



June 6, 2024

Re: 2025 Corporate Equality Index

Dear CEOs and General Counsels of Fortune 1000 Companies:

Your organization recently participated in the Corporate Equality Index sponsored by the Human Rights Campaign (HRC). The Corporate Equality Index functions as a social credit scoring system. Receiving high marks in the index requires promoting controversial initiatives that create business and legal risks. You should cease participation in this index immediately.

Your company's involvement with the Corporate Equality Index could spur litigation. The Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, sex, religion, or national origin. And similar state civil rights acts ban the same. The Corporate Equality Index encourages you to violate these laws.

For instance, selective preferences made based on sex have exposed companies to discrimination lawsuits.¹ This is largely because the index incentivizes companies to adopt the false narrative equating gender to sex. Chasing a high Corporate Equality Index score could mean discriminating against women in favor of men who identify as women. Activision serves as a cautionary example. The iconic video game producer arbitrarily mandated the use of gender and racial preferences in its employment policies, leading to legal actions taken against them.²

Similarly, forcing employees to attend training that affirms men can be women and vice versa may further expose you to litigation. This is especially true when those employees have deeply held religious beliefs in conflict with the content of the advocacy. Notably, Alaska Airlines voiced political support for Congressional legislation in 2021 that threatened religious liberty protections under federal civil rights law. Acting on their religious beliefs, two concerned flight attendants "asked questions in a company forum" about the "company's support" for the legislation. Both Christian flight attendants were terminated, leading to a religious discrimination lawsuit.³

Unsurprisingly, the goalposts for the Corporate Equality Index move every year, pushing companies to take on even more aggressive policies. To illustrate, if you had a perfect score in 2022 and did nothing different, your score would automatically be reduced 40 points.⁴

Commitments made in the survey place your company's economic interests at risk. Corporations are expected to pursue excellence in their chartered purposes, including by retailing goods and earning

¹ America First Legal, *Woke Corporations*, <https://aflegal.org/woke-corporations/>.

² *AFL Files Federal Civil Rights Complaint Against Activision for Illegal, Racist, and Discriminatory Hiring Practices and Sends Letter to Activision Board Demanding They End Unlawful DEI Policies*, *America First Legal*, Aug. 15, 2023, <https://aflegal.org/afl-files-federal-civil-rights-complaint-against-activision-for-illegal-racist-sexist-and-discriminatory-hiring-practices-and-sends-letter-to-activision-board-demanding-they-end-unlawful-dei-policies/>.

³ *Brown v. Alaska Airlines, Inc.*, No. 2:22-cv-668, 2024 U.S. Dist. LEXIS 92026 (W.D. Wash. May 22, 2024).

⁴ Human Rights Campaign, *Corporate Equality Index Archive*, <https://www.thehrcfoundation.org/professional-resources/corporate-equality-index-archive>.

robust profits along the way.⁵ Businesses risk damaging their bottom lines when they take stands on controversial issues.⁶ A few cases illustrate the pervasive demands of the Corporate Equality Index that alienate consumers.

One does not need to look far to see the consequences of putting progressive interests ahead of core customers. Anheuser-Busch, makers of the Bud Light beer brand, partnered with transgender activist Dylan Mulvaney.⁷ As part of an ad campaign, the brewer sent custom beer cans with Mulvaney's face on them to promote his "365 days of girlhood." The controversial move sparked significant boycotts and backlash from both sides, resulting in Bud Light sales sinking and losing its title as America's top-selling beer.⁸ The beer giant has yet to recover from its misfire. From January to March 2024, U.S. revenue declined 9.1%, and sales to retailers were down a whopping 13.7%, "primarily due to volume decline of Bud Light."⁹

Another controversial foray associated with the index is Target's "Pride" collection, which ignited concerns from parents and lawmakers alike. During this campaign, the major retailer promoted and sold products potentially harmful to young children. Merchandise ranged from LGBT-themed onesies to female swimsuits with "tuck-friendly construction" designed to hide male genitalia.¹⁰ Target additionally featured products by Abprallen, a self-declared "Satanist-Inspired" brand.¹¹ Abprallen's collection includes anti-Christian designs, such as a shirt showing the phrase "Satan Respects Pronouns."¹² After widespread outrage, less than a month into the campaign, Target moved its Pride collection away from the front of stores.¹³ Sales declined during the second quarter of last year.¹⁴ The firestorms at Bud Light and Target resulted in losses of over \$27 billion in the following weeks.¹⁵

It's time to get businesses back to business. The risks simply outweigh the benefits of participating in the Corporate Equality Index. 1792 Exchange firmly believes that prioritizing shareholder interests

⁵ See *A.P. Smith Manufacturing Co. v. Barlow*, 13 N.J. 145 (N.J. 1953); *Dodge v. Ford Motor Co.*, 204 Mich. 459, 507 (Mich. 1919).

