

**Lesbian, gay, bisexual, and transgender (LGBT) disclosure among the Global
Fortune 250 companies – An exploration**

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Abstract

This research investigates the extent of and common themes in LGBT disclosure among Global Fortune 250 companies. A qualitative content analysis is employed. LGBT disclosure in the 2017 corporate social responsibility (CSR) reports and/or corporate webpage of 79 global companies are examined. An LGBT disclosure categorisation scheme and a disclosure index are developed and employed. The findings suggest that the extent of LGBT information is at a low level. The common themes featured in the LGBT disclosure are mainly focused on LGBT organizational competency, equal employment opportunity and public commitment, and the content of such disclosure is largely confined to general, descriptive statements that cannot be verified. It is also observed that LGBT-related information disclosed by the sample companies is mainly positive while negative information is completely ignored. Visual representations such as photographs are used in LGBT disclosure as rhetorical devices for legitimacy purpose. This study contributes to a better understanding of LGBT disclosure by developing a structured and systematic approach for categorising and analysing such disclosure.

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning

Souksamay Phoutchanthavongsa

26/02/2019

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a smaller, more complex scribble.

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1. Introduction

1.1. Chapter overview

This chapter presents a discussion on the background to this study, followed by the description of aims, research questions and research method. The structure of the entire dissertation is presented at the end of this chapter.

1.2. Research background

The contemporary workforce is changing, from being a male-dominated workforce towards an increasingly diverse workforce (with women and aging workers, as well workers with diverse backgrounds in terms of sexual orientation, race, gender identity, religion, ethnicity, etc). More of such change in the near future is predicted (Hopkins & Johnston, 1988; Wentling & Palma-Rivas, 1998). These workforce demographic shifts need to be managed in an effective and efficient way, as they have a significant impact on organizational competitiveness as well as economic outcomes (Wentling & Palma-Rivas, 1998).

Research indicates that effective diversity management is an important predictor of positive employee outcomes such as employee performance and better job satisfaction (Caudron, 1990). This is because when employees feel fairly treated by a company or included in organizational networks, which make them feel respected and cared for, regardless of their gender, age, ethnicity and racial background, they intend to repay the company for such acts in a beneficial way, for example, by being more committed to giving their best efforts to their work (Aryee, Budhwar, & Chen, 2002; Kim, Lee, & Kim, 2015). In contrast, failing to deal with a diverse workforce could result in the “destructive impacts of stereotyping, prejudice, and institutional and interpersonal discrimination because raising these sensitive issues can be threatening to the survival of a company” (Konrad, 2003, p. 6). Therefore, this shifting demographic workforce could provide competitive resources, and that in turn demands more attention be paid to the area of workplace diversity, which includes diversity in ethnicity, gender, age, disability, education, national origin, religion, culture, perspective, lifestyle and sexual orientation. (Kim et al., 2015).

Sexual orientation diversity often refers to the lesbian, gay, bisexual, and transgender (LGBT) community; in other words, LGBT refers to individuals who are non-heterosexual or non-cisgender (Knight & Wilson, 2016). Based on the estimated number of LGBT employees in the global workforce in comparison to the widespread discrimination against LGBT employees, the statistics show that companies that are inclusive in terms of LGBT employees tend to hire and attract the top talents from this group of people to join their workforce (Cunningham, 2011). This in return results in more business objectives being met as all employees are able to work and cooperate with one another without being concerned or afraid of negative judgement due to their sexual orientation and gender identity (Aguinis, 2011; Ancona & Caldwell, 1992; Armache, 2012). In addition, many global corporates have taken initiatives such as voluntarily adopting LGBT-supportive policies catering to LGBT employees' specific needs and providing diversity training, as well as ensuring their workplace is more inclusive for the LGBT community (Lloren & Parini, 2017). These initiatives could show existing LGBT employees how caring their company is towards them. In addition, it could also signal to other innovative potential employees who are LGBT, and who have substantial skills that would contribute to the firm's growth, that they are an LGBT-welcoming firm that hires applicants solely based on skills.

Despite the increased importance of diversity in the workplace, most research on workplace diversity disclosure in corporate social responsibility (CSR) reporting focuses on broad-based diversity issues and general CSR performance. A few studies focus on the disclosure of specific diversity information such as gender diversity between male and female, and employees' equal opportunities (Dominguez, 2011; Hogner, 1982; Patrick & Kumar, 2012; Petera & Wagner, 2017; Vuontisjärvi, 2006; Waller & Lanis, 2009; Wettstein, 2012). There are very few studies that analyse corporate disclosure of LGBT-related information despite growing interest in LGBT issues in workplace diversity practices. Also, the previous LGBT-related studies that have been conducted mostly discuss how discrimination in the workplace affects LGBT employees in terms of feeling and work performance (Adams, 2004; Githens & Aragon, 2009; McFadden, 2015; Pizer, Sears, Mallory, & Hunter, 2011) and how having LGBT-supportive policies enhances firm performance or affect the stock price of the company (Bell, 2011; Perotin, Robinson, & Loundes, 2003; Pichler, Blazovich, Cook, Huston, & Strawser, 2018; Shan, Fu, & Zheng, 2017). None of these existing studies have investigated what, how and why

LGBT information is being disclosed by global companies, especially in relation to corporate legitimacy.

Legitimacy theory is one of the theories most commonly employed by social and accounting researchers to explain rationales for CSR disclosure. For instance, Lindblom (1994) contended that if a firm discerns that its legitimacy is coming under attack or is being questioned, it can employ varying strategies to ensure its legitimate business interests. One of the strategies that corporations can use is to alter or manipulate the perceptions of related publics by diverting attention from the issues of concern to other relevant problems through the use of appealing emotive symbols or highlighted positive language. Also, the company can adopt voluntary disclosure to signify its concern for societal values or to distract stakeholders' attention from negative performance in respect of the firm's social activities (Lindblom, 1994). Drawing from this perspective, one can argue that LGBT disclosure could be used as a platform for corporates to communicate the welfare of their LGBT employees to stakeholders, so that the stakeholders are able to understand and assess the accountability and transparency of these companies towards LGBT. It could also be used to gain, maintain or restore the rights of the companies to continue the business operation from the public (Lindblom, 1994).

With the rising recognition and acceptance of LGBT individuals' equal rights being one of the most extensively discussed political, social and business issues worldwide, coupled with the creation of UN standards of conduct for business to tackle discrimination against LGBT people in several countries (i.e. the United States [U.S.], European Union, Australia and New Zealand), there is an increased expectation of corporate disclosure on LGBT. In particular, the UN standards of conduct have become a norm for large corporations such as Walmart, Google, Amazon, etc. to refer to when dealing with LGBT-specific needs. Despite the augmented recognition and acceptance, the extent and content of LGBT disclosure and the possible underlying motivations of such disclosure remain unclear and unexplored (Qian & Schaltegger, 2017), and that is what motivates me to do this study. For this reason, this study is intended to contribute to the scant social and environmental accounting literature by examining the LGBT disclosure practices of global companies.

1.3. Research aims and research questions

Given the argument presented in the above section, it is important and timely to investigate the LGBT disclosure practices of global companies. Inspired by the scarcity of literature on LGBT disclosure practices on the one hand, and its increasing importance to global corporations as indicated by changes in workforce demographics and perceptions towards LGBT individuals on the other hand, this research attempts to explore LGBT disclosure practices of global firms in terms of extent and common theme(s).

To fulfil the aims of this research, two research questions have been developed, as follows:

1. What is the extent of LGBT disclosure in sustainability reporting among the Global Fortune 250 companies?
2. What is/are the common theme(s) depicted in LGBT disclosure by the Global Fortune 250 companies in their sustainability reports?

1.4. Research method

The sample in this research is the group of companies in the global Fortune 250. Their standalone CSR reports for the year 2017 and CSR information in webpage have been investigated. The rationale for choosing the global Fortune 250 companies is that they are more likely to prepare standalone CSR reports due to their large financial resources. Although companies use various channels to communicate their CSR activities, the standalone CSR report is considered more reliable than and superior to other communication channels in terms of the extensiveness of the CSR-related information (Colleoni, 2013; Kim & Ferguson, 2014). Meanwhile, corporate webpages are commonly used to enhance the companies' CSR disclosure, due to their easy accessibility, low cost and potential benefits in terms of satisfying a wider range of stakeholders (Chong, Ali, & Lodhia, 2016). These two CSR communication channels offer more comprehensive information about the companies' CSR activities compared to other communication channels, and thus they were chosen for the purpose of this study. Based on the sample selection criteria, 79 out of 250 firms formed the eventual sample.

Qualitative content analysis was employed to study LGBT disclosure in the 2017 standalone CSR reports and on the corporate webpages of the 79 sample companies in order to explore the extent and common theme(s) of the disclosure. This research method is commonly used for studying or examining CSR disclosure in terms of extent, common theme(s) and quality, and it can measure the data both quantitatively and qualitatively (Mishra & Jagannath, 2008).

The study is mainly guided by research done in 2011 by Hooks and van Staden. To analyse the extent of LGBT disclosure, a disclosure categorisation scheme and a disclosure index for LGBT were developed based on previous work by the Global Reporting Initiative 4 (GRI), the Corporate Equality Index (CEI) and United Nation Human Rights (UNHR). The GRI is the internationally recognised leading reporting standards on CSR while CEI is a report published by the Human Rights Campaign Foundation as a tool to rate American businesses on their treatment of LGBT employees, consumers and investors (Cho, Michelin, Patten, & Roberts, 2015; Wang & Schwarz, 2010). As for UNHR, it has set the Standards of Conduct for Business in tackling discrimination against LGBT people (Mertus & Bourantonis, 2010). In addition, the content of these disclosures is analysed to find out the common LGBT theme(s) that are disclosed by the sample companies. The theoretical construct of legitimacy is used to analyse the possible motivation of the sample companies in disclosing LGBT information

1.5. Organization of dissertation

This dissertation is organized in the following manner:

Chapter Two provides a literature review on the research background, categories of LGBT disclosure and the theoretical framework of this research, namely (organizational) legitimacy theory. This is followed by Chapter Three, which discusses the research method employed. Chapter Four presents the findings and discussion. Chapter Five concludes the research, discusses contributions and limitations, and provides suggestions for future research.

2. Literature Review

2.1. Chapter overview

Chapter 2 provides a literature review on the LGBT-related corporate reporting. Specifically, section 2.2 provides a review of the LGBT phenomenon, the importance of recognising the rights of LGBT people, and LGBT individuals in business; section 2.3 presents the literature reviewed on CSR disclosure; section 2.4 discusses employee-related reporting including LGBT disclosure; section 2.5 provides a discussion about global regulating bodies related to LGBT disclosure; section 2.6 presents the development of the LGBT disclosure categorisation; and section 2.7 discusses the literature on legitimacy theory.

2.2. LGBT phenomenon

2.2.1. LGBT and its related issues

LGBT is an abbreviation referring to the lesbian, gay, bisexual, and transgender community (Knight & Wilson, 2016). The term is also used to emphasize diverse sexual orientation and gender identity, and is sometimes used to refer to individuals who are non-heterosexual or non-cisgender (Knight & Wilson, 2016). Compared to straight individuals, LGBT individuals are less advantaged, for example, discrimination toward LGBT individuals remains a serious problem in the U.S. and is well documented (Mallory & Sears, 2015). Sexual orientation-based discrimination has been alluded to as the “last acceptable prejudice” and generates several dilemmas for individuals and organizations that they work at (p. 6). Being forced to stay in the closet, fearfully living with risk of employment discrimination, and no provision of same-sex partner benefits are just some of the concerns unique to LGBT individuals (Bell, Özbilgin, Beaugard, & Sürgevil, 2011).

LGBT individuals have faced a long and prevalent history of work discrimination. According to Cunningham (2011), LGBT individuals constantly face prejudice and discrimination in the workplace. In addition, LGBT employees (who do not receive federal protection from employment discrimination within the United States) encounter both apparent and subtle kinds of inequality when looking for jobs, and are given 30% lesser pay than their heterosexual colleagues (Blandford, 2003; Cunningham, Sartore, & McCullough, 2010; Hebl, Foster, Mannix, & Dovidio, 2002; Sartore & Cunningham,

2009). Also, they are likely to encounter sexual orientation and gender identity discrimination in offices and sometimes have difficulty disclosing their sexual orientation at work (Badgett, Lau, Sears, & Ho, 2007; Ragins, Singh, & Cornwell, 2007; Ragins, 2004).

Despite there being more than eight million LGBT people in the American workforce, there is still no federal law that expressly forbids discrimination on the basis of gender identity and sexual orientation (Pizer et al., 2011). For this reason, many LGBT individuals remain cautious about whom to disclose their sexual orientation (Daniels & Gray, 2014). According to the Human Right Campaign (2013), 29 states can still legally lay off an employee who is self-identified as homosexual. For example, the study conducted by The Williams Institute (2013) revealed 380 documented cases of employment discrimination by state and local government employers towards LGBT persons from 1980 through 2009. The reported events oftentimes involved physical abuse. For instance, a homosexual employee of Connecticut State Maintenance Department was tied up by his hands and feet; urine was poured into mouthwash of a homosexual firefighter in California; “a transgender corrections officer in New Hampshire was slammed into a concrete wall; and a transgender librarian at a college in Oklahoma had a flyer circulated about her declaring that God wanted her to die” (p. 21). Numerous employees stated that, when they made a complaint about this kind of harassment and pleaded for help, “they were told that it was of their own making, and no action was taken” (Pizer et al., 2011, p. 19).

Furthermore, recent studies continue to indicate that LGBT individuals are at an increasing risk of mental illness and self-killing compared to heterosexual and cisgender counterparts (Marshall, Claes, Bouman, Witcomb, & Arcelus, 2016). According to a study on LGBT people and suicidality in youth, the findings suggest that LGBT people seemingly have more attempts to take their own life in comparison to heterosexual and/or cisgender people (Rivers, Gonzalez, Nodin, Peel, & Tyler, 2018). This is due to early negative life experiences which continue to affect today’s LGBT adults. This study drew on in-depth interviews with 17 LGBT individuals living in England to explore the narratives employed by interviewees to better interpret their perspectives of risks and protective situations as well as explain the self-directed killing behaviours (Rivers et al., 2018). The researchers argued that it is crucial to understand how LGBT people with

historical suicide attempts make sense of their experiences in order to prevent them ending their lives in their youth.

