S&P Global

Assessing Companies' LGBTQ+ Engagement:

The Balance Between Public Mention and Supportive Action

June 2024

Authors

S&P Global Market Intelligence
Emily Jasper, Malav Parekh

ProntoNLP
Ilan Attar

Contributors
James Mantooth, Diana Mumford, Ellen White, Carl Samson, Cat VanVliet, Sheila Brathwaite, and Elad Spiegelman

This is a thought leadership report issued by S&P Global. This report does not constitute a rating action, neither was it discussed by a rating committee. The thoughts expressed by this paper's contributors do not necessarily reflect the views of S&P Global.

Table of contents

Highlights

– S&P Global's latest LGBTQ+ diversity study uses data science to examine whether companies are genuinely supporting LGBTQ+ employees and communities or engaging in "pinkwashing," or superficially expressing sympathy without publicly stated action. The analysis reveals that while organizations are not necessarily pinkwashing, there is room for more publicly affirmed, action-based support of LGBTQ+ employees.

– Analysis of mentions of LGBTQ+ keywords in company earnings and analyst call transcripts available in global English from 2010 to February 2024 indicates that an average of 59% of mentions were confirmation of employee programs, recruitment commitments, product developments, and other quantitative measures made by companies in support of the LGBTQ+ community. The remaining 41% were either an expression of intent to support LGBTQ+ or inclusion programs or passive participation acknowledging Pride Month or general statements about LGBTQ+ diversity.

– While over the years there has been a rise and fall in mentioning LGBTQ+ keywords as generalized statements, this study's passive category mentions never exceed 34% of total statements through 2023.

– Overall mentions of keywords related to LGBTQ+ peaked in 2021 before declining by 17% year over year consecutively for the next two years.

– Despite the decline in volume of LGBTQ+ mentions in transcripts, 2023 emerged as one of the top years for qualitative and quantitative mentions, with 67% of these statements related to same-sex benefit expansions, growth in LGBTQ+ employee resources groups, inclusion on the Human Rights Campaign Equality Index, and results of gender diversity representation in recruitment, promotion, and board appointment efforts.

Introduction

In recent years, critics have questioned the effectiveness of [Diversity, Equity, and Inclusion (DEI)](#) programs. This is partially due to a lack of regulation in tracking the progress of DEI metrics such as pay parity, benefits availability, and hiring rates. Some universities have [disbanded](#) departments, while companies have [cut DEI](#) roles altogether. A waning focus on diversity initiatives suggests a potential inflection point. For example, S&P Global Market Intelligence [reported](#) in 2024 that the advance of women into executive roles declined for the first time in two decades.

This study turns to companies' public discourse as a proxy for advancement in these areas, with a focus on the specific question of whether companies are taking action or instead "pinkwashing" in their efforts to support LGBTQ+ employees and communities. Pinkwashing is defined as "the deployment of superficially sympathetic messages for [ends] having little or nothing to do with lesbian, gay, bisexual, transgender and queer (LGBTQ) equality or inclusion."[1]

Using S&P Global Market Intelligence [Machine Readable Transcripts](#), we aggregated statements including LGBTQ+-related keywords, such as gender diversity, to evaluate with a Natural Language Processing (NLP) model. Our analysis of these statements aims to answer the question, "What is the proportion of companies publicly mentioning the LGBTQ+ community versus the proportion taking action in support of the community (intention and action, with qualitative and quantitative evidence)?"

