

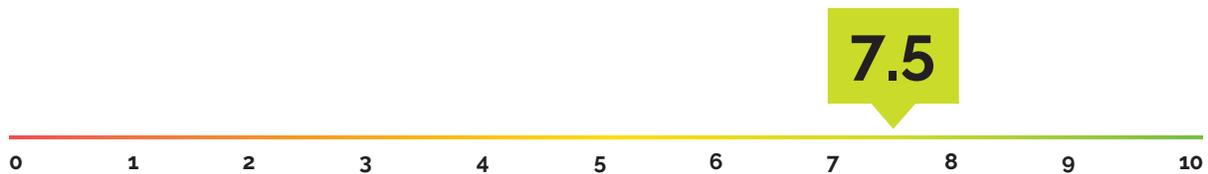


UNITED STATES OF AMERICA

LGBT+ Business Climate Score

Out Leadership's snapshot of the current state of affairs for LGBT+ people, through the lens of international business.

The business Climate Score rating is out of ten possible points, and is based on ten independently verifiable indicators of the legal, cultural and business context for LGBT+ people.



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|---|--|--|--|
| 1. Are consensual homosexual acts between adults legal? | 1 <i>Yes</i> | 6. Is sex reassignment surgery at birth for intersex children prohibited? | 0 <i>No</i> |
| 2. Is marriage or civil unions for same-sex couples available? | 1 <i>Yes</i> | 7. Are sexual orientation and gender identity discrimination in employment prohibited? | 0.5 <i>varies regionally</i> |
| 3. Is being LGBT+ punishable by death? | 1 <i>No</i> | 8. Is there a US State Department warning against travel for LGBT+ individuals? | 1 <i>No</i> |
| 4. Are sexual orientation and gender identity discrimination in the provision of goods and services prohibited? | 0.5 <i>varies regionally</i> | 9. Do companies sponsor Pride or other means of promoting LGBT+ visibility? | 1 <i>Yes</i> |
| 5. Can transgender people legally change their gender markers? | 0.5 <i>varies regionally</i> | 10. Are there laws prohibiting freedom for assembly or speech for LGBT+ people (i.e. "Anti-propaganda" laws, media gags, etc)? | 1 <i>No</i> |

How to Use This Brief

As a business leader, you have the opportunity to create change for LGBT+ people around the world – both within your organizations and in the countries where you do business. This brief provides valuable information to inform your conversations with:

Internal Staff: Ensure that staff at your company who do business in-country are aware of the laws and other regulations that impact LGBT+ people there, and that they've adopted the appropriate internal policies for their location.

Government Leaders: In your meetings with government leaders, particularly those focused on business expansion or diplomacy, we encourage you to bring up the information shared in this brief in an appropriate way, and help them understand how LGBT+ inclusive policies are part of your company's best practices, and acknowledged as global standards. You are the best person to judge whether you have the ability to have such a conversation with a local leader in an appropriate way. Your Government Affairs officer, Diversity & Inclusion head, or equivalent may be appropriate to include in these conversations.

In-country Business Partners: In conversations with business partners, when appropriate, ask them what they're doing to address LGBT+ inclusion, and help explain why inclusion positively impacts your ability to conduct business there.

Talking Points

"The recent rise in state-level anti-LGBT+ legislation is alarming. National non-discrimination protections are crucial for me to do business consistently across state lines."

"The proliferation of so-called 'religious freedom' acts at the state level is costing states millions of dollars. It's estimated the Indiana RFRA – overseen by now-Vice President Mike Pence – cost the state \$60 million in hotel profits, tax revenue and other benefits, and that a similar bill passed in North Carolina has cost the state up to \$600 million in lost business."

"While the US now has marriage equality, there are still high level of violence and discrimination against LGBT+ people, particularly trans women of color. Without nationwide protections, much of this discrimination remains legal."

"The purchasing power of LGBT+ consumers in the US is estimated at \$1 Billion. This is an indispensable market for my company."

"LGBT+ and heterosexual Americans both overwhelmingly prefer to patronize companies that offer equal benefits to all their employees. Millennial consumers in particular, a \$600 billion annual market, overwhelmingly prefer to buy from companies with LGBT+ friendly policies and advertising."

"Research shows that LGBT+ inclusion strengthens businesses' bottom lines."



Current Legal Status of LGBT+ People

Legal Status of the Lesbian, Gay, and Bisexual Community

Adult consensual same-sex sexual behavior was fully decriminalized in 2003.

As of June 2015, same-sex marriage is available nationwide. Prior to 2015, marriage was defined on a state-by-state basis. The first state to pass marriage equality was Massachusetts in 2004.

There is a patchwork of anti-discrimination protections throughout the 50 states. 29 states still lack employment, housing and public accommodations protections for LGBT+ people. The remaining states offer a patchwork of protections across the three areas, often excluding gender identity.

21 states have passed various religious exemption laws that permit people, churches, non-profit organizations and sometimes corporations to seek exemption from state laws that burden their religious beliefs.

Adoption by same-sex married couples is legal nationwide as of June 2016. However, 10 states still allow child welfare officials to refuse to place children with LGBT+ couples if doing so conflicts with their religious beliefs.

6 states allow private adoption agencies to discriminate against LGBT+ people on religious grounds when placing children.

Legal Status of the Transgender and Gender-Diverse Communities

Legal recognition of gender identity for transgender people varies on a state-by-state basis. The ability to change gender markers on birth certificates, driver's licenses, Social Security identification and passports is inconsistent, with varying discriminatory requirements.

20 states prohibit discrimination based on gender identity in either employment, housing and/or public accommodations.

Obama-era protections for the trans community, including protections for trans prisoners, are being consistently rolled back by the Trump administration.