On May 21, 2017, the Atlantis gym and sauna in Jakarta, Indonesia, was raided by the police, leading to the arrest of 141 people, most of whom were identified as LGBT. Ten were prosecuted under the pornography law of Indonesia (Human Rights Watch [HRW], 2018). The Atlantis was not only a gay club, but also a centre for a public health – a recognised hub for education, testing for HIV, and providing counselling support for men who have sex with men (HRW, 2018). Since early 2016, several senior civil servants had indicated the LGBT acronym was a toxic symbol. Some even interpreted the existence of LGBT as a threat to the country itself (HRW, 2018). This act has been seen as an unprecedented rhetorical attack on Indonesian sexual and gender minorities. According to a Human Rights Watch report from August 2016, there has been a spike in anti-LGBT attacks and discriminatory language beginning in January of that year. This report provided an account of major events between November 2016 and March 2018. As a consequence, the lives of LGBT minorities and the serious consequences for public health in the country remain matters of considerable concern. The findings above clearly indicate the need for the increased prominence of LGBT people to be addressed.

2.2.2. Importance of recognising the rights of LGBT

The call for LGBT rights has dramatically increased over the last two decades globally due to more discerning stakeholders, increased globalization and increased awareness (Human Rights Campaign [HRC], 2013). Today, more than 20 countries around the world legally recognize gay unions, from the Netherlands in 2000 to the U.S. in 2015 (Lloren & Parini, 2017). In fact, there is a growing number of organizations that have started to implement LGBT-supportive policies on a voluntary basis (Sears, Mallory, & Hunter, 2011). The findings of many studies have shown that diversity among workers can improve the performance of an organization (Van Knippenberg, Dreu, & Homan, 2004; Van Knippenberg & Schippers, 2007). Further, Keller (2001) and Ancona and Caldwell (1992) found that functional diversity, e.g., different work expertise of team members, positively affected the performance in relation to the distinctive aspects of information that group members possess. Likewise, Hambrick, Cho, and Chen (1996) concluded from their study that diverse top management in the airline industry was correlated with greater propensity for action, improved market share, and profitability. Moreover, demographic differences (e.g. age, race, sex and gender identity) have been found to create better ideas,

and improved group task performance and organizational performance (McLeod, Lobel, & Cox, 1996; Polzer, Milton, & Swarm, 2002). Richard, Murthi, and Ismail (2007) contended that “the most valuable natural resource in the world is not oil, diamonds, or even gold; it is the diverse knowledge, abilities, and skills that are immediately available from cultural diversity” (p. 1213).

Sexual orientation or gender identity is now included in the diversity definition accepted by researchers (Bell, 2011; Harvey & Allard, 2015). Diversity among employees and applicants has been increasing rapidly. In fact, sexual orientation diversity is a fundamental part of today’s workplaces (Bell et al., 2011).

Notwithstanding the growing importance in LGBT research, extant studies only focus on experiences of LGBT individuals following the introduction of legislation, e.g., the Employment Equality (Sexual Orientation) Regulations 2003 in the United Kingdom. Such studies examine the relationship among sexual orientation diversity, diversity strategy, and performance; how firms LGBT groups contribute to the development of organization and human resources; and the development of LGBT policies (Colgan, 2011; Cunningham, 2011; Githens & Aragon, 2009; Wright, Colgan, Creegany, & McKearney, 2006). For example, Colgan (2011) conducted research which carried out 16 case studies of organizations that were classified as good practice in the area of employment of LGBT workers. The results show that equal opportunities and diversity policies which include sexual orientation; the establishment and promotion of same sex benefits; positive employer and trade union signals; the existence of LGBT groups, the presence of LGBT colleagues and LGBT senior managers can assist LGBT to come out. (p. 15)

It is apparent that research on LGBT disclosure is currently very limited. In addition, none of the studies have explored the disclosure with regard to LGBT individuals specifically. This could be due to some aspects of diversity, in particular race and gender (male/female), receiving considerably more attention than others, as well as in part to the historical resistance to discrimination against racial minorities and women (Bell et al., 2011). This research, therefore, aims to achieve a deeper understanding of LGBT disclosure, a contemporary and increasingly important reporting practice in sustainability reporting. Specifically, the study will examine the extent of disclosure, common LGBT theme(s) depicted, as well as the underlying motivation for such disclosure by the top global Fortune 250 companies.

2.2.3. LGBT in business

Over the past few years, there has been growing support and movement from executive leaders who have firmly stood up for LGBT communities in global business. For instance, OUTstanding is a membership organization for global business, a professional network for LGBT executives and their allies. The organization exists to challenge the assumption that LGBT employees cannot succeed in business, and to foreground the crucial role models who will motivate the next generation of business leaders. Also, it works directly with LGBT and all leaders to drive cultural change, creating an environment where everyone can succeed. Its aim is to help companies harness LGBT, ethnic minority and female talent, and foster inclusive cultures (OUTstanding organization, 2017).

Every year OUTstanding publishes the OUTstanding LGBT+ role model list which is based on four categories, namely 100 LGBT+ Executives, 50 Ally Executives, 50 LGBT+ Future Leaders and 20 LGBT+ Public Sector Executives (OUTstanding organization, 2017). The LGBT+ Executive category recognises 100 senior role models who help to make their workplace a more welcoming place while the Ally Executive category acknowledges the contribution of 50 senior executives who are outspoken and unwavering in their support for LGBT individuals in workplace (OUTstanding organization, 2017). As for 50 LGBT Future Leaders, this category recognises those who make a remarkable contribution to LGBT inclusion wherever they are placed in their company while LGBT+ Senior Leaders from the Public and Third Sectors acknowledges those helping to make their workplace more welcoming and contributing to LGBT inclusion outside of their workplace (OUTstanding organization, 2017).

Since 2013, the OUTstanding lists, presented by the *Financial Times*, have been celebrating those LGBT executives and allies who are not only successful in their careers but are also creating supportive workplaces for other LGBT people. Most of these LGBT leaders and allies work for or are affiliated with top global companies. Appendix One contains the OUTstanding lists for 2017. This work by OUTstanding, there is a likelihood that the LGBT information disclosed in CSR reports of these global companies be influenced by the very same LGBT leaders and allies who are working or affiliated with them.

2.3 CSR and its disclosure

The notion of CSR refers to a corporation being socially and environmentally accountable for its business activities, beyond the requirements of law, to the environment, stakeholders, communities or wherever it operates (Cho, Michelon, Patten, & Roberts, 2015). There has been evidence for the last ten years that there is an increase in companies reporting on social and environmental activities (non-financial information) with changes in the design and content of reports because stakeholders no longer merely concentrate on a corporate financial performance, but vigorously monitor how it accomplishes its business goals too (Cho et al., 2015). Contrary to mandatory reporting such as an annual or financial report, CSR disclosure is self-reporting, meaning it is made on a voluntary basis, and it is perceived as a deed of accountability and transparency (De Villiers & Marques, 2016). Today, firms, particularly global ones, exert a great deal of effort and expenditure on the disclosure of their social and environmental performance because this disclosure is perceived as an instrument which the management of a firm uses to engage with wider society as well as influence society's perception of the company (Deegan, Cooper, & Shelly, 2006).

The interest in CSR disclosure and the consequent literature has grown significantly over a few decades as researchers have tried to understand and investigate what drives firms to voluntarily disclose such information to the public (Abhayawansa & Abeysekera, 2008; Dabic, Colovic, Lamotte, Painter-Morland, & Brozovic, 2016; Subbarao & Zéghal, 1997). A large number of researchers have concentrated on the determinants of CSR disclosure in general (Ali, Frynas, & Mahmood, 2017; Alotaibi & Hussainey, 2016; Giannarakis, 2014; Muttakin & Khan, 2014). Other more specific dimensions addressed by extant CSR research include the determinants of environmental disclosure (Adhikari, & Tondkar, 2005, Brammer & Pavelin, 2006, 2008) and of human resource disclosure (Abhayawansa & Abeysekera, 2008; Subbarao & Zéghal, 1997).

In terms of the determinants of CSR disclosure in general, firm size, profitability, leverage, corporate governance and type of industry are the main driving factors of CSR disclosure (Haniffa & Cooke, 2005; Said, Zainuddin, & Haron, 2009). For example, Said et al. (2009) investigated the specific characteristics of corporate governance, namely audit committee and government ownership, while controlling for profitability and firm size in relation to the extent of CSR disclosure. The results show that these two characteristics of corporate governance are significantly positively correlated with the

level of CSR disclosure. The reason is that the government interventions might create pressure for firms to report supplementary information in addition to that already disclosed in annual reports while audit committees help to ensure firms comply with accounting standards and legal requirements (Said et al., 2009).

However, studies on factors affecting CSR disclosure in general have been criticized for their neglect of the quality dimension of the information in CSR disclosures (Giannarakis, 2014). This is because the sustainability/CSR disclosure is often too general and does not provide sufficient information relating to all the relevant aspects of CSR issues, and thus the quality of such information is diluted. Furthermore, content analysis, being a widely used method of data analysis for CSR study, has its limitations (e.g., using keywords as units of analysis may be an inappropriate methodology, as these words are detached from their textual background) and the use of keywords from the GRI guidelines is not free of risk as the guidelines may not capture all of the relevant aspects of CSR (Giannarakis, 2014; Moneva, Archel, & Correa, 2006).

More recently, extant research investigating CSR disclosure as a whole has shifted to particular CSR areas (Abhayawansa & Abeysekera, 2008; Brammer & Pavelin, 2006; Van der Laan Smith et al., 2005). Specifically, the amount of research relating to corporate environmental reporting has been increasing. This is due to concerns about energy supply, bio-diversity, climate change and other disturbing issues related to earth systems (Dryzek, 2013). Also, there have been changing expectations from a certain group of stakeholders (i.e. environmentally aware stakeholders) over the 40 years that corporations have looked after the natural environment (Cormier & Magnan, 2003). These environmentally aware stakeholders have begun to include the environmental performance of a firm in their investment decisions, in addition to the financial information provided in annual reports (Kabra, 2015). For example, research has shown that environmental policies disclosed in annual reports allows both potential and existing investors to make informed decision about managers' effectiveness and impact on sustainability decisions and actions (Deegan, 2004). High quality reporting signals to investors that a firm is transparent, as well as enhancing the management's reputation and social image because it is evident that management policy on expenditure regarding significant environmental actions decreases uncertainty and gains a competitive advantage (Deegan et al., 2006; Sen, Mukherjee, & Pattanayak, 2011).

In regard to environmental disclosures, literature has shown that such disclosures vary across companies, countries and industries (Gray, Javad, Power, & Sinclair, 2001). In addition, research findings reveal that environmental disclosures are systematically influenced by firm and industry characteristics (Cormier & Magnan, 2003; Patten, 2002). For example, Liu and Anbumozhi (2009) examined the determinant factors of the corporate environmental information disclosure level of Chinese listed firms. The empirical results revealed environmentally sensitive firms and firm size are significant factors in the disclosure and most concerns taken into account in disclosing environmental information are from the government.

However, it has been noted that prior studies of voluntary environmental disclosure suffer from various well-known limitations which contribute to the inconclusiveness of existing findings (Brammer & Pavelin, 2006). Empirical studies, in particular, face difficulties of sampling, the measurement of the quality of voluntary disclosures, and the statistical methodologies that have often been employed (Gray et al., 2001). Though many empirical studies have attempted to address the quality of voluntary environmental disclosure, researchers basically measured the quality of such disclosure in terms of the number of words or sentences in, or the proportion of, the annual report devoted to environmental information (Brammer & Pavelin, 2006). It is argued that with such an approach, problems arise due to variation across companies and time in writing style, page and font sizes (Guthrie, Petty, Ferrier, & Wells, 1999). Moreover, studies have often included the very large companies or the most environmentally sensitive industries (Patten, 2002). Overall, some researchers suggest that such voluntary environmental disclosure is a response to the need to decrease agency cost because failure to disclose any outcomes of environmental impacts could lead to an increase in business risks (Fonseka, Rajapakse, & Richardson, 2018).

Another dimension of CSR reporting is human resource disclosure. This reporting arises from different motivations for disclosure, and an attempt to distract stakeholders' eyes to different issues (Momin, Northcott, & Hossain, 2017). Existing research on this area of disclosure is scant (Alvarez, 2015). Nevertheless, several studies were carried out to investigate disclosure on intellectual and, in particular, human capital (Bozzolan, O'Regan, & Ricceri, 2006; Meca, Parra, Larrán, & Martínez, 2005; Passetti, Tenucci, Cinquini, & Frey, 2009; Vandemaele, Vergauwen, & Smits, 2005). Regarding research on the content of human resource disclosure, staff descriptions and efficiency ratios were

frequently found to be disclosed by Indian firms, while competency and business spirit were most frequently reported by Australian and Irish firms (Abeysekera & Guthrie, 2004; Guthrie et al., 1999). The findings of research into Spanish firms revealed aspects in relation to employee qualifications and training are most regularly presented in human resource reports (Meca et al., 2005).

In terms of the level of human resource disclosure, which sometimes has been classified as a category of intellectual capital (IC) in annual reports, early studies using content analysis pointed out that it was low (Bozzolan, Favotto, & Ricceri, 2003; Brennan, 2001; Guthrie & Petty, 2000). In a study conducted by Guthrie and Petty (2000), six human resource disclosure categories (namely know-how, education, vocational qualification, work-related knowledge, work-related competencies and entrepreneurial spirit) were developed and extracted from the annual reports of 20 companies in Australia to find out the disclosure level. The findings reveal that human resource information made up 30% of the total IC allocated in annual reports. Following the same procedure and using 11 Irish and 30 Italian corporations as the sample corporations, Bozzolan et al. (2003) found an even lower percentage of human resource information (21% of total IC disclosures). In contrast, Brennan (2001) used a different method which did not involve the counting of disclosure frequency. In spite of that, results still show a low level of human resource disclosure. Based on these findings above, the absence of an established framework of reporting contributes to this lack of IC disclosure, on the one hand, while the low level of human resource disclosure is, on the other hand, a reflection of concerns firms had regarding the risk of such information being used by their competitors.

In relation to the determinants of human resource disclosure, firm size, industry type, ownership concentration, type of auditor, profitability, age, leverage and listing status were found to be common determinants of voluntary human resource disclosure (Kaur, Raman, & Singhania, 2016). In contrast, it was found that debt, growth, size and time of stock exchange listing affected the disclosure level in Brazil (Macagnan & Fontana, 2013). Similarly, Alawi and Belfaqih (2018) examined the potential determinants of disclosure quality of Qatari companies listed in Qatari stock exchange. The findings showed that the quality of human resource disclosure was at low level, and these results were not unexpected as there is inadequate legislation and insufficient and lenient enforcement of the existing regulations coupled with no generally accepted framework established currently to quantitatively report human resource information around the

globe (Alawi & Belfaqih, 2018). Furthermore, these results supported the argument laid down by Hooks and van Staden, (2011) that the extent of disclosure is correlated with quality.

Based on findings above, it can be argued that the human resource information disclosed is different across countries since the social, cultural and environmental elements affecting corporations also differ (Subbarao & Zéghal, 1997). For instance, social norms and group pressure, specifically in developed countries, influence firms to disclose on the employment and treatment of women and minorities while legislation related to the employment opportunities of a diverse workforce, employee benefits, and employment relations requires corporations to disclose information on the management of human resources (Abella, 1984).

