications** – A Nomination and Governance Committee assesses potential Board members based on their independence, character, and acumen.
- **Director Responsibilities** – The basic responsibility of the directors is to exercise their business judgment and act in a manner they believe is in the best interest of the company and its shareholders. Board members attend the Annual Meeting of Shareholders, Board meetings, and meetings of committees on which they serve.

- **Director Compensation** – The Compensation Committee determines the form and amount of director compensation annually, in accordance with the policies and principles set forth in its charter.
- **Chief Executive Officer Evaluation** – The Compensation Committee conducts an annual review of the CEO's performance and compensation.
- **Board Evaluation** – The Board, led by the Nomination and Governance Committee, periodically conducts a self-evaluation to determine whether the Board and its committees are functioning effectively.

Oracle's Corporate Governance Guidelines can be found at oracle.com/corporate/investor_relations/corpgov.pdf



GOVERNANCE

Conflict of Interest

Oracle maintains a Conflict of Interest policy to help senior officers and directors identify and properly address potential conflicts of interest involving the company. Conflicts include situations when a director or senior officer has a personal financial interest in a transaction entered into by Oracle or by an entity doing business with Oracle, or situations when they intend to exploit an opportunity that rightfully belongs to Oracle. This policy includes the following procedures:

- **Duty to Disclose** – Directors or senior officers must promptly disclose any actual or possible conflict of interest.
- **Determining Whether a Conflict Exists** – After disclosure of all material facts related to the potential conflict of interest, the appropriate individual or committee will decide whether or not a conflict exists.

- **Investments by Senior Officers** – Although senior officers of the company may invest in third parties as part of their personal investment strategy, they may be in violation of this policy if they invest in any of Oracle's portfolio of companies or in entities that materially compete with any part of Oracle's business.
- **Service on Boards of Directors** – No senior officer may serve on the board of directors or advisory board of any company, other than a nonprofit entity, without the approval of the CEO and the Executive Management Committee. The Independent Committee must approve an appointment to the board of a public company.

Oracle's Conflict of Interest policy can be found at oracle.com/corporate/investor_relations/coip.pdf



ORACLE BOARD OF DIRECTORS

Jeffrey Berg
Chairman and Chief Executive Officer of International Creative Management, Inc.

H. Raymond Bingham
Former Executive Chairman of Cadence Design Systems, Inc.

Dr. Michael J. Boskin
Professor of Economics at Stanford University

Safra A. Catz
President and Chief Financial Officer, Oracle

Lawrence J. Ellison
Chief Executive Officer, Oracle

Hector Garcia-Molina
Professor of Computer Science/Electrical Engineering at Stanford University

Jeffrey O. Henley
Chairman, Oracle

Jack F. Kemp
Chairman of Kemp Partners and former member of the U.S. Congress

Donald L. Lucas
Venture Capitalist

Charles E. Phillips, Jr.
President, Oracle

Naomi O. Seligman
Senior Partner at Ostriker von Simson

Oracle will devise target metrics for reporting and improving greenhouse gas emissions.



Clearing debris from the Estonian coast gives these Oracle employees a chance to enjoy the outdoors.

ORACLE

AND THE ENVIRONMENT

In partnership with government and voluntary organizations, Oracle has become a leader in the software industry on energy and environmental issues. As a company, Oracle has always promoted “green” practices. Among other conservation activities, Oracle has implemented programs that enable its facilities and employees to reduce the use of natural resources, minimize and recycle waste, and emphasize sustainable resources.

Eliminating Product Packaging

Oracle has been able to reduce the environmental impact of internal manufacturing and distribution operations by consolidating warehouse facilities and moving to electronic delivery of software and documentation—dramatically reducing the need for physical packaging and printed documentation. To further reduce waste, Oracle continually makes packaging improvements and closely monitors inventory in order to avoid having to “scrap” printed materials. Also, wherever possible, the company advocates “print on demand.”

Oracle Global Environment Forum

In an ongoing effort to improve Oracle’s environmental and energy-conservation initiatives, Oracle Global Real Estate and Facilities initiated a Global Environment Forum in 2004. Composed of Oracle facility and energy managers from around the world, members meet periodically to review energy and environmental practices; exchange information on local practices, regulations, and trends; discuss best practices; and develop internal guidelines and commitments around the world.

