

# [OUT] LEADERSHIP

## State CEO Business Briefs

Risk Assessment Methodology - June 2019

### Brand Risk

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Does a company incur risk to its brand by doing business in the state? This assessment is based on the Business Climate Index's political leadership scoring and the presence of nondiscrimination protections.

### Talent Risk

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Are talented LGBT+ workers likely to perceive the state as an unfriendly place for them to move, or to stay? We considered the whole picture of the state for this assessment, which is based on the state's total Business Climate Index score.

### Client Risk

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Could a company alienate clients or potential clients by doing business in the state? This assessment is based on the state's total Index score for this assessment, but with less aggressive rankings than for talent risk, which we consider to be more sensitive.

### Marketing Risk

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Does a company incur risks by marketing to LGBT+ consumers in the state? This assessment is based on elements of the Business Climate Index we took as indicators of openness to conversations advancing LGBT+ equality, specifically: Employment Nondiscrimination, Conversion Therapy Ban, Discuss LGBT+ Ban ("No Promo Homo"), and Hate Crimes Protections.

### Future Risk

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We define future risk as the risk of future negative events that could garner publicity for the state and impact all of the categories above, with heavy emphasis on brand and talent risk. This assessment is based on the political landscape and the presence or absence of discriminatory bills filed and laws passed in the past several years, as well as the trendline of such bill volume over time.