Several studies have contended that voluntary social disclosure is used to satisfy an increasing number of stakeholders who demand social and ethical information (Abhayawansa & Abeysekera, 2008; Alvarez, 2015; Bozzolan et al., 2006; Cormier & Magnan, 2003; Vandemaele et al., 2005). The information disclosed is perceived to be crucial because companies can use it to show that they comply with stakeholder expectations or satisfy the public whose informational needs may be different. The disclosures, therefore, are expected to be an effective management strategy to maintain support for a firm's continued existence and to improve relationships with a number of stakeholders (Lu & Abeysekera, 2017). The next section reviews the literature on employee-related disclosure such as workplace diversity disclosure which includes LGBT-related information.

2.4 Employee-related reporting

The employee dimension of a CSR report is about employees within the business environment or the society in which the business operates (Kent & Zunker, 2013). Employee related disclosures cover employee profiles, employee benefits, health and safety, employee training and development, employee remuneration, employment of minorities, equal opportunities and diversity and many more topics, and there is no consistency in ways firms disclose employee-related information because it is a voluntary report (Kent & Zunker, 2013). LGBT-related information can be found under the equal opportunity and diversity categories.

Equal opportunity deals with the attainment of fair treatment of groups encountering discrimination, which includes tackling discrimination due to race, gender, disability, age, class, religion, sexual orientation, etc (Adams, Coutts & Harte, 1995). Discrimination could be direct or indirect. For example, in a case of direct discrimination, a gay applicant applies for a job but clearly gets rejected because of being gay (Sartore & Cunningham, 2009). In contrast, indirect discrimination could be, for instance, a senior management position vacancy is open to all, but when it comes to real hiring, LGBT applications might be turned down due to sexual orientation and gender identity. In such an instance, the reason for turning down the application might not be explicitly given to the LGBT applicants (Sartore & Cunningham, 2009).

Diversity is concerned with acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities, etc (Green, López, Wysocki & Kepner, 2002). To generate greater work productivity and more competitive advantages, it is necessary to embrace diversity in the workplace and seek ways to become inclusive organizations (Robinson, 2002). It is believed that diversity is an all-important asset, and managing diversity is a vital element of the effective management of people in the workplace (Green et al., 2002). Positive organizational changes in respect of diversity result in increasing work performance and better customer service (Green et al., 2002). Managing diversity, however, is not an easy task (Perotin et al., 2003). It is not simply acknowledging differences in individuals (Seck, Finch, Mor Barak, & Poverny, 1993); it involves acknowledging different values, fighting against discrimination and promoting inclusion (Green et al., 2002).

Although equal opportunity and diversity are two of specific areas of CSR, research into disclosure about them has gained little attention. There are only a handful of studies that have examined such disclosure (Adams et al., 1995; Adams & Harte, 1998; Hooks, Coy, & Davey, 2002; Williams & Adams, 2013).

Adams et al. (1995) carried out one of the early studies that investigated corporate disclosure on equal opportunity in 100 companies and also a small number of detailed case studies in Britain. Their main concern in the research was equal rights for and in employment, in areas such as “application, recruitment, promotion, transfer, training, health and safety, terms of employment, benefits, facilities and services, grievances, disciplinary procedures and victimization, dismissals, redundancies and other unfavourable treatment of employees” (p. 2). Overall, they found that both mandatory

and voluntary disclosure of equal opportunity information in the companies studied was at a low level, and not all of them complied with the legislation in the reporting of policy in respect of disabled employees. They pointed out that, despite numerous pieces of legislation in the UK, such as The Disabled Persons (Employment) Acts 1944 and 1958 and more recent sex discrimination and race relations acts, the problems of minority groups who face employment discrimination, and employers being accountable for their equal opportunities still remain a concern.

Adams and Harte (1998) investigated the relationship between the social disclosure practices in human resources in Western Europe, firm characteristics (e.g., size, industry) and country-level factors. The findings showed that human resources reporting was influenced by both industry and country, suggesting that this might have been due to a consequence of specific social and political factors. Also, several studies found that social and political pressure from the public and local governments are relevant to explicating human resource disclosure themes relating to women and ethics minorities (Adams, 2004; Adams & Harte, 1998; Ratanajongkol, Davey, & Low, 2006). Furthermore, Williams and Adams (2013) studied the disclosure of employee issues by large UK companies. They found a lack of transparency and accountability regarding employee issues.

Along the same lines as the studies discussed above, Hooks et al. (2002) examined the reporting practices of New Zealand electrical companies and found that many items such as employee-related information were not adequately disclosed or completely left out by some firms, which resulted in an information gap between stakeholders' expectations and the disclosures provided. Further, Hooks et al. (2002) argued that, from the accountability perspective, this lack of employee-related disclosure is a public concern.

The review of literature suggests that researchers have, so far, paid little attention to employee equal opportunity and diversity-related disclosure in their CSR communication studies. Furthermore, the limited studies that do exist tend to focus on more common elements such as pay scales for men and women, women and minorities or the inclusion of women on boards, with limited research on other more contemporary elements in diversity such as LGBT disclosure. The reason for this could be that improving women's access to boards can help to further gender equality in the economic sphere more generally and is often associated with benefits for the organizations

Other studies that do deal with LGBT issues only look at how firms having LGBT supportive policies enhance firm financial performance or stock price (Badgett, Durso, Mallory, & Kastanis, 2013; Pichler et al., 2018; Shan et al., 2017). A better understanding of the role that corporate disclosures play can provide a basis for recommendations to improve corporate responsibility and accountability to LGBT individuals. The next section examines the workplace diversity disclosure (WDD) practices of global companies.

2.4.1 Workplace diversity disclosure (WDD)

Coping with diversity in corporations has gradually become to be seen as crucial as workforce dynamics change (Point & Singh, 2003; Jackson, Joshi, & Erhardt, 2003). Although workforce diversity was at one point considered an issue of human rights, it is now regarded as a strategic issue as employers wrestle with how to engage with progressively more diverse workforces (Klarsfeld, Ng, & Tatli, 2012). Accordingly, the GRI, in particular, GRI 405-1, “sets out reporting requirements on the topic of diversity and equal opportunity” (GRI, 2016, p. 2) for firms to follow as guidelines, to produce a CSR/sustainability report. Simply put, it is about reporting on governance bodies and the breakdown of employees per employee category corresponding to gender, age, minority (i.e., sexual orientation, gender identity) or other measures of diversity such as disability, ethnicity and cultural background.

Despite a growing interest in CSR research as well as increasing awareness and recognition of diversity in the workplace (Jackson et al., 2003; Point & Singh, 2003), WDD, as one element of CSR’s social dimension, receives limited attention. For instance, Adams et al. (1995), in a study on equal opportunity reporting in the UK, found the reporting at very low levels, with the majority of disclosure being a response to legislation on the employment of people with disability. But even then, only a handful of firms were in compliance with the legislation. Similarly, results in studies by other scholars also support Adams et al.’s findings that diversity and equity issues were disclosed at relatively low level (Abhayawansa & Abeysekera, 2008; Vuontisjärvi, 2006).

Specifically, with regards to disability diversity, individuals with disability represent the biggest minority group of approximately 4.3 million people nationwide in Australia, yet this minority group have the lowest participation and employment rates compared to other minority groups (Australian Bureau of Statistics, 2016). The Australian Securities

Exchange (ASX) has made an attempt to draw out the issues in relation to the disabled in the third draft of its Recommendations and Principles by bringing diversity issues to light from a business case perspective (Williams, 2017). However, upon the subsequent release of the approved third edition in 2014, it was found out that key amendments in respect of diversity had been eliminated on grounds that disability is not a governance issue but rather a social issue (ASX Corporate Governance Council, 2014, p. 14).

With respect to gender reporting, there has been an increase in research exposure in recent decades along with mandated gender quotas, for instance, in Belgium France, Italy Norway and Sweden, and voluntary target and gender reporting recommended by the ASX Council in 2010 (Williams, 2017). The argument laid down by ASX to encourage corporations to act on the gender disclosure or balance of gender on boards is that evidence from research showed that the amount of gender diversity on board is linked to better financial performance and enhanced workforce participation (Williams, 2017). In spite of that, evidence is still not conclusive. For instance, one study found female board members and firm value were significantly positively related to each other (Carter, Simkins, & Simpson, 2003) while another study identified a negative relationship between the same variables (Adams & Ferreira, 2009). The researchers argued that the reasons for different findings might be due to failure to include certain explanatory variables and inconsistent methods of analysis (Carter et al., 2003). Disclosure on other categories of diversity such as age, cultural background, religion, educational background and profession is at a minimal level (Alawi & Belfaqih, 2018).

To the best of my knowledge and based on extant literature reviewed above, no studies thus far have developed a systematic and structured way of exploring the extent and content of LGBT disclosure by global companies. In this context, where human resources are fundamental for any company, new information needs exist for the company's stakeholders. They demand information, firstly, on questions related to the creation of value where intangible assets, especially the human element, are of maximum importance; and, secondly, about social responsibility compliance, where information about employees is fundamental (Dominguez, 2011). This present study intends to address this literature gap.

2.5 Global regulating bodies for WDD

2.5.1 Reasons for needing global regulating bodies

Concerns about diversity are increasing globally as multinational companies face changing demographics in the workforce (Nishii & Özbilgin, 2007). This diversity is comprised of a variety of characteristics, for instance, gender, race, disability, religion, belief, sexual orientation, age, personality and culture (Emmott & Worman, 2008). On top of that, firms that refuse to recognise this fact risk failure in the future. Utilizing these differences in workplace could lead to a productive environment; that is, all staff are valued and their talents are fully made use of. As a consequence, business objectives are met (Emmott & Worman, 2008). A large-scale survey of the firms that make up the Fortune 500 and other international organizations shows that these organizations see diversity as a crucial or very crucial issue (Dunavant & Heiss, 2005). This is due to the expansion of both national and international laws focusing on ending discrimination as well as an increasing number of high profile legal actions against global firms (Nishii & Özbilgin, 2007).

Nishii & Özbilgin (2007) comment that, despite the prominence of global diversity, only 50% of the global companies reported taking global stakeholders into consideration when establishing diversity strategies while 39% do have extensive multicultural training for all employees, and only 27% regularly assess their progress towards diversity goals. One of the challenges for firms, especially global companies, is to deal with the long-existing perceptions and notions about certain minority groups, such as the LGBT people, particularly in countries where cultures or beliefs about being gay mean it is illegal or penalizable by death (Emmott & Worman, 2008). This is because the forms of discrimination against these minority groups in one country might not be the same as in other countries (i.e. Algeria, Jamaica and the United Arab Emirates), and there are also wide variations in the interpretation and implementation of equal opportunity law (Özbilgin, 2002).

Even though there is stringent emphasis on complying with labour laws or regulations and employment traditions (Emmott & Worman, 2008), the social concerns, rights and interests of internal and broader external stakeholders such as employees, consumers, communities and business partners are not adequately taken into account yet (Shen, 2011). To effectively deal with such wider concerns, global companies need to be in compliance with local and international labor laws, and implement both internal and external stakeholder-oriented policies and practices which go beyond legal compliance (Shen, 2011). Furthermore, these companies also have to face a wider social concerns and

growing pressure to carry out their business activities responsibly and transparently. CSR reporting in the area of WDD is seen as an important management strategy to discharge such duties of accountability, and also to obtain social acceptance and long-term sustainability (Gray et al., 2001).

The issues presented above obviously point to a need for a global reporting standard that could make the CSR reports of global companies consistent and comparable. This gives a rise to the establishment of a global body such as the GRI (Giannarakis, 2014), which is known as a leading standard for CSR disclosure (de Boer et al., 2013). The next section explains the GRI.

2.5.2 Global Reporting Initiative reporting principles for LGBT disclosure

The GRI was established in 1997 by a number of companies and organizations belonging to the Coalition for Environmentally Responsible Economies (CERES). The main reason for starting the GRI project was that there was no guideline on what a voluntary CSR report should contain (GRI, 2016). Because of this, it was not possible to compare reports from different companies (Willis, 2003). The GRI is a globally well-known framework and is the framework most commonly used for voluntary corporate reporting of environmental and social activities (Brown, de Jong, & Levy, 2009; Levy, Szejnwald Brown & de Jong, 2010). Since its inception, the GRI has been increasingly used by many large companies such as those on the Fortune list in preparing their sustainability reports (Dingwerth, 2007). The principal assumption of the GRI's founding members was to make information comparable for benchmarking and ranking firms; proffer additional information to financial reporting for all stakeholders; and empower civil society organizations (i.e., environmentalists, labour organizations, and religious groups) to call for greater corporate accountability and transparency (Fiorino, 2006; Levy et al., 2010). Further, the GRI aims to develop the practices of sustainability reporting to a level parallel to financial reporting in quality, comparability, auditability and general acceptance.

However, the GRI has limited reference specific to LGBT-related issues. The guidelines only vaguely suggest disclosure of LGBT information under *Diversity and Equal Opportunities* (GRI405), *Non-discrimination* (GRI406) and *Human Right Assessment* (GRI412) (GRI, 2016). For example, GRI405 *Diversity and Equal Opportunities* stated that the information reported is about the “percentage of individuals within the organization’s governance bodies in each of the diversity categories” (GRI, 2016, p.

401); while GRI406 *Non-discrimination* suggested information about the “total number of incidents of discrimination during the reporting period” and the “status of the incidents and actions taken” is to be reported in a CSR report (GRI, 2016, p. 379); and for GRI412 *Human Right Assessment*, firms have to report the “total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments (GRI, 2016, p. 435). While the guidelines indicate the need for reference to diversity and equal opportunity or non-discrimination, it is not obvious this would explicitly extend to LGBT disclosure. Therefore, specific disclosure in LGBT issues might not be the focus under these disclosure guidelines. The next section provides a review of the human rights organizations and their role in disclosure of LGBT information.

2.5.3 Human rights organizations and United Nations standards of conduct

Today, human rights organizations worldwide such as Amnesty International, Global Rights, Human Rights First, Human Rights Watch, Human Right Campaign and the International Gay and Lesbian Human Rights Commission (IGLHRC) and UN Free and Equal are actively promoting LGBT rights and developing new LGBT initiatives. For example, UN Free and Equal (2017) has five LGBT specific guidelines called standards of conduct for business to tackle discrimination against lesbian, gay, bi, trans and intersex (LGBTI) people:

- 1) *Respect human rights*: every business has a responsibility to respect human rights, including LGBT individuals’ right in their operations and business relationships. Corporations are expected to come up with policies, exercise due diligence and, in cases where decisions or activities have unfortunately affected the joy of human rights, remediations are needed.
- 2) *Eliminate discrimination* against all parties that businesses are engaged with by ensuring privacy or treatment of harassment as well as no discrimination in recruitment, employment, working conditions, and benefits.
- 3) *Provide support* by having a positive affirmative environment within companies so that LGBT employees can work with dignity and without stigma.