Transportation Alternatives

Oracle is committed to decreasing the number of cars on the road and has established commute alternatives and assistance programs. The company not only sponsors vanpools and shuttles to and from local train stations, but also provides bike lockers, priority carpool parking, and discounted public-transit tickets for employees who commute.

In addition, Oracle was a major supporter of the Measure A half-cent sales tax approved in November 2004 by voters in San Mateo County, California. This measure will raise US\$1.5 billion to fund public transportation initiatives, improve traffic flow, and reduce highway congestion.

Recycling Programs

Almost since its founding, Oracle has had a formal program to recycle the waste byproducts found in most office environments: computers, paper, CDs, bottles, cans, cardboard, toner cartridges, batteries, and more. Bins are labeled and placed in convenient locations to encourage recycling, and it is truly a way of life for Oracle employees.

As we strive to deepen our environmental commitment, we undertake more aggressive initiatives such as an organic-waste recycling program at our HQ facilities. We intend to reproduce this pilot program in regions around the world.

Monitoring Greenhouse Gas Emissions

Oracle was the first software company to volunteer for the U.S. Environmental Protection Agency's (EPA) Climate Leaders program. This industry/government partnership requires companies to develop long-term, comprehensive climate-change strategies; set greenhouse gas (GHG) emissions-reduction goals; inventory their emissions to measure progress; and monitor and report progress to the EPA as climate-change policy continues to unfold. Oracle will achieve our reduction goals almost entirely through more efficient energy use.

ORACLE AND THE ENVIRONMENT

In 2005, Oracle was No. 2 on the U.S. Environmental Protection Agency's Top 20 Best Workplaces for Commuters.



In Lebanon, Oracle employees work to improve the health of local forests.

ORACLE AND THE ENVIRONMENT

Oracle is also a founding member of the Sustainable Silicon Valley Initiative, an organization whose members seek to reduce greenhouse gas emissions to the levels recommended by the Kyoto Protocol.

Oracle's voluntary commitment to reduce greenhouse gas emissions extends well beyond common practice in its industry, and the company will continue to explore ways to reduce its impact on the environment.



Oracle employees collect trash at San Francisco's Ocean Beach for Oracle Global Volunteer Days.

ORACLE U.K.'S ISO 14001 CERTIFICATION

Oracle's environmental practices in the U.K. are a model for Oracle offices around the world. Oracle U.K. implemented an Environment Management System in March 2004 and became ISO 14001-certified in June 2004. The ISO (International Organization for Standardization) 14001 certification addresses environmental management—what an organization does to minimize the potentially harmful environmental effects caused by its activities. Initiatives established by the U.K. office include measures to reduce the environmental effects from transportation, ozone-depleting refrigerants, and hazardous waste. In addition, Oracle U.K. has committed to reduce electricity, gas, and water use over two years. Oracle facilities around the world are adopting similar programs and practices.

[FACTS]

- By centralizing the company's distribution systems to a few regional centers—eliminating 24 distribution operations—and by implementing electronic distribution as the standard by which customers receive both product and documentation, Oracle has significantly reduced its consumption of paper, cardboard, and other natural resources. The company has also minimized the amount of resources required to transport product to users around the world.
- After moving to electronic models of documentation distribution in 1998, Oracle has reduced the amount of printed documentation it ships by more than 96 percent.

Oracle must extend energy-saving efforts to all regions so that the same energy-performance criteria apply to all Oracle facilities.

ORACLE

AND ENERGY MANAGEMENT

Oracle is working to decrease its environmental impact by reducing the amount of energy it uses to heat, cool, light, and maintain its corporate offices. In addition to adopting simple conservation measures such as turning off monitors overnight, reducing lighting in hallways and stairwells, and replacing incandescent lighting with fluorescent lights, Oracle also incorporates cutting-edge energy-saving features in the design and construction of new facilities.

Using Renewable Power

Oracle recognizes the importance of using renewable sources of energy. As part of the U.S. Environmental Protection Agency's (EPA) Green Power Partnership Program, Oracle pledged to purchase power from renewable sources such as wind, solar, and geothermal for its Austin, Texas, data center. Because Oracle committed to purchasing more than 10 percent of its power for the data center from renewable sources—far more than the minimum 3 percent required to be a

certified Green Power partner—the EPA has honored it with membership in the Green Power Leadership Club.

The Austin data center was designed to include modern energy-saving features such as an airflow management system that adjusts airflow according to the number of servers running. This allows center managers to use the minimum amount of power necessary for maintaining suitable conditions for the equipment.