In 2017, the Trump administration rolled back an Obama-era policy that allowed transgender people to serve openly in the military.

In February 2017, the Trump administration rolled back an Obama-era statement that directed public schools to allow transgender students to use the bathroom corresponding to their gender identity or face a loss of federal aid funds.

As of June 2015, transgender people can marry equally without regard to their sex assigned at birth.

Transgender identity was declassified as a mental illness in 2012.

Legal Status of the Intersex Community and Gender Non-Conforming Community

There is no federal legal recognition for a third gender on passports, driver's licenses or birth certificates. Oregon and the District of Columbia permit a third gender on state identification cards and driver's licenses and Washington permits a third gender option on birth certificates. California will begin permitting a third gender on such documents in 2019.

11 countries worldwide currently allow gender identities other than "male" and "female" on passports; the US is not one of them.

Current Legal Status of LGBT+ People

Government Statements and Actions

President Trump has expressed his support for same-sex marriage; Vice President Pence famously supports conversion therapy.

In November 2015, former President Obama declared his support for the Equality Act of 2015, which would amend the Civil Rights Act of 1964 to include protections banning discrimination on the basis of sexual orientation, gender identity, and sex. However in 2016, this bill was amended to allow for religious exemptions.

North Carolina's House Bill 2 was passed in 2016 in response to LGBT+ anti-discrimination bill passed by the city of Charlotte. This forced all cities in North Carolina to follow a standard for anti-discrimination set by the state. HB2 removed all LGBT+ anti-discrimination laws. The bill was repealed in March 2017.

In *Burwell vs Hobby Lobby*, the Supreme Court ruled in 2014 that mandating a business to cover contraception against owners' religious beliefs violates the federal RFRA.

Socio-cultural Environment of LGBT+ People

Status of LGBT+ Organizing and Community

There is a well-established LGBT+ movement in the country, which has been able to secure significant political gains in recent years.

Pride is celebrated in many states with widespread corporate support. The largest celebrations are held in New York City and San Francisco annually in June.

The Stonewall Inn was dedicated as the nation's first LGBT+ rights national monument by Obama in 2016.

LGBT+ legal defense organizations have mounted significant cases in the judicial system. These include Lambda Legal, GLAAD, GLAD, and HRC. Other organizations, like the ACLU, aren't solely LGBT+ focused but do a significant amount of relevant legal work.

There are many LGBT+ social service organizations and community centers on both the state and city level. The June 2016 shooting at Pulse, an LGBT+ nightclub in Orlando, was the deadliest mass shooting in recent US history. Public responses to the event, driven by polarized opinions on the issues of gun control and counterterrorism, sometimes seemed to crowd out the LGBT+ identities of most victims.

The LGBT+ community held a massive protest in front of the Stonewall Inn in February 2017 in solidarity with other minority groups feeling besieged by early Trump administration actions, including the travel ban.

Cultural Views of the LGBT+ Community

A majority of Americans (55%) support marriage equality, according to the Pew Research Center. 66% of small business owners believe that business owners should not be able to deny goods or services to someone who is LGBT based on the owner's religious belief.

Amongst Christians in the US, support for acceptance of homosexuality has increased steadily over the past decade, now reaching 54%.

The LGBT+ community faces persistently high levels of violence, with federally reported hate crimes based on sexual orientation or gender identity being the third highest, after those based on race and religion.

Socio-cultural Environment of LGBT+ People

Cultural Views of the LGBT+ Community (cont.)

Violence against trans people, particularly trans women of color, is alarmingly high. In 2016 there were 27 reported murders of trans people, the highest year on record, and the vast majority of the victims were trans women of color. The actual numbers are definitively higher but are not recorded by law enforcement.

In the past decade, representation of LGBT+ people in mainstream media has increased markedly. However, stereotyping is still quite common and the intersectional diversity of the LGBT+ community is rarely depicted.

Impact of LGBT Discrimination on Business & Talent

- 1 • NO RISK
- 2 • LOW RISK
- 3 • MODERATE RISK
- 4 • NOTABLE RISK
- 5 • HIGH RISK

BRAND RISK **NONE**

There is low brand risk in supporting the LGBT+ community in the US, only threatened by the potential for vocal conservative backlash, but with little lasting effect.

CLIENT RISK **NONE**

While the US still lacks nationwide anti-discrimination protections, there is virtually no risk of LGBT+ clients moving their patronage away from companies doing business there.

TALENT RISK **LOW**

Same sex marriages performed in other countries are recognized nationwide, which facilitates talent mobility.

MARKETING RISK **LOW**

With widespread public acceptance, corporations can and do broadcast LGBT+ inclusive marketing without provoking an uproar.

Local Leaders Advocating for LGBT Equality

We're always happy to help connect business leaders to our partners at advocacy organizations. Direct inquiries to info@outleadership.com

Purpose

Multinational companies face operational and reputational risk when they do business in countries where the legal and/or social atmosphere makes it difficult for LGBT+ people to live openly. Discrimination against LGBT+ people creates serious challenges for talent mobility, retention, and development.

Out Leadership's LGBT+ CEO Business Briefs seek to help C-Suite leaders understand and respond to these risks. Secondly, these Briefs seek to inform and empower corporate executives to engage in conversations with trade officials and other local stakeholders about why discrimination against LGBT+ people negatively impacts their ability to do business.



Additional Resources

2016 International Gay and Lesbian Association State Sponsored Homophobia Report

This report contains a country-by-country analysis of anti-LGBT laws and policies around the world.

2016 Human Rights Watch World Report

This report contains a country-by-country analysis of human rights concerns for 2014, and includes specific information pertinent to LGBT issues.

Special Thanks

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Pro Bono Legal Partner

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