⁶ Joanna Piacenza & Cameron Easley, *2024 Corporate Engagement Guide for Brands*, Morning Consult Pro, Nov. 2023, <https://pro.morningconsult.com/analyst-reports/2024-corporate-activism-guide-for-brands>

⁷ Amanda Harding, *Trans Activist Dylan Mulvaney Announces Partnership With Bud Light, But No One Knows If It's A Prank*, The Daily Wire, Apr. 3, 2023, <https://www.dailywire.com/news/trans-activist-dylan-mulvaney-announces-partnership-with-bud-light-but-no-one-knows-if-its-a-prank>.

⁸ Dee-Ann Durbin, *Bud Light is no longer America's top beer following anti-LGBTQ+ pushback*, Associated Press, June 14, 2023, <https://apnews.com/article/bud-light-beer-modelo-sales-35db706836ca38d5fe194c93a3f641ff>.

⁹ Press Release, AB InBev, *AB InBev Reports First Quarter 2024 Results* (May 8, 2024), <https://cdn.builder.io/o/assets%2F2e5c7fb020194c1a8ee80f743d0b923e%2Ffb409dcdf4b44086bdb023e90df57ad9?alt=media&token=a6414b0-5f40-4e16-8992-2825f58ef482&apiKey=2e5c7fb020194c1a8ee80f743d0b923e>.

¹⁰ Abigail Anthony, *Target Reportedly Moving 'Pride' Items to Back of Store to Avoid the Bud Light Treatment*, National Review, May 23, 2024, <https://www.nationalreview.com/corner/target-reportedly-moving-pride-items-to-back-of-store-to-avoid-the-bud-light-treatment/>.

¹¹ Ariel Zilber, *Target partners with 'satanist' brand for 'PRIDE' collection: 'Live laugh lesbian'*, N.Y. Post (May 23, 2023), <https://nypost.com/2023/05/23/target-partners-with-satanist-brand-for-pride-collection/>.

¹² Kristine Parks, *Target customers shocked after company features pride items by Satanist partner: Devil is 'hope' and 'love'*, FoxNews.com, May 24, 2023, <https://www.foxnews.com/media/target-customers-shocked-company-features-gay-pride-items-satanist-partner-devil-hope-love>.

¹³ Daniel Arkin, Matt Lavietes & Daysia Tolentino, *Target quietly moves Pride merchandise in some stores as conservative activists declare victory*, NBC News, May 24, 2023, <https://www.nbcnews.com/nbc-out/out-news/-target-pride-merchandise-lgbtq-designers-pulled-criticism-rcna86036>.

¹⁴ Ty Roush, *Target Sales Drop After 'Negative Reaction' To Pride Month Collection- But Profit Beats Expectations*, Forbes, Aug. 16, 2023, <https://www.forbes.com/sites/tylerroush/2023/08/16/target-sales-drop-after-negative-reaction-to-pride-month-collection-but-profit-beats-expectations/?sh=56e09abd6054>.

¹⁵ Virginia Kruta, *Target Loses \$10 Billion In Value In Just Ten Days: Report*, The Daily Wire, May 28, 2023, <https://www.dailywire.com/news/target-loses-10-billion-in-just-ten-days-report>.

and delivering quality products and services best paves the way for your success and the American economy.

Corporations do not have to be vehicles for radical agendas. Our team of former Fortune 100 executives are ready to provide confidential and pro bono advice to help you navigate away from divisive issues and back to maximizing shareholder returns—all while treating your employees, customers, and community with respect. We look forward to working with you.

Best,

A handwritten signature in blue ink, appearing to read "D. Cameron". The signature is stylized with a large initial "D" and a long, sweeping underline.

Daniel J. Cameron
Chief Executive Officer

To see the presence of ideological policies and activism in your company, check out your profile on the 1792 Exchange's Corporate Bias Ratings at 1792exchange.com.