Our analysis found that organizations are not necessarily pinkwashing, but there is a greater opportunity to publicly state their actions, both qualitative and quantitative, in support of LGBTQ+ employees. Many companies have made public commitments to inclusion over the last several years, but this paper explores if those commitments have been supported by follow-through. Utilizing the trends from our transcript findings, companies can reassess their own policies, goals, and methods of measurement to deliver their commitments.
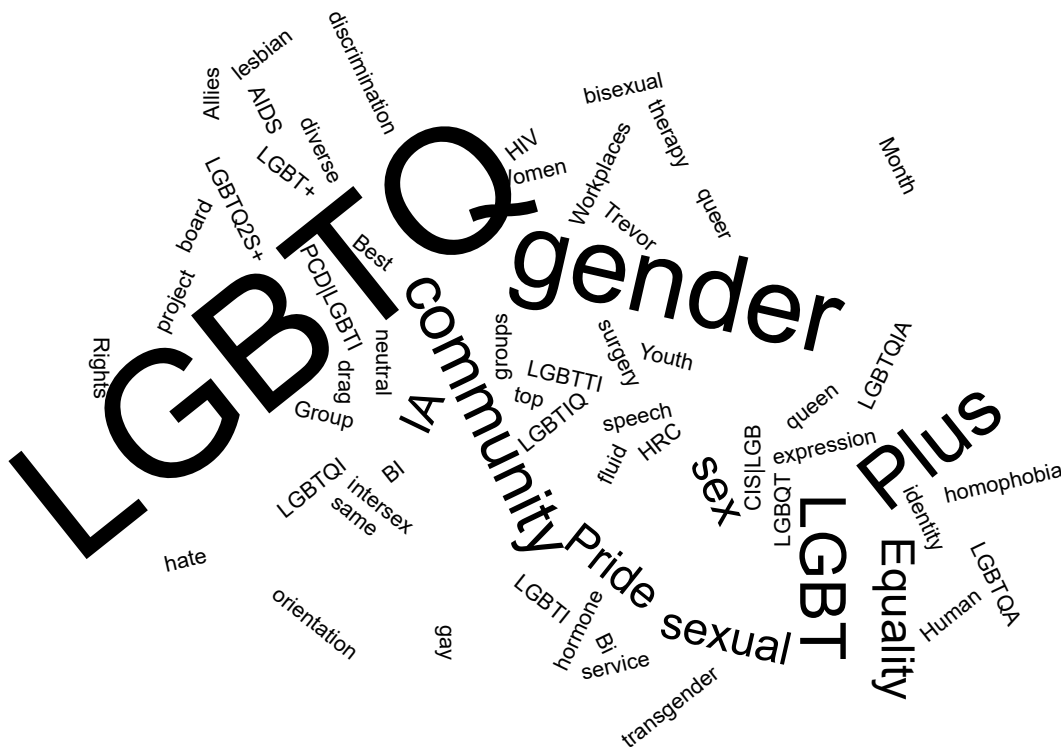
[1] Russell, E.L. (2019). "Filip Dewinter: Pinkwashing, Populism and Nativism." *The Discursive Ecology of Homophobia: Unraveling Anti-LGBTQ Speech on the European Far Right.* Multilingual Matters. ISBN 978-1-78892-346-0.

Initial findings

Through language analysis, we identified four major categories of mentions:

– **Passive:** These mentions relate to acknowledgments of the LGBTQ+ community or events occurring in a nonspecific manner, e.g., "Happy Pride Month."

– **Intent:** These mentions relate to intentions to start a program or commit to a measurable goal, such as plans to hire a specific percentage of LGBTQ+ employees.

– **Action – qualitative evidence:** These mentions cover specific actions, participation, grant allocations, or other key activities related to LGBTQ+ commitment that do not include a measurable outcome, such as making benefit programs available to same-sex partners.

– **Action – quantitative evidence:** These mentions include reported metrics of impact or measured recognition for LGBTQ+ efforts, e.g., reported measurements of LGBTQ+ members in the workforce.

Since 2010, the start of our transcript analysis period, 59% of mentions signified evidence-based action, while the remaining 41% were an expression of either passive participation or intent. An example of evidence-based