4) *Prevent other human rights violations in the market place* by making sure that there is no discrimination by companies or their business partners against LGBT suppliers, distributors or customers in buying the companies' products or accessing the services.

5) *Act in the public sphere* by contributing to prevent human rights abuses in the countries where businesses operate as well as consulting closely with local communities and organizations to find out what useful approaches businesses could take in contexts where legal frameworks and existing practices transgress the human rights of LGBT individuals. Steps that could be taken might include “public advocacy, collective action, social dialogue, financial, and in-kind support for organizations advancing LGBTI rights and challenging the validity or implementation of abusive government actions” (UN, 2017, p. 7).

In a similar vein, the Human Rights Campaign (HRC) is another organization that exclusively promotes “LGBT-specific practices and language within existing business structures” (HRC, 2017, p. 17). The HRC has a rating system called the Corporate Equality Index (CEI), which is the first internationally recognized benchmarking report for corporations to measure their level of LGBT workplace inclusion against competitors. CEI is the national benchmarking tool on corporate policies and practices pertinent to LGBT employees, which is evaluated and rated by the Human Right Campaign Foundation (Johnston & Malina, 2008). The HRC Foundation is the largest national LGBT civil rights organization that works to advance workplace equality based on sexual orientation and gender identity (Wang & Schwarz, 2010).

Since its launch in 2002, the CEI has seen a success in the reach of the survey. The number of employers rated has expanded from 319 in the first CEI to 947 in the present CEI, encompassing all major industry sectors and making a global impact on 553 international employers (CEI, 2017). The CEI system is designed for mid to large firms (at least 500 full employees and above) and divided into four key criteria classifications, namely:

- 1) non-discrimination policies across business entities;
- 2) equitable benefits for lesbian, gay, bisexual, transgender and queer (LGBTQ) workers and their families;
- 3) internal education and accountability metrics to promote LGBTQ inclusion competency; and

4) public commitment to LGBTQ equality.

Overall, the CEI standards are aimed at providing a set of assessment benchmarks for business in addressing the discrimination and human rights-related issues that impact LGBT people, and to support good practice by companies. Furthermore, the United Nations Human Rights Office and HRC also encourage companies to endorse, use, and refer to these CEI standards and promote their use to others.

More recently, the United Nation's standards of conduct for business on tackling discrimination against LGBTI people was created. These are new standards built on the GRI and CEI to better offer guidance to companies to meet their responsibilities to respect everyone's rights – including the rights of LGBT people. Meeting this benchmark means treating LGBT people fairly in the workplace, as well as looking at business practice up and down the supply chain to seek to ensure that discrimination is tackled at every turn (UN, 2017). The standards of conduct also take the case for corporate engagement a step further, by pointing to the many opportunities companies have to contribute to positive social change more broadly in the communities where they do business.

2.6 Categories of LGBT disclosure

As discussed in subsection 2.5.2, the GRI is the most widely used standard for global firms to report on their CSR activities. However, it is too broad and lacks specific and comprehensive guidelines relating to LGBT disclosure (GRI, 2016). For example, GRI 405: *Diversity and Equal Opportunities*, which requires businesses to disclose diversity in governance body and employees, such as diversity in terms of gender, age and others, oftentimes mainly refers to race, ethnicity or disability while sexual orientation of the employees is seldom taken into consideration (GRI, 2016).

Past studies examining the relationship between LGBT supportive policies (i.e. non-discriminatory employment policies or equal opportunity policies) and firm performance have used the CEI as their measurement for LGBT inclusive policies. The reason is that the CEI covers a wide range of reasons specifically related to LGBT individuals. For instance, firms are given points if they adopt an equal employment opportunity policy and also extend employment benefits to LGBT employees, whereas points are deducted for a large-scale official or public anti-LGBT blemish on their recent records (HRC,

2017). Also, the CEI rates firms on competency training, resources or accountability measures, i.e., “new hire training clearly states that the non-discrimination policy includes sexual orientation and gender identity and provides definitions or scenarios illustrating the policy for each” or “senior management/executive performance measures include LGBT diversity metrics” (HRC, 2017, p. 9). In addition, many global businesses have committed to following the UN guiding principles on business and human rights (which set clear standards for businesses in respecting international human rights) and the UN global compact which provides a platform for firms to put such standards into practice, and advance them in the broader community (UN, 2017).

For the purpose of the study, the categories of LGBT disclosure are developed based on existing literature, the CEI, the GRI and the UN’s standards of conducts for business on tackling discrimination against LGBTI people. The reason for drawing from these sources is to ensure that the LGBT disclosure categories developed for this research are comprehensive and applicable.

These five categories of LGBT disclosure are discussed below.

1. Equal employment opportunity policy

Discrimination occurs when one person is treated unfairly or less favourably than another person in the same or similar circumstances, including employment in the workplace. Discrimination can be a horrible and hurtful experience and, in many instances, it is against the law. In spite of that, discrimination against LGBT individuals exists in workplace due to their sexual orientation and/or gender identity (Daniels & Gray, 2014), and the estimates of LGBT that have been noted in the career development literature are between 25% and 66% (Alderson, 2003). Studies reveal that that large percentages of the transgender population are unemployed or have incomes far below the national average (Githens & Aragon, 2009). Similarly, gay men are found to earn significantly less than their heterosexual counterparts (Green et al., 2002). Moreover, the evidence of widespread and continuing employment discrimination against LGBT people has been documented in court cases.

It is evident that discrimination and fear of discrimination can have negative effects on LGBT employees (Badgett et al., 2013). For instance, individuals who had encountered

discrimination had low organizational commitment as well as low job satisfaction, and they were more prone to look for employment somewhere else (Cunningham, 2011). However, steps have been taken as corporate policy towards LGBT employees and how businesses deal with minority group business partners changed, in particular in equal employment opportunity policy and equal business partnership policy (Brooks & Edwards, 2009). For example, 98% of global CEI-rated businesses have fully inclusive, globally applicable non-discrimination policies while 93% prohibit discrimination based on sexual orientation and gender identity in their contractor/vendor standards (CEI,2017). Such an increase is due to recognizing the importance of having a diverse workforce and suppliers, which leads to improved workplace relationships, greater job commitment, increased job satisfaction and productivity, and better and longer business partnerships (Badgett et al., 2013).

Given the importance of equal employment opportunity and equal business partnership which is now required by law, the HRC, and the UN, this research includes equal employment opportunity as one of the LGBT disclosure categories. Two disclosure items are identified under this category: LGBT inclusive/non-discriminatory employment policy; and a non-discrimination supply chain policy that clearly states that suppliers/vendors do not discriminate against their own employees on the basis of sexual orientation and gender identity.

2. Equal benefits

Along with having policy that prohibits employment discrimination, global firms have also extended benefits not just to heterosexual employees but to all employees (HRC, 2017). According to the HRC, more than 50% of the Fortune 500 companies now extend domestic partner benefits to same-sex couples, which marks a 150% increase since 1990 (Luther, 2007). Furthermore, more than 400 global firms in the Fortune 500 list also do make these benefits available to their sexual minority employees (Luther, 2007). This is important because benefits packages are critical to attracting and retaining talented staff.

Given this recognised importance of such benefits being extended to all employees, which in turn benefits firms, business should therefore put an end to equal benefit issues by ensuring that all employment benefits extended to employees with a partner or spouse of a different sex are also offered to LGBT employees' partners and spouses.

The equal benefit category has three disclosure items, namely equivalent spousal and partner medical benefits, other soft benefits (bereavement leave; employer-provided supplemental life insurance for a partner; and relocation/travel assistance) and transgender-inclusive health-related benefits (HRC, 2017).

3. Organizational LGBT competency

It can be argued that merely having LGBT-supportive policies is not enough to tackle discrimination against LGBT employees in the workplace. Equitable policies and benefits are critical to LGBT inclusion in the workforce but alone are not sufficient to support a truly inclusive culture within a workplace. Employers recognize that beyond the letter of a policy, additional programming and educational efforts are necessary. And some of the most common forms of LGBT inclusion efforts are: diversity training programs, LGBT metrics and evaluation mechanisms, gender transition guidelines (CEI, 2017), proactive actions and a friendly supportive working environment or affinity groups for LGBT individuals.

Having a friendly and supportive working environment or affinity group or LGBT employees' network at work is crucial as research has shown that LGBT individuals who sense that their working environment is generally supportive are psychologically healthier than those working in unsupportive environment (Badgett et al., 2013). Similarly, Muñoz (2005) found that support (i.e. acceptance in a workplace) that goes beyond having supportive policies was considerably related to lower job stress, but this positive effect was eliminated when taking perceived discrimination into consideration. This is because LGBT individuals being accepted as who they really are without having to hide their true identities leads to better supportive working climates where LGBT individuals can be at their most productive, and thereby creates cohesive and effective teams (Fullerton, 2013). Besides, it takes more than formal policies to make a workplace LGBT-friendly because an occupational culture which is supportive and inclusive for all employees, regardless of sexual orientation, race, gender identity, religion, class, or ethnicity, can have as much influence as formal policies on employees' experiences (Riley, 2008).

It is crucial that businesses provide a positive, affirmative environment within their organization so that LGBT employees can work with dignity and without stigma. The standard requires businesses to go beyond equal benefits and take steps to ensure

inclusion, including addressing the specific workplace needs of LGBT people (UNHR, 2017).

The category of organizational competency in LGBT inclusion has six disclosure items: diversity awareness; provide support and respect privacy; due diligence; remediation mechanism; performance measurement; and prevention and protection against harassment and discrimination.

4. Prevent other human rights violations in the marketplace

Over the past decade, there has been a growing number of companies demonstrating their increasing willingness to move ahead of public policy in ensuring equal rights to LGBT employees by creating corporate policies that seek to end employment discrimination and provide equal benefits. However, LGBT individuals at large are still marginalised in terms of access to products and/or services. For instance, attitudes against LGBT persist in health care sectors. Research findings of a study titled “When Health Care Isn’t Caring” show that more than 70% of transgender respondents and 29% of LGBT participants reported experiences of being treated unfavourably due to their sexual orientation and/or gender identity (Hswen et al., 2018; Lambda Legal, 2015). In addition, 70% of transgender and 56% of LGBT patients indicated that they were discriminated at least in one of the following ways by health care providers: declining to give needed care; declining to touch them; using abusive words; condemning them for their health conditions; or being physically violent (Hswen et al., 2018; Lambda Legal, 2015). The reason for denying LGBT individuals access to products and/or services is arguably based on business entrepreneurs’ rights to free expression.

Consequently, despite remarkable progress in the advancement of equal employment and benefits for LGBT, other areas such as equal access to products and services for them seemingly lags behind. Equally important, therefore, is that businesses should also ensure there is no discrimination against LGBT consumers in accessing their products and/or services, or against LGBT suppliers, distributors and potential business partners. Where incidents of discrimination occur indirectly through business partners, companies should exert their leverage to prevent such an act of discrimination being repeated. For this reason, preventing other human rights violations in the marketplace is included as a disclosure category with marketing or advertising to LGBT consumers as the disclosure item.

5. Public commitment

Businesses voicing their support for the LGBT community is undoubtedly impactful, but taking action (e.g., investing in talent recruitment efforts at LGBT-focused job fairs; communicating/promoting LGBT inclusion to the community at large (CEI, 2017); or participating in any forums or events to share experience and help advance the LGBT community) is the true measure of a company's commitment because failure to take positive or proactive actions, which are beyond what businesses are required to do by law for LGBT people, can harm a company's workforce, reputation and growth.

Numerous global firms (e.g., Accenture, American Airlines, Google and JPMorgan Chase and Co) have joined the Global Business Coalition (GBC) which was founded by the HRC, and the aim is to advance the cause of global LGBT workplace equality around the world (HRC, 2017). GBC is a consortium of major global businesses committed to upholding workplace protections for LGBT employees along with the rest of their workforce and everywhere that they do business.

Around the world, businesses have far outpaced lawmakers in embracing the basic premise that the hard work and talents of all their employees — regardless of who they are or whom they love — are rewarded fairly in their workplaces. For example, Delta and Marriott are partnering with local LGBT chambers of commerce and advocacy groups in growing economies like Colombia and Argentina to host summits raising the profile of LGBT-owned businesses, as well as generating more LGBT tourism dollars for these countries. Even financial hubs such as Shanghai have now seen their first LGBT summits, with dozens in attendance from international companies to discuss why equality for all is good for business (HRC, 2017).

Similarly, Accenture (which is a global management consulting and professional services firm) is committed to providing an inclusive work climate for LGBT employees via community involvement (including marching in Pride parades, employee support and local advocacy). The company has consistently earned a perfect 100 score on the CEI, and was one of the first companies to sign on in support of HRC's 2015 global workplace equality coalition. And it was honoured with the 2016 Corporate Equality Award.

The same is seen with Baker McKenzie whose offices around the world are committed to pushing for LGBT inclusion, diversity, and anti-discrimination policies. In addition, the firm does pro bono work, leveraging global resources to make social and environmental change and, according to its mission, to “contribute to peaceful negotiations, protect the persecuted such as LGBT individuals, advise on environmental projects, and guide government policy” (Mckenzie CSR report, 2017, p. 36). The public commitment category is included in this research as the fifth category with ongoing LGBT-specific engagement that extends across the company being the disclosure item.

2.7 Theoretical framework

The results obtained in this study analysed using organizational legitimacy theory. Organizational legitimacy theory is based on the idea of social contract, that is, business activities are restrict within the limits laid by society (Gray, Owen, & Adams, 1996; Khan, Muttakin, & Siddiqui, 2013) or, as defined by Lindblom (1994), organizational legitimacy is:

a condition or status which exists when an entity’s value system is congruent with the value system of larger social system of which the entity is a part. When disparity, actual or potential, exist between the two value systems there is a threat to the entity’s legitimacy. (p. 2)

To minimize the legitimacy gap, a variety of legitimation strategies such as disclosure approaches could be adopted. The approaches adopted depend upon the issues an individual corporation faces, whether the firm is trying to gain or extend its legitimacy, to sustain the level of current legitimacy or repair legitimacy that has been lost or threatened (O’Donovan, 2002).

Legitimacy theory has been commonly used by accounting researchers, in particular those who research in the area of social and environmental accounting. This is because the theory provides a more comprehensive perspective on CSR disclosure as it explicitly recognizes that businesses are bound by the social contract imposed upon them by society. Firms agree to perform various socially desired actions in return for approval of their objectives and other rewards, or a set of expectations a community holds about how a firm should operate its business, and this ultimately guarantees their continued existence (Brown & Deegan, 1998; Deegan, 2002; Guthrie & Parker, 1989). Gray et al. (1995) and Hooghiemstra (2000), among others, have argued that most insights into CSR disclosure

emanate from the use of this theoretical framework which posits that social and environmental disclosure is a way to legitimize a firm's continued existence or operations in society.