Rising to the Challenge

Because energy management is a global issue, Oracle's conservation efforts extend across all regions.

During the California energy crisis of 2000–2001, for example, Oracle implemented stringent conservation and efficiency measures. As a result, the company was able to cut energy usage at its Redwood Shores headquarters by 10.5 percent in 2001—and has continued to achieve savings of 9.3 percent, 11.5 percent, and 12.4 percent in 2002, 2003, and 2004, respectively.





[FACTS]

- From 2000 to 2003, the average monthly use of electricity by each Oracle employee at headquarters decreased by 20 percent. Alternatively, measured on a per-square-foot basis, the reduction for that period was 10 percent.
- During power emergencies, Oracle is now capable of reducing real-time energy use at company headquarters by up to 18 percent.
- Conservation pays—in more than one sense. Oracle's energy-efficiency measures not only benefit the community and the environment, but also allowed the company to save about US\$2.5 million from 2001 to 2003.

The Natural Resources Defense Council (NRDC), in a study of how California companies responded to the statewide energy crisis of 2000–2001, cited Oracle for its efforts to reduce energy demand through facilities improvements and policy changes.

Oracle has also equipped its headquarters facilities to reduce peak-time power demand by up to 18 percent during power emergencies. In this way, Oracle is attempting to do its part to help the community avoid rolling power outages.

The company has also hired a Director of Energy to oversee its ongoing energy management efforts. This reflects Oracle's commitment to investigating and implementing creative solutions to the global energy challenge.

DATA CENTER

Because Oracle committed to purchasing more than 10 percent of its power for the Austin, Texas, data center from renewable sources—far more than the minimum 3 percent required to be a certified Green Power partner—the EPA has honored it with membership in the Green Power Leadership Club.

Q + A

ORACLE PRESIDENT SAFRA CATZ

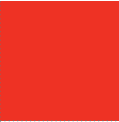
Q: Why is Oracle producing this report now?

A: Oracle has a long history of doing good work in the communities it serves around the world, but we haven't talked about it very much. While this report is not a comprehensive listing of our contributions to the community, we hope the efforts we've highlighted will provide a sense of what we do and encourage even more people to get involved.

Q: How does this report intersect with what is known as Corporate Social Responsibility?

A: There has been a growing interest in corporate responsibility and citizenship issues in recent years, generally referred to as Corporate Social Responsibility (CSR). However, CSR has traditionally focused on issues—such as downstream labor conditions in the supply chain or waste disposal from heavy manufacturers—that the enterprise software and services industry doesn't really face. Yet Oracle does face a number of challenges—such as workforce preparation, security, privacy—and must consider the needs of our customers, employees, and host communities.

What you will find here is a report that reflects the issues of the enterprise software industry as opposed to initiatives you might find in a report from a consumer brand or a manufacturing enterprise. Customers, employees, partners, shareholders, and community representatives are increasingly asking for this type of information. We already have the programs in place—so we're now making the information more accessible.



Q: Is a company's approach to corporate citizenship at odds with its financial success?

A: Absolutely not. Being a responsible corporate citizen does not mean losing focus on the interests of our shareholders. It means finding intersections between the needs of our communities and the goals of our company and making investments that benefit both. It also means using our technology to advance interests in the community.

For example, Oracle's Academic Initiative has provided technical training in 72 countries around the world—a US\$1.3 billion investment in the future prospects of more than 300,000 students. This program not only lays the groundwork for many successful careers, but it helps us expand the pool of talent available to support Oracle solutions for our customers. It's a great example of how good social investment makes good business sense.

We've made similar investments in our environmental surroundings. We've invested in new equipment and changed our business practices to encourage the efficient, environmentally sound use of energy and resources. As a result, we've reduced our energy usage at Oracle headquarters for each of the past three years. We're also using more than 10 percent renewable energy to power our main data center. We earned back our investment in equipment upgrades in eight months and are now able to reduce our real-time energy use by up to 18 percent in case of power emergencies.

Our success is magnified by a good relationship with our neighbors—the customers, partners, and residents of the cities where we operate. We don't shy away from supporting the issues that are important to our communities.



Oracle Corporation

Worldwide Headquarters

500 Oracle Parkway
Redwood Shores,
CA 94065
U.S.A.

Worldwide Inquiries

Phone
+1.650.506.7000
1.800.ORACLE1

Fax
+1.650.506.7200

oracle.com

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