In addition, Vivo sponsors, for the second year in a row, Sao Paulo's LGBT+ Pride Parade. Inside the company, we also had an increase of LGBTI+ self-declared employees, which totaled 8.5% of our workforce, up 2.5 percentage points in six months.
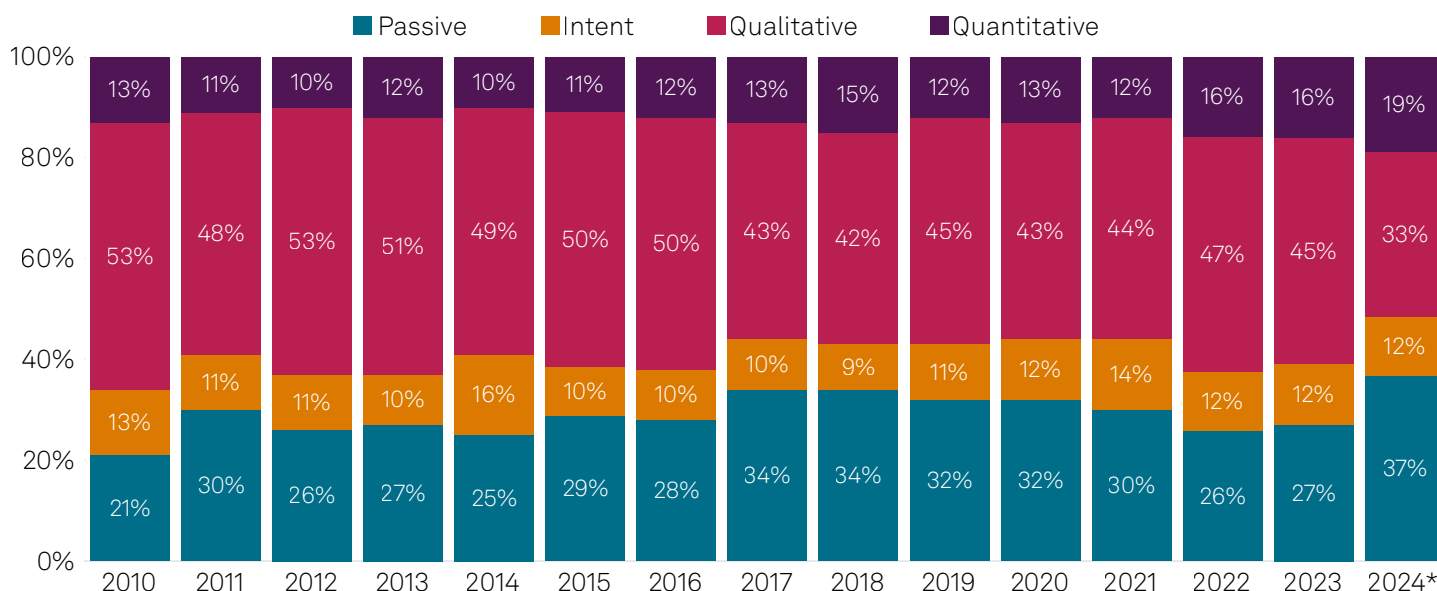
Telefônica Brasil SA | EARNINGS CALL: EVENT ON 7/26/2023
Example of action – quantitative evidence

action includes the announcement from Match Group, which owns dating app Tinder, that it launched a traveler alert for global LGBTQ+ users of its app on its Aug. 7, 2019, earnings call. Another example is the disclosure by China's BlueCity that it "began focusing on the psychological issues in the LGBTQ group," as stated on its Aug. 24, 2021, earnings call. A statement such as "We intend to achieve gender equity," on the other hand, is considered "intent" for the purposes of this study as the mention does not represent any action taken.

The mentions in our study were pulled and categorized from our transcript data, which includes earnings, M&A, guidance, and shareholder events, as well as company conference presentations and special calls.

Figure #1

Distribution of LGBTQ+ mentions in company transcripts by type

Year	Passive	Intent	Qualitative	Quantitative
2010	21%	13%	53%	13%
2011	30%	11%	48%	11%
2012	26%	11%	53%	10%
2013	27%	10%	51%	12%
2014	25%	16%	49%	10%
2015	29%	10%	50%	11%
2016	28%	10%	50%	12%
2017	34%	10%	43%	13%
2018	34%	9%	42%	15%
2019	32%	11%	45%	12%
2020	32%	12%	43%	13%
2021	30%	14%	44%	12%
2022	26%	12%	47%	16%
2023	27%	12%	45%	16%
2024*	37%	12%	33%	19%

Data as of May 21, 2024.
* 2024 data is not for the full calendar year.
Passive – acknowledgments of the LGBTQ+ community or events occurring in a nonspecific manner; intent – intentions to start a program or commit to a measurable goal; qualitative evidence – specific actions, participation, grant allocations, or other key activities related to LGBTQ+ commitment that do not include a measurable outcome; quantitative evidence – reported metrics of impact or measured recognition for LGBTQ+ efforts.
Keywords for LGBT refer to lesbian, gay, bisexual, and transgender, but were used to track other related terms such as LGBTQ and LGBTQI+. Related keywords, such as Pride Month, further sexual and/or gender identities, HIV/AIDS, and organizations such as The Human Rights Campaign, were also included in the analysis.
Analysis of mentions of LGBTQ+ keywords in company earnings and analyst call transcripts available in global English.
Source: S&P Global Market Intelligence.
© 2024 S&P Global.