However, what is considered legitimate at one point in time does not necessarily mean that it will "be considered legitimate at a future point in time because of shifting community attitudes" (Adams, 2011, p.13). As a result, legitimacy gaps arise due to the increased expectations from society, a corporation's actions or changing perceptions of legitimacy. Firms either adjust themselves to such increasing societal expectations or encounter a legitimacy threat (Deegan, 2002). In spite of that, a firm's legitimacy could still be threatened even if it has already adjusted its organizational operation to society's expectations. This might be due to not being able to show how it is complying with such societal expectations. Consistent with this, legitimacy is perceived to be influenced not only by changes in corporation's actions but also by information disclosures.

To obtain, preserve or restore this legitimacy, managements adopt related corporate strategies (Lindblom, 1994). Lindblom (1994) indicated four types of legitimacy strategy, all of which can involve disclosure practices. First, firms that try to change the corporation's actions can inform relevant stakeholders about changes via disclosure. Second, firms might try to reshape the stakeholders' perceptions. Third, firms might try to divert stakeholders' attention. Fourth, firms might attempt to alter social expectations about their performance by concentrating on specific disclosure items.

One of the earliest studies using legitimacy theory is CSR disclosure research conducted by Deegan and Rankin (1996). The researchers adopted legitimacy theory in an attempt to explicate systematic changes in annual report environmental disclosure policies during a time of environmental protest, which was believed to be a legitimacy threatening event (Deegan & Rankin, 1996). They found that firms under environmental scrutiny reported more environmental information to the public than firms that were not, and concluded that the environmental disclosure policies of firms involved was impacted by the greater environmental disclosure made to the public. The reason for this was that, as companies realized their business activities had caused damage to the surrounding society or violated the social contract, they chose to provide more environmental information to justify and legitimize their continued operation or existence within society (Deegan & Rankin, 1996).

According to a May 13, 2011, report by the PEW Research Center, “a majority of Americans, 58%, now say that homosexuality should be accepted, rather than discouraged by society” (Johnston & Malina, 2008, p. 13). In spite of that, very few studies have focused on human resources aspects specifically LGBT disclosure. Extant studies have concentrated on human resource/intellectual capital (Abeysekera & Guthrie, 2004; Adams et al., 1995; Adams & Ferreira, 2009; Alvarez, 2015; Bozzolan et al., 2006; Dominguez, 2011); however, these studies were conducted from a general or broad perspective of human resources while studies on LGBT in particular were only done to find statistically significant associations between LGBT supportive-policies and firm performance and/or stock prices (Badgett et al., 2013; Johnston & Malina, 2008; Perotin et al., 2003; Pichler et al., 2018; Richard et al., 2007; Sears et al., 2011; Shan et al., 2017; Wang & Schwarz, 2010).

LGBT information has gained increased public attention since it signifies how much importance corporations place on the well-being of their LGBT employees, and whether this group of minorities are treated fairly or not in terms of: employment opportunities; benefits; having a safe, healthy and supportive working environment; equal pay; and education and training. Given the increased importance and social acceptance of LGBT individuals as well as LGBT disclosure being a under-researched area, further investigation is considered to be crucially valuable. Therefore, investigations are needed into the extent and common themes of LGBT information disclosed in CSR reports and/or corporate webpages, and why firms make such disclosures. A firm’s voluntary LGBT disclosure, understood within legitimacy theory, could be seen as a response to a perceived pressure or threat arising from a legitimacy gap between the firm and society’s increased expectations or changing legitimate perceptions of stakeholders. Following Hogner (1982) and Deegan and Rankin (1996), organizational legitimacy theory is adopted to explore the extent and common themes of LGBT disclosure in this research so as to examine whether such disclosure practices are used to obtain, preserve or restore social acceptance and legitimate firms’ continued business operations.

In the following chapter, research methods are discussed.

3. Research Design

This chapter discusses the methods employed and procedures undertaken in this research. To investigate LGBT disclosure practices among global firms, this research examines the standalone CSR 2017 reports and webpages of the 250 global companies in the Global Fortune 2017 list. A content analysis of CSR reports and disclosure on webpages is adopted.

3.1 Sample selection

The sample companies used in this research are the top Global Fortune 250 firms. There are four reasons why the Global Fortune 250 companies have been chosen. Firstly, according to existing research on the determinants of CSR disclosure, the firms which tend to provide corporate social and environmental reports are firms with sufficient resources and greater visibility to public (i.e., the public pays more attention to these firms as they could make a huge negative impact on communities where they operate, in comparison to smaller firms), (Alotaibi & Hussainey, 2016; Reverte, 2009). Secondly, the Global Fortune 250 companies are regarded as a representative sample population of global firms, conceived to include a huge number of employees and diverse staff backgrounds (i.e., in terms of gender identity and sexual orientation) as well as good disclosure practices in comparison to peers in the same industry. Thirdly, these 250 firms operate across national borders, which is in line with the aim of the research to investigate LGBT disclosure practices of global companies. Fourthly, these are the most profitable firms globally so it is worthwhile studying their LGBT disclosure status as they influence the global economy to a remarkable extent (Fuchs, 2013).

LGBT disclosure in the standalone CSR 2017 reports and corporate webpages is examined in this research. Social and environmental issues, including LGBT disclosure, are widely and publicly disclosed in these two sources, which are more extensive and reliable than other disclosure channels (Du, Bhattacharya, & Sen, 2010).

The steps for sample selection are as follows:

Step 1 – The top Global Fortune 250 companies for the year 2017 are identified.

Step 2 – The standalone CSR reports are searched and downloaded from the selected corporations' website. CSR commentaries on the corporate websites are

also downloaded. For companies that do not have a CSR 2017 report, their corporate webpages will be examined for CSR disclosure. The process of examination of both the standalone CSR report for 2017 and the CSR disclosure on corporate webpages is to ensure that the search for LGBT disclosure by these global companies is thorough and comprehensive.

Step 3 – Those companies with standalone CSR reports for 2017 and/or CSR disclosure on their corporate websites are checked to find out whether they were also listed in the CEI 2017 report or not. The companies that are not part of the CEI 2017 listing are excluded from the final sample. The reason for this is that firms listed in the CEI are more likely to provide LGBT information than non-CEI firms. As mentioned previously, CEI is a report which provides an in-depth analysis and rating of large U.S. companies in relation to their policies and practice pertinent to LGBTQ employees (Shan, Fu, & Zheng, 2017).

The eventual sample size stood at 79 out of 250 firms. In summary, these are the companies that have CSR 2017 report and/or CSR disclosure on their corporate webpage and are listed in CEI 2017 report. The 79 firms that formed the sample for this study are listed in Appendix Two.

Content analysis is used as an exploratory technique. A LGBT disclosure categorization scheme with disclosure items for each disclosure category and a disclosure index are developed to analyze and measure the extent and content of LGBT disclosure by the sample companies. This procedure is explained in the next section.

3.2 Research method

3.2.1 Overview of research method: Content analysis

Content analysis is described as a systematic, replicable method for compressing many words of text into fewer content classifications based on clear and detailed rules of coding (Stemler, 2001). In other words, it is “a technique for making inferences by objectively and systematically identifying specified characteristics of messages” (Holsti, 1969, p. 636). It is a pliable research method that could be applied to numerous issues in information studies either cooperatively with other methods or as a method by itself. Content analysis literature in accounting shows its broad and increasing application as a research method (Steenkamp & Northcott, 2007). Its utility is recognized for making valid

inference from texts and it proffers great potential for analysing reports, representations and narratives employed for communicating the results of accounting activities (Smith, 2017). It is also one of the research methods inclusively used for studying or examining CSR disclosure, and the focal point of content analysis is that it can measure the data both quantitatively and qualitatively (Mishra & Jagannath, 2008).

The line between these two types of content analysis, quantitative and qualitative content analysis, is not always clear-cut (Priest, 2009). However, the key difference between quantitative and qualitative versions of content analysis lies in their ontological and epistemological roots (Oleinik, 2011). Quantitative content analysis flows from a positivist research tradition, which is deductive in its approach and its objective is to test hypotheses not to develop them (i.e., it bases analytical decisions on tests for statistical significance) (White & Marsh, 2006). By contrast, qualitative content analysis flows from a humanistic, not a positivistic, tradition and it is inductive in its approach (White & Marsh, 2006). “The first is objectivist whereas the second is constructivist” (Oleinik, 2011, p. 14). It is further broken down into two categories: extent-based and/or quality-based analysis. The cornerstone of extent-based analysis is on the amount of information being reported while the quality-based analysis looks into the matter of the disclosed information quality (Hooks & van Staden, 2011).

How firms manage and report their non-financial information in relation to CSR activities is of great interest to accounting researchers (Steenkamp & Northcott, 2007). A number of researchers have used content analysis to examine the narrative portion of annual reports as well as voluntary disclosures such as CSR reports in many countries (Dabic et al., 2016; De Villiers & Marques, 2016; Giannarakis, 2014; Muttakin & Khan, 2014; Williams, 2017). This is because the method provides valid findings for CSR reporting studies by allowing the researchers to examine the extent and content of different disclosure items (Cho et al., 2015; Cormier & Magnan, 2003; Deegan et al., 2006; Ge & Liu, 2015; Mishra & Jagannath, 2008).

As this study is not deductive, and the aim is not to test hypotheses or address any questions generated from theories or previous empirical research, qualitative content analysis, specifically extent-based analysis, is employed in this research. The reason is that qualitative content analysis is mainly inductive, and it grounds the investigation of topics or themes on the data, not theories or hypotheses, which aligns with how the investigation of this research is approached.

3.2.1.1 Unit of analysis

Holsti (1969, p.116) defines a recording unit or unit of analysis as “the specific segment of content that is characterized by placing it in a given category” (p. 647). Preferences for units of analysis in written communication studies tend to be words, sentences and paragraphs (Gray, Kouhy, & Lavers, 1995). The use of differing units depends on the unit of meaning and the extent to which each unit could legitimately be selected to pull out the proper inferences (Gray et al., 1995).

Words basically have an advantage of being more an exclusive analysis as they are more easily categorized, and the coding does not require subjective judgement as only specific words, which are pre-determined, will be taken (Unerman, 2000). Furthermore, looking for particular terms in a text is regarded as the most reliable form of content analysis because it always produces the same results regardless of how many times the process is repeated. Besides, it is easy to replicate (Unerman, 2000).

However, sentences and/or paragraphs are chosen as unit of analysis in this present research because these are more suitable in written communication if the data collection is based on drawing inferences or inferring the meaning of the textual disclosure (Guthrie, Petty, Yongvanich, & Ricceri, 2004; Holsti, 1969). Also, using sentences and paragraphs is more appropriate for coding and measurement as individual words might potentially lack the meaning without the context of a sentence or a paragraph (Milne & Adler, 1999). Furthermore, sentences and paragraphs are likely to proffer complete, reliable and meaningful data for further analysis (Guthrie et al., 2004).

3.2.2 Content analysis

3.2.2.1 Development of disclosure categories and disclosure index

The vital step in content analysis is the proper selection of disclosure categories, followed by the disclosure items of each disclosure category and the disclosure index (Hooks & van Staden, 2011). According to Coy (1995),

a disclosure index is a qualitative-based instrument designed to measure a series of items which, when the scores for items are aggregated, gives a surrogate score indicative of the level of disclosure in the specific context for which the index was devised. (p. 112)

Accordingly, a disclosure index can be said to be a list of pre-determined information set to capture the content, whether such information is disclosed in a CSR report and webpage or not. Also, recording the absence and presence of disclosure items against predetermined disclosure items allows researchers to compare disclosure practices across reporting entities (Guthrie et al., 2004). As there are no existing LGBT disclosure categories or LGBT disclosure items previously constructed, the disclosure categories and items as well as the disclosure index in this research were developed mainly based on a review of existing literature, the GRI, UN standards of conduct for business: tackling discrimination against LGBT, and the CEI (see Chapter 2, Literature Review). The disclosure category scheme covers five LGBT disclosure categories with thirteen disclosure items under these five categories, and this forms the LGBT disclosure index as presented in Table 1 below.

Table 1. Disclosure categories and disclosure items.

Categories	Disclosure items	References
1. Equal Employment Opportunity	Non-discriminatory employment for LGBT employees	CEI, 2017; Chintrakarn, Treepongkaruna, Jiraporn, & Lee, 2018; GRI, 2016; HRC, 2017; Pichler, Ruggs & Trau, 2017; Shan & Zheng, 2017; UN Human Rights, 2017; Wang & Schwarz; 2010.
	Contractor/vendor standards include sexual orientation and gender identity	CEI, 2017; GRI, 2016; HRC, 2017; Pichler et al., 2017; Shan & Zheng, 2017; UN Human Rights, 2017.
2. Equal Benefits	Equivalent spouse and partner medical benefits	CEI, 2017; Chintrakarn et al., 2018; HRC, 2017; Pichler, Ruggs & Trau, 2017; Shan & Zheng, 2017; UN Human Rights, 2017; Wang & Schwarz; 2010.
	Other soft benefits	CEI, 2017; GRI, 2016; HRC, 2017; Pichler et al., 2017; Wang & Schwarz; 2010.
	Transgender-inclusive health-related benefits	CEI, 2017; HRC, 2017; UN Human Rights, 2017; Wang & Schwarz; 2010.

Categories	Disclosure items	References
3. Organizational LGBT Competency	Diversity awareness	CEI, 2017; HRC, 2017; Pichler et al., 2017; Shan & Zheng, 2017.
	Provide support and respect privacy	CEI, 2017; HRC, 2017; Pichler et al., 2017; UN Human Rights, 2017.
	Due diligence	CEI, 2017; GRI, 2016; UN Human Rights, 2017.
	Remediation mechanisms	CEI, 2017; GRI, 2016; HRC, 2017; Pichler et al., 2017; UN Human Rights, 2017.
	Performance measurement	CEI, 2017; HRC, 2017; Pichler et al., 2017; UN Human Rights, 2017.
	Prevention and protection against harassment and discrimination	CEI, 2017; GRI, 2016; HRC, 2017; Pichler et al., 2017; UN Human Rights, 2017.
4. Prevent Other Human Rights Violations in the Marketplace	Marketing or advertising to LGBT consumers	Chintrakarn et al., 2018; HRC, 2017; Pichler et al., 2017; Shan & Zheng, 2017; UN Human Rights, 2017; Wang & Schwarz; 2010.
5. Public Commitment	Ongoing LGBT-specific engagement that extends across the company	Chintrakarn et al., 2018; HRC, 2017; Pichler et al., 2017; Shan & Zheng, 2017; UN Human Rights, 2017; Wang & Schwarz; 2010.

