

Risks Associated with HRC Foundation Partnership

1792

EXCHANGE

What is the Human Rights Campaign Foundation (HRCF)?

The Human Rights Campaign Foundation (HRCF) is the educational and charitable affiliate of the Human Rights Campaign, operating as a 501(c)(3) nonprofit organization. HRCF advances LGBTQ+ priorities through research, resources, benchmarking tools, programs, and public education intended to shape policies and practices across workplaces, municipalities, healthcare systems, schools, and other institutions.^{1,2}

What does the HRCF do?

- Administers an annual Corporate Equality Index (CEI) which evaluates companies based on workforce protections, benefits, culture, and outreach and engagement related to LGBTQ+ issues.³⁻⁵
- Administers an annual Municipal Equality Index (MEI) which evaluates cities based on their non-discrimination laws, benefits, contractor standards, municipal services, law enforcement, and local leadership related to LGBTQ+ issues.^{6,7,8}
- Administers a biannual Healthcare Equality Index (HEI) which evaluates hospitals and healthcare facilities based on their training, patient services, employee benefits and policies, community engagement, and responsible citizenship related to LGBTQ+ issues.^{9,10}
- Operates a Welcoming Schools program that provides LGBTQ+ training, lesson plans, booklists, in-person training/programming, and other resources for youth-serving professionals to create “gender-inclusive” schools and support transgender and non-binary students.¹¹⁻¹⁵

Risks of Corporate Partnership

PARTISAN ALIGNMENT RISK

- HRCF’s programs promote policy frameworks and institutional standards widely associated with progressive policy priorities.^{16,17}
- As a result, corporate support for HRCF may be perceived as alignment with a broader ideological agenda extending beyond nondiscrimination into highly contested issues such as gender identity.
- Partnering with an organization with progressive values may be viewed as partisan if support is not balanced by comparable partnerships with organizations aligned with conservative or traditional values.



CONTROVERSIAL POLICY ADVOCACY

- HRCF's LGBTQ+ programming extends into highly contested areas of policy across business, government, healthcare, and education.¹⁸
- This corporate partnership supports broad institutional reform rather than a narrow charitable commitment.
- Specifically, HRCF's promotion of "affirming" policies and practices place it within active public controversies over gender identity.^{19,20}

REPUTATIONAL & STAKEHOLDER RISK

As seen with Bud Light and Target, corporate association with highly contested LGBTQ+-related initiatives can contribute to a decline in sales, brand damage, consumer backlash, and investor concern.²¹

GOVERNANCE & CONFIDENTIALITY RISK

- Participation in HRCF benchmarking programs requires companies to submit non-public information for review and validation, creating governance, confidentiality, and reputational considerations.^{22,23}
- Corporate sponsorship of a group using public scorecards to shape institutional behavior may be perceived as alignment with its preferred policy priorities and allowing an external advocacy organization to unduly influence internal governance decisions.

MARKET & PEER RISK

- The 2026 CEI saw a 65% drop in Fortune 500 participation, from 377 companies in 2025 to 131 in 2026. As participation declines, continued involvement increasingly positions companies outside emerging governance norms and invites greater scrutiny from shareholders.^{24,25}
- Since June 2024, 26 major companies, including several with perfect CEI scores and former HRCF partners, have publicly indicated they will no longer participate in external diversity surveys such as the CEI amid growing legal, political, and reputational pressure.²⁶

Companies: Tractor Supply, Harley-Davidson, Brown Forman (Jack Daniels), Lowe's, Ford, Molson Coors, Stanley Black and Decker, Caterpillar, Toyota, Walmart, Nissan, McDonald's, Target, Accenture, Pepsi, Warner Bros, AT&T, Constellation Brands, IBM, Verizon, T-Mobile, Reynolds, Meta, Capital One, Boeing, and Philip Morris.

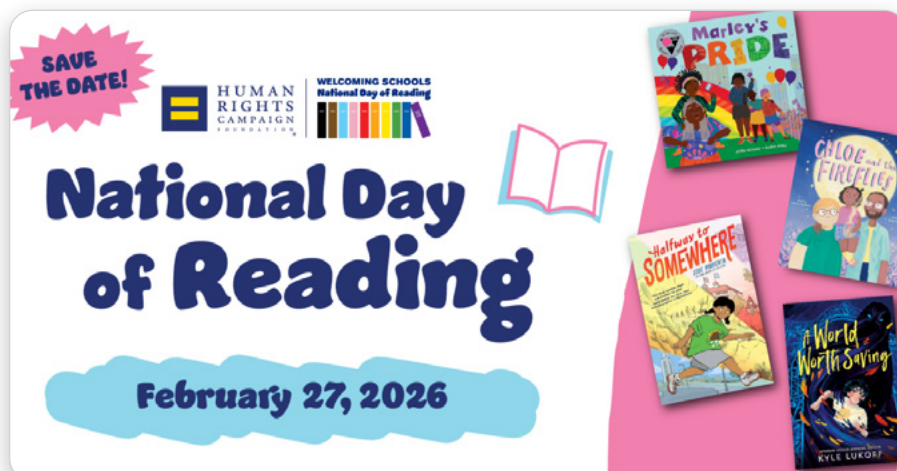
- HRC also notes that many companies withdrawing from CEI participation are federal contractors. This suggests concern that continued participation could create risk for federal contracts following recent Executive Orders and DOJ guidance addressing DEI and unlawful discrimination.²⁷⁻³¹



Corporate Equality Index “100” Over Time

- Non-discrimination policy includes sexual orientation and gender identity for all operations
- LGBTQ+ Employee Resource Group
- LGBTQ+ Internal Training
- Equivalency in same-sex domestic partner medical and soft benefits
- No large-scale official or public anti-LGBTQ+ blemish on their recent records
- Equivalency in same-sex spousal medical and soft benefits
- Equal health coverage for transgender individuals without exclusion for medically necessary care
- Contractor/supplier non-discrimination standards
- Non-discrimination Philanthropic Giving Guidelines for all operations (Contractor/suppliers)
- LGBTQ+ Benefits Guide
- Equivalency in spousal and domestic partner family formation benefits regardless of sex
- Gender transition guidelines with supportive restroom, dress code and documentation guidance
- LGBTQ+ Data Collection Effort
- Intersectionality training
- LGBTQ+ Outreach and Engagement
 - Supplier diversity program with demonstrated effort to include certified LGBTQ+ suppliers
 - LGBTQ+ employee recruitment efforts
 - Marketing or advertising to LGBTQ+ consumers
 - Philanthropic support of at least one LGBTQ+ organization or event (e.g.: financial, in kind or pro bono support)
 - Demonstrated public support for LGBTQ+ equality under the law through local, state or federal legislation or initiatives

V1: 2002 - 2005 V2: 2006 - 2011 V3: 2012 - 2015 V4: 2016 - 2018 V5: 2019 - 2022 V6: 2023 -





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