While there was a rise and fall in passive mentions over the years, they never exceeded 34% of total statements in the full years in our analysis (see Figure 1). Passive and intent mentions can be combined to assess the likelihood of organizations' pinkwashing, as indicated by their use of insubstantial phrases or future-focused statements with no firm timelines or measurable targets. The distribution of passive and intent mentions remained below 50% during the selected period, indicating that companies discussed and shared more commitments and results, rather than claims or aspirations, with the public.

The initial 2024 data signals that critics of DEI programs might be affecting LGBTQ+ mentions, though, as passive and intention-based mentions jumped to 48%. While early 2024 data indicates there is more quantitative evidence mentioned at 19% compared with other years, many of these are based on reports of gender diversity achievements across boards, executives, or employee populations. While our research indicated that gender parity for women in leadership roles fell for the first time in two decades, it is encouraging to see companies maintaining commitment to report their progress. This is stated with caution for the LGBTQ+ community, as self-identification programs may not capture an accurate representation of LGBTQ+ individuals in the company, and women-focused programs could include only a portion of gender-nonconforming individuals. Dedicated programs that include employee self-identification, expansion of same-sex benefits, and recruiting and promotion for LGBTQ+ individuals could provide a basis for future reporting on such efforts' impact on the business.

Quieting the conversation

Analyzing the distribution of LGBTQ+-related statements across passive and action categories supports the investigation of trends in their content, while tracking the volume of mentions over time gives an indication of the pervasiveness of the LGBTQ+ conversation. Mentions peaked in 2021 before declining by 17% year over year for the next two years.

Figure #2

Key events in recent LGBTQ+ history suggest correlation between these events and change in corporations publicly acknowledging the community

Unique LGBTQ+ sentences over time vs. average sentences per unique company
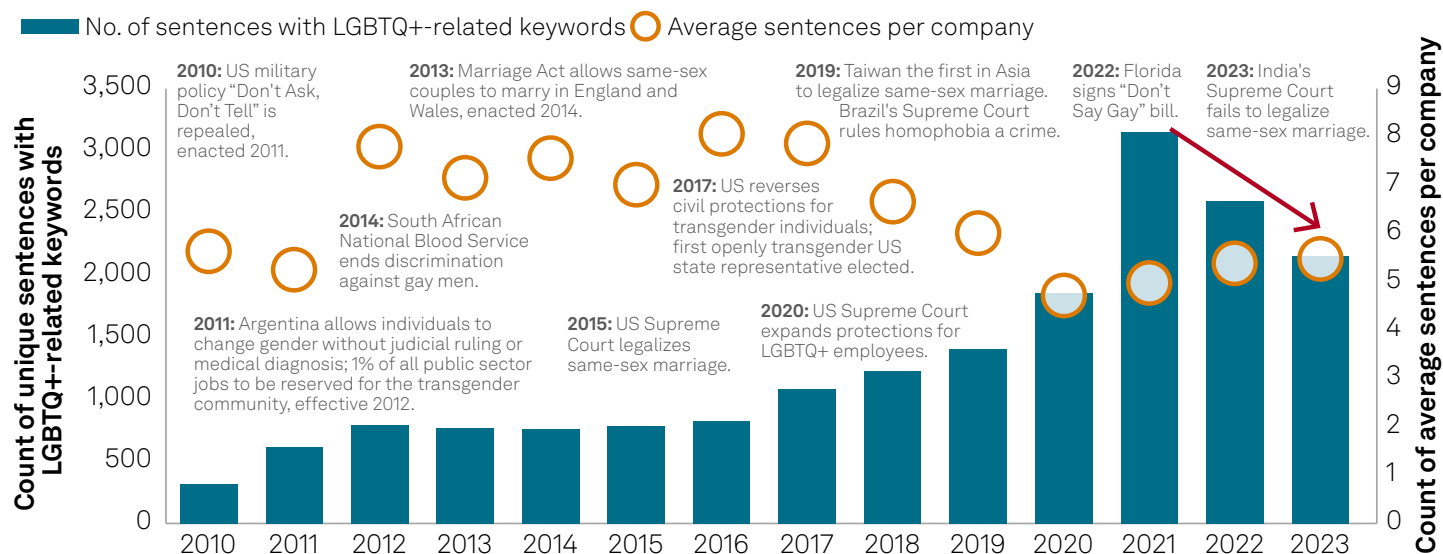
Data as of Feb. 1, 2024.
Keywords for LGBT refer to lesbian, gay, bisexual, and transgender, but were used to track other related terms such as LGBTQ and LGBTQI+. Related keywords, such as Pride Month, further sexual and/or gender identities, HIV/AIDS, and organizations such as The Human Rights Campaign, were also included in the analysis.
Analysis of mentions of LGBTQ+ keywords in company earnings and analyst call transcripts available in global English.
Source: S&P Global Market Intelligence.
© 2024 S&P Global.