This disclosure index is used to answer the two research questions relating to the extent of and common themes for disclosure practices. A pilot test of five companies was carried out to check whether the disclosure index fits in with this research or not.

3.2.2.2 Coding LGBT disclosure items

The next step to be taken is to look through the disclosure of the firms being studied and allocate the disclosed information to appropriate disclosure items. To determine whether the disclosure is LGBT-related or not, key words (equal opportunity, diversity, discrimination, and sexual orientation and gender identity, human rights) contained in the disclosure categories and/or disclosure items are looked for first. If no words are presented in the sentence or paragraph, meaning is then inferred. In cases where one sentence or paragraph could possibly fall under multiple categories, the sentence or paragraph is put in the category it emphasizes the most or is most closely related to

(Rahman, Mohamed, & Hanim, 2011). To collect the data, CSR 2017 reports and corporate webpages are read through sentence by sentence for each firm. In order to eliminate the possibility of overlooking pertinent disclosure information as well as to keep errors to the lowest level possible, this procedure was repeated three times.

The combination of binary scoring system and disclosure index are adopted in essence, a this gives the total measure of the coded disclosure. Following Hooks and van Staden (2011) and Tooley and Guthrie (2007), a two-point scale has been employed. Firms are assigned 1 mark for reporting a disclosure item and 0 otherwise. The highest possible mark for firms is 13 as the total number of disclosure items, and they would score 13 if they report all 13 disclosure items.

General comments on the degree to which information was specific, somewhat specific or not specific were classified as (S=2), (SS=1) and (NS=0) respectively. This classification is important as it systematically indicates how the sample firms reported LGBT information, and facilitates the subsequent comparison among the sample companies and industries (Boiral, 2013). In the case of specific (S) disclosure, the information should be clearly identified without much effort needed to interpret it. For example,

Fannie Mae provides equal employment opportunity for all employees and applicants. Fannie Mae does not make employment decisions based on any protected basis, including race, color, religion, sex, national origin, disability or disability status, genetic information, age, sexual orientation, gender identity, marital or parental status, family responsibilities, or veteran status. (Fannie Mae, CSR 2017 report, p. 14)

The above statement is specific because it clearly shows that Fannie Mae's employment is not based on sexual orientation and/or gender identity. In addition, the statement also states in detail the various diversity categories embraced by the company.

For somewhat specific (SS) disclosure, the sentence or paragraph might not be as direct as Fannie Mae's but the reader can still see that it is somehow LGBT-related. For instance:

We operate in 70 countries and have around 60,000 suppliers, with thousands more supporting them. We expect contractors and their employees to act in

accordance with our code of conduct, human rights policy and our expectations of suppliers. Our standard procurement contracts include requirements for suppliers to respect internationally recognized human rights. (BP, CSR 2017 report, p. 39)

The statement is classified as somewhat specific as no specific LGBT-related word is contained in a sentence or paragraph; however, it can still be inferred from the last sentence, in particular the words “internationally recognized human rights”, that it could be LGBT-related.

In the event of not specific (NS) disclosure, the disclosure would require much effort in interpreting and possibly does not contain key words in disclosure, such as

We rely on our vendors to provide quality products for Lowe’s, and we expect them to do so ethically, while protecting worker rights and the environment. (Lowe’s, CSR 2017 report, p. 20).

The sentence could not be inferred as LGBT-related, thus it is classified as not specific.

Along with searching for the textual LGBT disclosure, visual disclosures (i.e. photographs, graphs and tables) were also sought to see whether or not a company has such visuals to accompany any textual disclosure. The reason is that photographs, graphs and tables are seen and used as a way to enhance and guide the desired interpretation of the narration to particular outcomes (Stanton & Stanton, 2002). Table 2 presents disclosure items and the scale employed.

Table 2. LGBT disclosure extent binary scale.

Category	Disclosure item	Scale	Cumulative score
Equal Employment Opportunity	Non-discriminatory employment	0-1	1
	Contractor/vendor standards	0-1	2
Equal Benefits	Equivalent spouse and partner medical benefits	0-1	3
	Other soft benefits	0-1	4
	Transgender-inclusive health-related benefits	0-1	5

Category	Disclosure item	Scale	Cumulative score
Organisational LGBT Competency	Diversity awareness	0-1	6
	Provide support and respect privacy	0-1	7
	Due diligence	0-1	8
	Remediation mechanism	0-1	9
	Performance measurement	0-1	10
	Prevention and protection against harassment and discrimination	0-1	11
Prevent Other Human Rights Violations in the Marketplace	Marketing or advertising to LGBT consumers	0-1	12
Public Commitment	Ongoing LGBT-specific engagement	0-1	13

The categorization and coding scheme together construct the basis of the analysis of the extent and common themes of LGBT disclosure practices in this study.

3.2.2.3 Measuring the extent and common themes of LGBT disclosure

To measure the extent and common themes of LGBT disclosure, this research focuses on what disclosure items are reported and what are not. Also, it measures the number of disclosure items disclosed by each firm with the disclosure being classified as specific (1), somewhat specific (2) and not specific (0). At the end, the total scores are computed for each disclosure item and each firm to permit an analysis of the extent and common themes of disclosure. Sample disclosure from the companies studied is extracted and used as representative disclosure for each item. A table of representative disclosure content is attached in Appendix Three. The investigation of extent and common themes of disclosure proffers an overall status of LGBT disclosure practice.

In the following chapter, findings and discussion are presented.

4. Findings and Discussion

This research examines the CSR 2017 reports and corporate webpages of 79 companies of the Global Fortune 2017 list to explore the extent and common themes of LGBT disclosure they depict. Five disclosure categories with 13 disclosure items have been developed to form a disclosure index in order to examine the extent and common themes of the LGBT disclosure. This chapter discusses the findings of this research in accordance with the two research questions set in the introduction chapter.

4.1 Extent of LGBT disclosure

This section addresses research question 1: What is the extent of LGBT disclosure in sustainability reporting among the Global Fortune 250 companies? Table 3 below shows the current LGBT disclosure of the sampled firms. The companies are categorized based on the number of disclosure items they disclosed in the CSR 2017 report and webpage. Appendix Four shows the scores of the 79 companies gained under each disclosure item.

Table 3. Summary of LGBT disclosure by disclosure items.

No of Disclosure Items	No. of Firms	Percentage
10 to 13	5	6.17%
6 to 9	34	41.97%
3 to 5	33	40.74%
Below 3	7	11.11%
Total	79	100%

Table 3 shows that the extent of LGBT disclosure of the global companies is at a low level. Among the 79 Global Fortune 250 companies that have CSR reports and/or CSR information disclosed in corporate webpages and are also listed in the CEI 2017 report, no companies have disclosed all 13 disclosure items. Only five companies (6.17% of total sample companies) have disclosed 10 or more items while half of the investigated firms (40 firms or 51.85% of total sample companies) exhibited five or fewer disclosure items. The results show that the extent of LGBT disclosure is among the global firms is weak. The following sub-sections provide more in-depth analysis of the extent of LGBT disclosure of the sample firms.

4.1.1 Extent of LGBT textual and visual disclosure by disclosure categories

Table 4. Textual and visual disclosure by disclosure categories

No	Disclosure Category	Textual disclosure		Visual disclosure	
		No. of Firms	Percentage	No. of Firms	Percentage
1	Equal Employment Opportunity	71	87.65%	0	0%
2	Equal Benefits	25	30.68%	1	0.12%
3	Organisational LGBT Competency	79	97.53%	8	10.12%
4	Prevent Other Human Rights Violations	36	44.44%	4	0.50%
5	Public commitment	54	66.66%	18	22.78%

Table 4 indicates that in terms of textual disclosure, the two most disclosed categories tended to be ‘organizational LGBT competency’ and ‘equal employment opportunity’. 79 firms (97.57%) and 71 firms (87.65%) out of the sampled companies disclosed these two categories respectively. Such high percentages of disclosure for these two categories is probably due to the fact there has been an increased acceptance of LGBT as well as demand or pressure from the public for equality, in terms of employment, regardless of gender, race, ethnicity, religion, sexual orientation, age, or disability. If the company could not justify its continued operation, society may repeal the company’s contract to continue operating its business (Deegan & Rankin, 1999). For example, consumers refuse to buy products from that company, suppliers refuse to supply materials to the company, financial institutions and banks no longer loan money to the company, or constituents lobby the government to increase taxes, fines and pass new laws to ban those actions not in compliance with the community’s expectations (Ge & Liu, 2015). Therefore, by disclosing more information in these two categories, the sample companies may be trying to enhance their reputation as good corporate citizens for legitimacy purposes (Peters & Wagner, 2017).

The ‘equal public commitment’ category is the third most disclosed category, with 54 firms or 66.66% of total sample companies disclosing in this category. Finally, the two least disclosed categories belong to the ‘prevent other human rights violations’ category with disclosure by 36 firms, or 44.44% of total sample companies; and the ‘equal benefits’ category, disclosed by 25 firms, or 30.68% of total sample companies.

The findings also show that some companies have utilised both textual and visual disclosures to retain the required legitimacy. Particularly, photographs featuring LGBT-related images together with textual narrations are used to make the LGBT-related disclosure more powerful or more convincing, consistent with the study by Hrasky (2012). Figure 1, below, is an example of a LGBT-related photograph depicting the happy faces of staff joining Pride Parade as their public commitment in supporting the LGBT community with the accompanied textual disclosure of the event

Figure 1. Example of visual disclosure utilized by the global firms.



HSBC employees and family and friends attend the Pride event in Birmingham

Source: HSBC's 2017 CSR report.

Images are a potentially powerful tool in any disclosure strategy because of their ability to direct the attention of the reader (Zillmann, Knobloch, & Yu, 2001). This argument seems to be true as research shows that perceptions are significantly influenced by the nature of the pictures depicted, and where the text is accompanied by biased photos, perceptions of readers are biased toward the direction suggested by the accompanying images (Hrasky, 2012).

Based on this rhetorical power, it is plausible to assume that accompanying visual disclosure used by the global firms is symbolically used to make their LGBT disclosure more persuasive in directing society to believe that the companies value LGBT employees as much as their heterosexual counterparts or other minorities (race, sex and disability)

(Cho & Patten, 2007). Apparently, stakeholders tend to believe what is presented in the photograph as representation of reality (Hrasky, 2012). Another possible reason is that LGBT-related visual disclosures, such as photographic disclosures, could be an easier and less expensive option compared to textual disclosure for meeting increased social expectations (Chen, Patten, & Roberts, 2008).

4.1.2 Extent of disclosure items in LGBT disclosure

Table 5, below, shows the extent of each disclosure item, the number and the percentage of companies that report on each item. The listing of the disclosure items is based on the extent score ranking.

Table 5. LGBT disclosure extent by disclosure items.

Rank of extent	Disclosure item	Disclosure category	No. of disclosure category	No. of companies disclosed	% of companies disclosed
1	Provide support and respect privacy	Organisational LGBT Competency	3	77	97.46%
2	Non-discriminatory employment	Equal Employment Opportunity	1	64	81.01%
3	Diversity awareness	Organisational LGBT Competency	3	58	73.41%
4	Ongoing LGBT-specific engagement	Public Commitment	5	55	69.62%
5	Contractor/vendor standards	Equal Employment Opportunity	1	38	48.10%
6	Marketing or advertising to LGBT consumers	Prevent other Human Rights Violations in the Marketplace	4	35	44.30%
7	Prevention and protection against harassment and discrimination	Organisational LGBT Competency	3	27	34.17%
8	Due diligence	Organisational LGBT Competency	3	22	27.84%
9	Other soft benefits	Equal Benefits	2	19	24.05%
10	Transgender-inclusive health-related benefits	Equal Benefits	2	16	20.25%
11	Equivalent spouse & partner medical benefits	Equal Benefits	2	15	18.98%
12	Remediation mechanism	Organisational LGBT Competency	3	6	7.59%
13	Performance measurement	Organisational LGBT Competency	3	3	3.79%

Table 5 above reveals that among the disclosure items reported by the sampled firms, *provide support and respect privacy* is disclosed by 97.46% (77 out of 79 firms) of the sample firms, which is the highest extent score. This is followed by *non-discriminatory employment* (81.01% or 64 firms). The third and fourth highest extent scores are *diversity awareness* and *ongoing LGBT specific engagement*: they are disclosed by 58 firms (73.41%) and 55 firms (69.62%) respectively. The reason for the high percentage of these four disclosure items, on the one hand, is plausibly due to the increased importance and visibility of LGBT employees as this group of people now makes up a crucial part of the global talent pool (Ozturk & Tatli, 2016). On the other hand, it could be interpreted as evidence of corporations attempting to legitimise their continued operations by showing to the public their contributions to the welfare of employees (Alvarez, 2015). Specifically, providing information relating to these disclosure items reflects companies' interest in proving to the public that they do invest in social matters, which in turn might systematically allow them to portray themselves as good employers to stakeholders such as LGBT employees and unions. Thus, taken together, the rationales outlined above apparently seem to serve as disclosure tools for corporations to show that they are still in compliance with social expectations of their respective stakeholders or society in order to maintain their given rights or the social acceptance of their right to operate their businesses.

The lower disclosed items are *other soft benefits*, *transgender-inclusive health-related benefits* and *equivalent spouse & partner medical benefits*. Less than 20 firms out of the investigated companies (24.05% and lower) disclosed these aforementioned categories. Such low disclosure of these items might be due to their disclosure nature. They are more policy-based statements rather than disclosure that would appear in a CSR report, and might be disclosed or written separately in an employment contract to show to potential employees what benefits they are entitled to.

Finally, the least disclosed items are *remediation mechanism* (6 firms, 7.59%) and *performance measurement* (3 firms, 3.79%). The reason for the low extent of disclosure on these items may be due to concerns that management have regarding information being used inappropriately by members of society at large against a firm's reasons to continue operating (Bozzolan et al., 2006). Or it may be that concerns associated with these items might not be particularly substantial, as Deegan (2002) contends that "where there is limited concern, there will be limited disclosure" (p. 356). In this respect, the findings of

the least disclosed items suggest that companies would most likely overlook or report little information compared to other disclosure items under the same disclosure category (i.e., *diversity awareness* and *provide support and respect privacy*). While some might treat such an accountability perspective as window-dressing manner for the sake of an argument for continued operation (Halkos & Skouloudis, 2016), that is why a smaller number of companies reported these two disclosure items.