Despite the decline in volume of mentions in 2023, it is one of the top years for qualitative and quantitative evidence mentions, with 67% of these statements related to gender diversity representation in recruitment, promotion, and board appointment efforts. For example, at Australia-based BlueScope Steel's Sept. 20, 2023, analyst day, the company reported that 5% of its employees had voluntarily reported being LGBTQIA+.

Another surprising finding in this analysis was the volume of unique companies that included LGBTQ+-related mentions in their transcripts. Between 2020 and June 2023, there were 1,746 companies with transcript statements related to LGBTQ+ keywords, compared with 2,451 companies including LGBTQ+ keywords in their environmental, social, and governance (ESG) filings during the same period, as indicated in our 2023 research. ESG filings are compiled from a repository of ESG-focused documents that S&P Global Market Intelligence obtains from publicly available sources. ESG filings' social aspects lend themselves to DEI-related content and thus more natural opportunities for LGBTQ+-related keywords.

The average number of LGBTQ+-focused sentences per organization declined over the data collection period, despite the overall volume of related conversation increasing, as illustrated in Figure 2. If individual companies are discussing LGBTQ+ issues and programs less frequently in their calls, then it is important for mentions to be substantiated with qualitative or quantitative evidence, making them more meaningful.

We also continued our industry sector analysis from our 2023 paper "Global Company LGBTQ+ Awareness Shows Uptick, Room for Growth." Earnings call transcripts yielded different content within industry segments, highlighting a variety of mentions that went beyond the passive category:

– Healthcare companies provided statements on HIV/AIDS drug trial, treatment, and prevention programs, as well as expanding medication manufacturing to include PrEP HIV-resistance drugs.

– Media companies reported programming dedicated to and made by the LGBTQ+ community, including "RuPaul's Drag Race" and "The L Word."

– Gaming companies discussed their commitment to nonbinary gamers, including specific headsets, keyboards, and other accessories designed for that audience.

Figure #3

Sectors with most companies that mention LGBTQIA+ and related terms

Healthcare
20%

Industrials
13%

Information technology
9%

Communication services
7%

Consumer discretionary
13%

Financials
13%

Materials
7%

Real estate
4%

Consumer staples
6%

Utilities
4%

Energy
3%
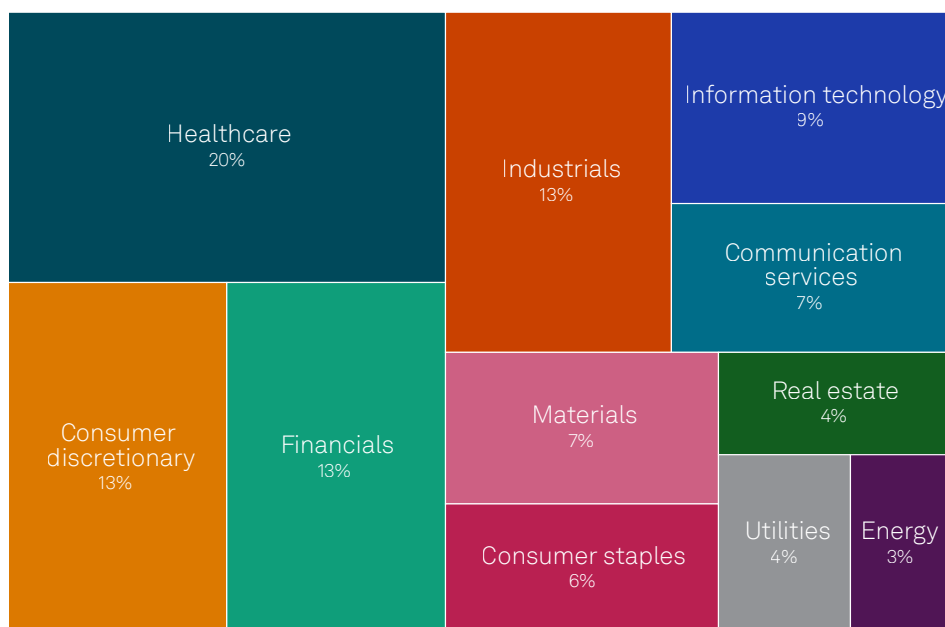
Data as of May 21, 2024.
Keywords for LGBT refer to lesbian, gay, bisexual and, transgender, but were used to track other related terms such as LGBTQ and LGBTQI+. Related keywords, such as Pride Month, further sexual and/or gender identities, HIV/AIDS, and organizations such as The Human Rights Campaign, were also included in the analysis.
Analysis of mentions of LGBTQ+ keywords in company earnings and analyst call transcripts available in global English from 2010 to May 2024.
Source: S&P Global Market Intelligence.
© 2024 S&P Global.

As demonstrated in Figure 3, healthcare is one of the leading segments for mentions, including HIV/AIDS drug trial, treatment, and prevention programs, as well as expanding mediations to include PrEP. This contrasts with last year's analysis, in which only 7% of healthcare organizations had LGBT mentions in their ESG filings. While pharmaceutical companies and healthcare services may serve the LGBTQ+ community on a regular basis, the work does not appear to be considered part of companies' "social consciousness" endeavors to justify reporting in ESG filings.

Clarification of terms

LGBTQ+ stands for lesbian, gay, bisexual, transgender, queer, and more, and is used as the main term in this article. At times, the terms LGBT, LGBTQ, LGBTIQ, or LGBTQI will be found when referring to external literature, to ensure consistency with the term used by the research cited.

There are a vast array of identities or labels those in the LGBTQ+ community may choose, if they wish to use one at all. Although it may seem insensitive to only list the more common labels and use a broad bucket to classify people, the use of the "+" ensures the LGBTQ+ community is not restricted to the five common terms and the potentially infinite numbers of additional identities are acknowledged.

To avoid simplifying people's experiences, we have decided not to systematically include the "I" in this article. Intersex ("I") is still argued as not representing a sexual orientation or a gender identity and, therefore, as not automatically associated with issues affecting LGBTQ+ people. Yet being intersex can raise unique challenges that need consideration, even if these are distinct from the issues facing the wider LGBTQ+ community.

Additional related keywords include key organizations in the LGBTQ+ community, such as the LGBT Chamber of Commerce, the Human Rights Campaign, and The Trevor Project. These organizations often partner with companies for education and training or to provide evaluation scores of a company's commitments to the LGBTQ+ community, which can be reported as a quantitative evidence mention.

Statements were not scored for sentiment for this report.

Methodology

As technological advancements facilitate more powerful data analysis, tools allow that analysis to be at users' fingertips. S&P Global Market Intelligence partnered with ProntoNLP, an organization dedicated to advancing the availability of text mining power to the business community.

In this research, we leveraged ProntoNLP's NLP technology to analyze public transcripts for references to the LGBTQ+ community. ProntoNLP's sophisticated NLP stack features a flexible and powerful smart search capability, powered by embeddings and semantic search, and a nuanced, highly accurate large language model (LLM). This combination accelerates the analysis process and ensures a precise and comprehensive understanding of the documents.

The smart search feature scanned all company transcripts since 2010, over 420,000 documents, using advanced algorithms to detect relevant mentions related to the LGBTQ+ community. This search was powered by embeddings and semantic search, which transformed words and phrases into multidimensional vectors that captured their

meanings and relationships. This allowed our system to understand context, identify patterns, and find relevant information even if exact phrases did not appear in close proximity.

Finally, once relevant mentions were identified, a proprietary ESG-expert LLM took over to provide a deep and nuanced analysis. This model is specifically trained to evaluate ESG criteria, distinguishing between genuine actions and superficial statements. Our analysts and contributors for this paper then provided additional oversight to the results, ensuring the statements appropriately fit into our categories for passive, intentional, qualitative, and quantitative mentions.

Conclusion: Driving actions for employees

All groups wish to see themselves represented in leadership, media, government, and more, and action is preferred over perfunctory mentions.