Interestingly, all 13 disclosure items are descriptive in nature and deal with information that cannot be verified. This might be due to the fact that it takes less time to provide narrative disclosure, as well as it being easier for readers to understand what is going on compared to reporting with the figures (Spear & Roper, 2013). In spite of claiming to have LGBT-supportive policies, it could possibly make firms look worse if LGBT-related incidents are quantitatively reported. In addition, statistical information might show to LGBT stakeholders and organizations such as the HRC, the UN, and Amnesty International that companies are not putting into practice what they have disclosed or claimed in their CSR reports regarding LGBT employees' welfare and equal rights that they are reportedly committed to adhering to (Pérotin & Robinson, 2000; Ragins et al., 2007; Sartore & Cunningham, 2009). Therefore, corporations' continued legitimacy could be at risk, leading to a risk of losing the right to operate and be supported by the public.

4.1.3 Extent of LGBT disclosure by industry affiliation

Table 6, below, shows the distribution of companies based on their industry affiliation and the disclosure classification as being specific (S), somewhat specific (SS) and not specific (NS). The results shown in Table 6 indicate that 76 firms (or 96% of the total sample of firms) have specific disclosures addressing LGBT issues, while 42 companies (or 53% of the total sample of firms) have LGBT disclosures that are somewhat specific. Meanwhile, 12 companies (or 15% of total sample firms) have disclosures that are not specific.

Amongst the six industry groupings, two industries, namely, retail, food production, entertainment and pharmaceuticals, and technology, telecommunication, aerospace and defense have the highest percentage of companies (21% of sample companies) with specific LGBT disclosures, while transport, mail package and freight have the lowest percentage of sample companies (9% of sample companies) with specific LGBT

disclosure. The reason for the overall high percentage of specific disclosure (96 percent of the total sample of companies) could be due, in part, to a disclosure effort from management to change negative perceptions of an organization viewed by outsiders related to the treatment and equality of LGBT employees, which in turn threatens the company's legitimacy (Ali et al., 2017).

Table 6. Extent of LGBT disclosure and industry groupings.

No	Industry groupings	No. of companies	Number and percentage of sample companies					
			Specific (S)		Somewhat Specific (SS)		Not Specific (NS)	
			No	%	No	%	No	%
1	Retail, Food Production, Entertainment & Pharmaceuticals	18	17	22%	8	19%	2	17%
2	Technology, Telecommunication, Aerospace & Defence	17	17	22%	9	21%	3	25%
3	Finance and Insurance	16	16	21%	8	19%	2	17%
4	Petroleum Refining, Chemical & Industrial Machinery	11	11	14%	6	14%	2	17%
5	Healthcare	9	8	11%	6	14%	0	0%
6	Transport, Mail Package & Freight	8	7	9%	5	12%	3	25%
	Total	79	76	96%	42	53%	12	15%

As a consequence, the company would tend to disclose LGBT information as specific as possible to educate and inform relevant members of society about the (actual) changes in their committed and extended support to LGBT staff. At the same time, the company would deflect any attention from negative social performance (discriminatory incidents or not yet implementing offers of medical support to employees undergoing gender transition) by highlighting other accomplishments specifically devoted to LGBT employees such as supporting and encouraging LGBT staffers to join Pride Parade or the company itself joining an LGBT-related conference to advance their employees' rights on a global stage (Lindblom, 1994). By doing so, the company could at least protect its legitimacy from being closely questioned by the public despite having negative performance in some areas (i.e., equal benefits and performance measurement).

Another reason could be that if disclosure is not specific enough, it might seem to LGBT stakeholders that companies are not adequately addressing their expectations in terms of social performance and/or disclosure of information concerning the treatment of LGBT employees (Deegan & Rankin, 1999). However, considering the scale of the sample companies' global operations, which have a more significant impact on their surrounding operating environment and community, they are likely to be more aware of society's requirement in this regard as shown by majority of the firms reporting LGBT information specifically (Pichler et al., 2018).

Another interesting finding, as shown in Table 7, below, is that having LGBT leaders or allies working in the companies does not seem to have any significant influence on the extent of LGBT disclosure. Such a result might be explained by the focus or emphasis that these leaders place on conduct rather than disclosure.

Table 7. Extent of LGBT disclosure and LGBT leaders or allies.

No	Industry Groupings	Percentage of companies with LGBT disclosure	No. of LGBT leaders or allies
1	Retail, Food Production, Entertainment & Pharmaceuticals	22%	2
2	Technology, Telecommunication, Aerospace & Defence	22%	5
3	Finance and Insurance	21%	24
4	Petroleum Refining, Chemical & Industrial Machinery	14%	8
5	Healthcare	11%	0
6	Transport, Mail Package & Freight	9%	1
	Total	96%	40

4.1.4 Distribution of companies with LGBT disclosure by market capitalization

Table 8, below, shows the distribution of LGBT disclosure by market capitalization. The results presented in Table 8 suggest that the majority of sample companies (77 firms or 97.45%) with market capitalization ranging from below \$50bn up to \$500bn and above do have specific (S) disclosure whereas only 42 firms or 53.06% exhibit somewhat specific (SS) disclosure. Meanwhile, 12 firms or 15.18% of the sample companies with market capitalization ranging from below \$50bn up to \$499bn have LGBT disclosure that is not specific.

Table 8. LGBT disclosure by market capitalization.

Market Capitalization (\$bn)	No. of Companies	Number and percentage of companies					
		Specific (S)		Somewhat Specific (SS)		Not Specific (NS)	
		No.	%	No	%	No	%
\$500 and above	4	4	5.06%	2	2.53%	0	0%
\$100 to \$499	31	30	37.97%	18	22.78%	4	5.06%
\$50 to \$99	21	21	26.58%	9	11.39%	6	7.59%
Below \$50	20	19	24.05%	12	15.10%	2	2.53%
Unknown market capitalization	3	3	3.79%	1	1.26%	0	0%
Total	79	77	97.45%	42	53.06%	12	15.18%

Legitimacy offers companies with immense societal support which is essential for corporations' survival and development, in particular global corporations. The greater the company's need for legitimacy, which is obvious and unarguable in the case of the Global Fortune 250 companies, the more specific disclosure the companies need to make in order to satisfy the specific informational needs of its respective LGBT stakeholders who might use the reported information to evaluate the corporate legitimacy and whether the company is doing the right thing or not (Chen, Zhang, Liu, & Zhu, 2019). The specific LGBT information disclosed by 77 firms could indicate an attempt to influence both internal and external perceptions of how socially responsible they are for all, in order to obtain the necessary resources and social support (Lindblom, 1994).

4.1.5 Distribution of companies with LGBT disclosure by employee numbers

Table 9, below, shows the number of firms with LGBT disclosure, which was categorized by their employee size. The results show that the vast majority of the sampled firms (76), regardless of employee size, exhibited more specific (S) disclosure than somewhat specific (SS) and not specific (NS) disclosures. The high percentage of specific disclosures could probably be influenced by higher community expectations, caused by increased importance and acceptance of LGBT individuals, as these global firms have huge and diverse staff.

Table 9. LGBT disclosure by employee numbers.

Number of employees (thousands)	No. of Companies	Number and percentage of companies					
		Specific (S)		Somewhat Specific (SS)		Not Specific (NS)	
		No.	%	No	%	No	%
Above 300	12	12	15.18%	6	7.59%	2	2.53%
100 to 299	33	31	39.24%	17	21.51%	8	10.12%
Below 100	34	33	41.77%	19	24.05%	2	2.53%
Total	79	76	96.19%	42	53.15%	12	15.18%

This corporate response to heightened public expectations might reflect a strong determination to maintain the social licence to operate a business, especially during any negative social performance in regard to LGBT employees (e.g., complaints filed by LGBT staff or indirect discriminatory incidents precipitated by business partners) (Yekini, Adelopo, & Adegbite, 2017). Specific disclosure is crucial to establishing a long-term sustainable relationship between the company and the society in which it operates because poor communications or vague disclosure may generate expectation gaps, which might worsen the company's legitimacy over time (Yekini et al., 2017).

4.2 Common themes of LGBT disclosure

This section addresses research question 2: What is/are the common theme(s) depicted in LGBT disclosure by the Global Fortune 250 companies in their sustainability reports? Appendix Two shows the overall LGBT disclosure made by Global Fortune 250 firms that have LGBT information in their CSR 2017 reports and/or corporate websites. Sample firms do not disclose all disclosure items. Details of these disclosures are discussed in the following sub-sections.

4.2.1 Common themes of equal employment opportunity

The two disclosure items, *non-discriminatory employment for LGBT employees* and *contractor/vendor standards include sexual orientation and gender identity under equal employment opportunity*, are reported. The disclosures on these two items by companies are very detailed and straight to the point, to show to the public that they do care about,

respect and treat all people equally, regardless of gender, race, ethnicity, religion, sexual orientation, age, or disability of the person holding or applying for a position. There is a strong emphasis on this disclosure category as evidenced by the descriptive words used (i.e. commit, assure and guarantee equal employment opportunity, and suppliers must comply with supplier code of conduct). However, disclosure of these two items are mainly descriptive in nature and non-verifiable. One example of a non-discriminatory employment disclosure item is:

As part of our commitment to the United Nations Sustainable Development Goals, we champion diversity and equal opportunities at all our locations around the world. Our position is crystal clear: Volkswagen stands for respect, tolerance and cultural openness. We guarantee equal opportunities and equal treatment irrespective of ethnicity, race, gender, disability, ideology, faith, nationality, sexual orientation, social background or political conviction. (Volkswagen, 2017 CSR report, p. 85)

An example of a contractor/vendor standards disclosure is follows:

Relevant business partners must adhere to the Siemens Code of Conduct for Siemens Suppliers and Third-Party Intermediaries. It is based primarily on the principles of the UN Global Compact and the ILO, but contains further requirements. Specifically, in terms of human rights, it addresses respect for the fundamental human rights of employees, including fair remuneration, freedom of assembly, health and safety standards, and prohibition on discrimination, forced labor, and child labor. (Siemen, 2017 CSR report, p. 45)

4.2.2 Common themes of equal benefits

All disclosure items under this category, *equivalent spouse and partner medical benefits, other soft benefits* and *transgender-inclusive health-related benefits*, are disclosed but not all companies have reported all three disclosure items. Only a few companies have detailed disclosures while the rest give basic abstract policy-based disclosures. One representative firm that has a detailed disclosure of equivalent spouse and partner medical benefits is IBM:

We were one of the first companies to include sexual orientation as part of the policy more than 30 years ago. We extended domestic partner benefits to gay and lesbian employees in the U.S. almost 20 years ago. Today, we provide LGBT employees with the professional and family support they need around the world. IBM's LGBT benefits extend beyond local practices in many countries. Examples include: IBM Canada extended its employee health benefit plan in January to include coverage for sex reassignment surgery based on the World Professional Association for Transgender Health (WPATH) Standards of Care. This benefit has been available to employees in the U.S. for over a decade. Over the next few years, we expect to introduce the sex reassignment surgery benefit in other countries where local laws, medical practices and facilities support the treatment. (IBM, 2017 CSR report, p. 65)

However, it seems that this type of this disclosure is relatively new, as shown by how such benefits have been recently added to these companies' policies. For some firms, to make disclosure appear more convincing and positive, stories of staff being financially supported in regard to medical expenses, gender-transition or a child adoption with a same-sex partner are also featured along with abstract policy-based disclosure. One example of transgender inclusive health-related benefit is extracted from JP Morgan:

How My Gender Transition Made Me a More Valuable Employee

During that time I worked with my HR business partner to set a transition date, plan communications to my peers, and set a plan to ensure that even simple things were taken care of - like ordering updated name badges that included my new name.

Then, I was out of the office for two weeks to get ready for my transition. During that time, my transition was communicated to my branch network, and the support from my local management was heartfelt and awesome.

On my first day back at work, I had lunch with my manager and another assistant manager. They both commented on how positive I was. My manager even said that seeing how happy I was made it clear that this was the right thing for me to do. (JP Morgan website)

4.2.3 Common themes of organizational LGBT competency

Not all the disclosure items under this disclosure category, *diversity awareness, provide support and respect privacy, due diligence, remediation mechanisms, performance measurement, and prevention and protection against harassment and discrimination*, are reported. Sample companies that have such disclosure mostly write about how important it is for them to ensure that the working environment is supportive to all employees or all employees feel respected. The evidence shows how diversity awareness training and employee resource groups (ERGs) have been launched and created. Some companies discuss fostering diversity and inclusion, but rarely mention how to go about it. Besides, disclosure tends to be fairly brief except for one disclosure item, *provide support and respect privacy*, which is extensively described. One example of a *provide support and respect privacy* disclosure item is excerpted from Prudential:

Our Group D&I Policy is aimed at providing equal opportunities to all, fostering an environment in which each employee is treated with dignity and respect, and ensuring that we have an appropriate diversity of skillsets and backgrounds to leverage the unique strengths of each person for our continued success. It supports an inclusive culture, where all our employees are protected against discrimination and provided with opportunities regardless of their age, caring responsibilities, disability status, ethnicity, gender, religion, sexual orientation, professional, social, educational or cultural background, or employment contract type. (Prudential, 2017 CSR report, p. 45)

The photographic disclosure shown in Figure 2, below, explains one way of how firms support their LGBT employees by encouraging them to come out of the closet without being fearful of workplace discrimination.

Figure 2. Visual disclosure on organizational LGBT competency.



Source: Cisco's corporate webpage.

4.2.4 Common themes of preventing other human rights violations in the marketplace

The disclosure item under this disclosure category, *marketing or advertising to LGBT consumers* is reported by most sample companies. The nature of such disclosure is still narrative and relatively brief. Despite the huge purchasing power that LGBT individuals possess, only a few firms specifically communicate products tailored to LGBT. The firms that have this disclosure mostly discuss how they extend or give business opportunities to small business partners such as women, veteran and minorities (LGBT). According to the CSR reports studied and CSR information disclosed on the webpages of all sample companies, those claiming to be a minority must have a proper certificate from recognised authorities who are authorised to issue such a certificate. An example of such disclosure is extracted from Verizon's CSR report as follows:

We promote diversity and encourage the contribution of diverse business partners

In 2017, we purchased more than \$5 billion in goods and services from diverse suppliers, including businesses owned by minorities, women, veterans, LGBTQ and people with disabilities. This brings our total spend with diverse suppliers to nearly \$26 billion in the past five years. (Verizon, 2017 CSR report, p. 44)

Below is an example of photographic disclosure with its accompanying text relating to marketing to LGBT consumers taken from Anthem's CSR report.

Figure 3. Visual disclosure on preventing other human rights violations in the marketplace.



Source: Anthem's 2017 CSR report, p. 22.