S&P Global has expanded its support for LGBTQ+ employees and communities in several ways:

– S&P Global Impact and Diversity, Equity, and Inclusion 2023 reports said US self-identification programs have found that LGBTQ+ employees comprise 1.7% of the company's US workforce.

– The S&P Global Foundation granted $30,000 to LGBTQ+ programs, including GiveOut's LGBTQI Climate Fund for disaster preparedness for LGBTQI individuals in the Global South and East; Mocha Celis' Technology Empowerment program, providing technology workshops and computer equipment maintenance resources for transgender, gender-nonconforming, and nonbinary individuals; and Philippine Financial and Inter-Industry Pride's LGBTQ+ Workplace Inclusion Survey program to collect representative data for Philippines employers.

– People benefits have expanded to include additional fertility and adoption support for all global employees, as well as Maven's digital support for pregnancy and parenting, with LGBTQ+ specialized programs.

– A task force was established to review recruiting partners for ethical uses of AI tools during applicant screening, in alignment with New York City's anti-bias law.
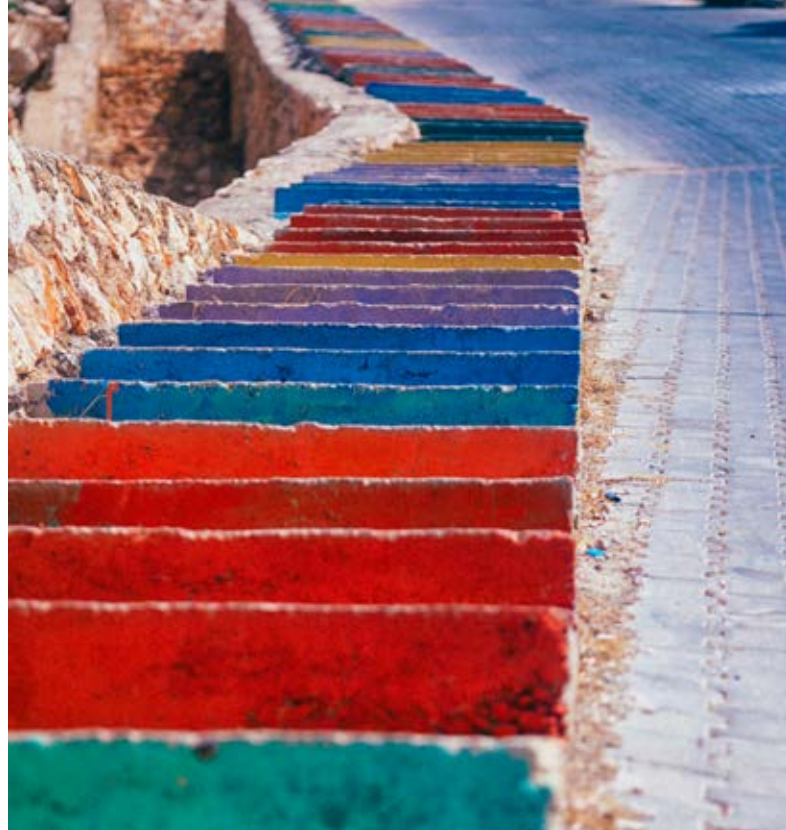
Companies can take some insight from these transcript findings to revisit their support of LGBTQ+ employees and communities. Our findings demonstrate that the majority of companies in our broad dataset are not pinkwashing. Still, there is room to focus the conversation on quantitative evidence actions — to revisit internal programs and prior commitments to recruiting and promotion efforts and to identify areas of measurement to then disclose in public forums.

This paper was written in collaboration with ProntoNLP, an organization providing a low-code NLP platform to give businesses greater access to AI tools, with minimal code experience required. Tracking information related to the LGBT community within financial documents with the precision allowed by its sophisticated technology stack is vital. It enables companies to transparently demonstrate their commitment to diversity and inclusion, enhancing their reputation and trust among stakeholders. ProntoNLP's advanced technology, with its robust smart search and sophisticated LLM, provides a powerful, reliable tool for organizations to gain deep insights from their textual data. This detailed analysis not only supports transparency and accountability but also highlights the effectiveness of the technology in identifying and interpreting complex ESG-related information. Moreover, the flexibility of ProntoNLP's system allows it to be adapted for various research tasks, making it an invaluable asset for a wide range of analytical needs.

CONTACTS