4.2.5 Common themes of public commitment

The disclosure item *ongoing LGBT-specific engagement* that relates to the last disclosure category is reported by the majority of the sample companies. In the same vein as previous disclosure items, disclosure is descriptive in nature and non-verifiable. This public commitment is mostly expressed in the form of joining Pride Parades coupled with pictures of staff participating in the events. An example disclosure is as follows:

A Champion for LGBTQ Rights Every Day

Every June, lesbian, gay, bisexual and transgender (LGBTQ) members of the Verizon team join communities across the U.S. to celebrate Pride month. It's one of many moments throughout the year we recognize the power in our diversity. This year, we will be present at more than 25 parades and festivals across the U.S. and in Dublin, Ireland. (Verizon, 2017 corporate social responsibility report, p. 40)

This is followed by financially sponsoring LGBT-related conferences or supporting organizations that help leverage the rights of LGBT globally, such as the Human Right Campaign, so as to prove their advocacy for the LGBT community. Some firms do claim to give philanthropic support but there is no mention of the organizations that have received it. Other firms do declare a strong voice for advancing marriage equality or LGBT rights in countries where they operate. Nevertheless, there is no evidence that would make it possible to trace such a claim. This finding is consistent with the analysis of the study conducted by Soobaroyen and Mahadeo (2016) that such vague principles allow corporations to place their reliance on rhetorical statements to divert the public's attention from the absence of concrete actions.

Two examples of such disclosure can be found on the webpages of Generic Electric and AXA:

At GE's GLBTA APAC Regional Conference in Perth last month, the company officially registered its support for Australians for Marriage Equality. Geoff Culbert, President and CEO of GE in Australia and New Zealand, says, "We have

one of the most thriving LGBTI populations in the world, we have long embraced diversity and benefited from it as a country. At GE, we absolutely recognise that an inclusive workplace, where everyone can be their authentic self, is more productive and effective. Inclusiveness was the theme of the GE conference, with a focus on the benefits that accrue when everyone is encouraged to bring their whole identity to work. (Generic Electric’s corporate webpage)

Free and Equal – AXA is supporting the United Nations LGBTI Standards for Business Because we are all humans and should be granted equal rights and respect, we stand by our LGBTI employees and allies by supporting the “United Nations LGBTI Standards of Conduct for Business”. (AXA’s corporate webpage)*

Below is an example of photographic disclosure with accompanying text relating to public commitment extracted from CSR report of AT&T.

Figure 4. Visual disclosure on public commitment.

The image is a screenshot of a CSR report page with a blue background. At the top, the heading reads "CONNECTING WITH THOSE WE CONNECT". Below this, a paragraph states: "Customer outreach is an important way to connect with our increasingly diverse customer base. Our integrated program includes direct mail, email, radio, TV, online content, social media and retail point-of-purchase – all culturally relevant and in the appropriate language. Customer events in 2017 represented a cross-section of tradition and identity." A sub-heading "WE ARE BOLD" is followed by a detailed paragraph about the campaign's success, including a \$1 donation goal and a 40% awareness increase. A link "Go behind the scenes of We Are Bold" is provided. On the right, a photograph shows a woman smiling in front of a "WE ARE BOLD" backdrop, with her hand raised showing the word "BOLD" on her palm. Logos for "glad" and "AT&T LIVE PROUD" are visible at the bottom of the photo.

Source: AT&T’s 2017 CSR report, p. 13.

4.2.6 Analysis of common theme(s) findings

Based on the findings above, it can be noted that sample firms do recognise the importance of LGBT individuals in the workplace. This is evidenced through their communicating to the public through CSR disclosure that they care and support these people by portraying themselves as doing their best to ensure an LGBT-supportive

working environment as well as offering and extending domestic partner and medical benefits to LGBT employees/partners, which previously were not explicitly included in their policies. The reason for such actions is that legitimacy is problematic for all firms, especially the global firms, as they are more visible and prone to scrutiny if anything does not go as the public or society expects (Githens & Aragon, 2009). Thus, it is plausible that these global companies take this disclosure initiative to ensure their continued legitimacy by disclosing such information to the public so that they are perceived as being in compliance with their society's changing perceptions of legitimacy. Alternatively, or perhaps in addition, and equally as plausible, is the suggestion that by reporting detailed employment-related information on LGBT employees, companies might be attempting to signal to governments that they are responsible towards all workers, in order to avoid legal sanctions and being negatively judged (Colgan, 2011).

It is important to note the very small percentage of disclosure represented by the *performance measurement* and *remediation mechanism* disclosure items. Even though managements might like to provide additional useful information to the public, they are more concerned about the risk of such information being used by society, governments or stakeholders (Bozzolan et al., 2006). This is consistent with Mitchell Williams' (2001) point that such disclosure may attract unwanted attention which in turn may be detrimental to the continued legitimacy of a company, especially if the company is huge and has a strong LGBT base.

It is also interesting to note that some companies have made use of visual disclosure to maintain their ongoing corporate legitimacy. In particular, photographs featuring LGBT-related images together with textual narration are used to make the LGBT-related disclosure more powerful or more convincing of the idea that companies are responsible corporate citizens (Hrasky, 2012).

From the findings on research questions one and two, it can be summarised that both the extent and common themes of the sample companies are relatively weak, mostly narrative, with overly positive information that cannot be verified. Furthermore, companies communicate LGBT information in CSR reports to satisfy demand for more social information regarding the accountability and transparency towards LGBT employees in order to legitimize the ongoing existence of their businesses. By communicating that their businesses are socially responsible, corporations can create a positive image as a proof to the public that they are in compliance with societal

expectations. As these companies are high profile, more susceptible to scrutiny by members of society at large (being in the Global Fortune 250 list) and have a bigger impact on the community, they are more likely to voluntarily disclose LGBT information even if there are no international standards regarding LGBT reporting. This seems to be true since, as noted in the literature review, there are no LGBT reporting standards, not even the globally recognised standards like GRI that attend to LGBT disclosure in particular, while most LGBT-supportive organizations such as the UN and HRC focus on the code of conduct with respect to LGBT individuals rather than disclosure.

5. Conclusion, Limitations, and Contribution

This research is an attempt to measure and investigate the LGBT disclosure of global firms. Content analysis has been used to examine the extent and common theme(s) of LGBT information reported in the 2017 CSR reports and/or corporate webpages of the Global Fortune 250 companies, drawing on the (organizational) legitimacy perspective on CSR disclosure. Based on the selection criteria, CSR reports and webpages for 79 companies were obtained and examined. A disclosure categorisation scheme and a disclosure index regarding LGBT disclosure were developed from previous studies, CEI, GRI and the UN. The LGBT disclosure of the sample companies was then analysed based on the disclosure categories and disclosure index.

Findings relating to research question 1 (extent) and research question 2 (common themes) suggest that the extent of LGBT disclosure among the global firms is weak, as the majority of the sample firms reported LGBT disclosure on between 3 and 9 disclosure items out of a possible 13. The most commonly reported disclosure categories were ‘organizational LGBT competency’, ‘equal employment opportunity’ and ‘public commitment’. The least reported disclosure items were ‘remediation mechanism’ and ‘performance measurement’, the two disclosure items that would be helpful in assessing how LGBT-related issues are being handled.

Even though the analysis reflects the limited extent of LGBT information, the voluntary LGBT disclosure reported by the global firms suggests that most firms consider LGBT employees to be a social issue and express concern about their welfare through a CSR report. In terms of research question 2 (common themes), LGBT disclosures by the sample companies lack balance. More efforts were put on narratives but not in detail. In addition, the information provided seems overly positive, and not that useful as it is not verifiable. In addition, it tends to be repetitive of what has already been discussed/disclosed in the many pages of the CSR reports and/or webpage.

Overall, findings are indicative of global firms being more concerned with sustaining the social climate. A global firm that has substantial resources, high profile and a huge number of employees voluntarily disclosing LGBT-related information thereby implies the corporate determination to legitimise its social activities and portray itself as a responsible employer in the eyes of the public as well as satisfy increased informational demand. And this is necessary for them as the company plays a huge role on the global

economic stage. Furthermore, the evidence shown in literature suggests that the existing reporting standards, such as GRI, are not adequate to motivate firms to release information on LGBT employees as no specific rules or guidance on these people are provided.

This research is an exploratory study due to the limited literature on LGBT disclosure practices of the global companies. The results from this study proffer a background for later research on LGBT disclosure. Several contributions have been made by this study. Firstly, the research contributes to extending the limited social and environmental accounting literature by providing information on the status quo of the LGBT disclosure practices of global companies. To the best of my knowledge, there has been no research conducted on LGBT disclosure practices so far.

Secondly, the research has developed a LGBT disclosure scheme and a disclosure index to investigate the extent and content of LGBT disclosure, which is useful for firms that want to improve in important areas of social performance, in particular LGBT. In addition, the disclosure categories and disclosure items developed in this study could potentially help members of society at large in evaluating the accountability and transparency of companies' performance (i.e., treatment and equality of LGBT). It could motivate a change in the disclosure policies that do not appropriately take LGBT employees into account in a CSR report.

Thirdly, the research offers insights on corporate LGBT disclosure and a frame of reference for the further development of relevant disclosure guidance and standards for policy-makers. If the information on LGBT is deemed crucial for stakeholders or society at large, clear and specific disclosure requirements appear to be necessary.

Last but not least, this research is the first attempt to investigate and explain the rationales behind LGBT disclosure through the lens of legitimacy theory.

This research has some limitations. Firstly, the period employed in this study is only one year. It would be interesting to observe the disclosure behaviour of these global companies over a period of years. Thus, the extension of the period of study (a longitudinal study) is suggested for future research, which could provide an in-depth understanding of the trends in LGBT disclosure, and reconfirm the present study's findings that these global firms disclose LGBT information for the sake of maintaining corporate legitimacy. Secondly, the findings obtained are only considered through the

lens of one theory, namely legitimacy theory. The idea that companies are disclosing LGBT information voluntarily to legitimise ongoing business existence might not be applicable to all global firms. Therefore, studies employing different theoretical frameworks are needed for further research in order to understand the wider rationales behind such disclosures. Another dilemma faced by this research was in the research method, which was qualitative content analysis using sentences or paragraphs as an indicator of disclosure, since this ignores disclosure quality. Hence, it would be interesting to use alternative methods that could examine the quality of disclosure or a quantitative content analysis that could investigate the statistical significance of having LGBT executive and allies in a company influence the extent of LGBT disclosure.

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Appendix 1 OUTstanding lists for 2017

1) 2017 Leading 100 LGBT+ Executives

Number	Name	Role	Company
1	Stacey Friedman	General Counsel	JP Morgan Chase
2	Gerry Stone	Chief Operating Officer, Global Banking & Markets Operations	Bank of America
3	Louis Vega	President Dow Australia & New Zealand and Vice President, Olympic & Sports Solutions	The Dow Chemical Company
4	Geoff Godwin	UK Chief Operating Officer	AIG
5	Bob Annibale	Global Director of Citi Inclusive Finance and Citi Community Development	Citi
7	Sally Susman	Executive Vice-President - Corporate Affairs	Pfizer
8	David Levine	GM, Disney Channels UK & Ireland, VP Programming, Production & Strategic Development	Disney
9	Marianne Roling	General Manager Central and Eastern Europe	Microsoft
10	Dan Perlet	Director of Communications, UK	Amazon
11	Tim Ehinger	SVP and Chief Counsel, International	American Express
13	Adam Rowse	Head of Business Banking	Barclays
14	Masa Yanagisawa	Director, Co-head of APAC Capital Introduction, Co-head of Japan Equity Sales	Deutsche Bank
15	Jeffrey Krogh	Managing Director	BNP Paribas
16	Michael Sosso	Associate General Counsel - Downstream & Shipping	BP plc
17	Dr Debra Wilfong	VP, Formulated Products Technology	BP
18	Pedro Frade	General Counsel Brazil and Argentina	HSBC

2) 2017 Leading 50 Ally Executives

Number	Name	Role	Company
1	Jose Berenguer	CEO Brazil	JP Morgan
2	Cathy Bessant	Chief Operations & Technology Officer	Bank of America
3	Jean-Laurent Bonnafé	Group CEO	BNP Paribas
4	Rhian-Mari Thomas	MD, Chairman Barclays Green Banking Council	Barclays
5	James Forese	President	Citi
6	Howard Ungerleider	Chief Financial Officer	DowDuPont
7	Anna Cross	CFO Barclays UK	Barclays
8	Eileen Taylor	Global Head of Regulatory Management	Deutsche Bank
9	Dan Klein	Head of Global OEM Operations	Microsoft
10	Kevin Martin	Group General Manager, Regional Head of Retail Banking & Wealth Management Asia-Pacific	HSBC

3) 2017 LGBT+ Senior Leaders from the Public and Third Sectors

Number	Name	Role	Company
1	Stuart Barette	Global CMB IT Programme Manager	HSBC
2	Alberto Pino	Consumerism Value Chain Manager	The Dow Chemical Company
3	Darren Beaumont	Vice President - Technology Product Manager	Deutsche Bank
4	Nicholas Deakin	Investment Banking Associate	Citi
5	Daniel Koh	Commercial Developer	BP
6	Billy Kamberis	Head of Sales, Service & Performance - Global Transaction Banking	Barclays
7	Harjit Saggu	Vice President	Deutsche Bank
8	Cory Valente	R&D Leader, Strategic Recruiting & Research Assignments Program	The Dow Chemical Company
9	Isabella Bardswell	Head of European Agile Centre of Excellence, Associate Partner	IBM
10	Amanda B Walker	Business Manager, Equities and Fixed Income Financing	JP Morgan Chase
11	Celine Tan	Senior Vice President and Client Services Manager, HSS Securities Services	HSBC
12	Joanne Legge	IT&S Manager, Corporate Functions	BP
13	Dom Moore	Senior Project Manager, Advocacy Transformation	Barclays
14	Adir Ron	Open Source Division Lead	Microsoft

Appendix 2 Final sample companies

Key to main table		
YES		NO
Specific (S)	1	X
Somewhat Specific (SS)	2	
Not Specific (NT)	0	

No	Company	Sector	Industry	No of Emp	Mkt Cap (4bn)	LGBT Disclosure Categories																								Picture		
						Equal Employment Opportunity				Equal Benefits					Organisational LGBT competency										Prevent other Human Rights Violations in the Market-place		Public Commitment					
						Non-discriminatory employment		Contractor / vendor standards		Equiv spouse & partner medical benefits		Other soft benefits		Trans-gender incl health-related benefits		Diversity awareness		Provide support and respect privacy		Due diligence		Remediation mechanism		Performance measurement		Prevention and protection against harassment and discrimination		Marketing or advertising to LGBT consumers			Ongoing LGBT-specific engagement	
						Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N		Y	N
1	Walmart	Wholesalers	Retail and Consumer Products	2,300,000	\$286.11	2		2		x	2		x	2		1		1		1		0		2		2		2		1		
2	Royal Dutch Shell	Energy	Petroleum Refining	84,000	\$306.50	2			x		x		x	2		2		0		1		2		1		2		2		1		
3	Lowe's	Retailing	Specialty Retailers	255,000	\$72.20		x	0			x		x	2			x		x		x		x		x		x		x			
4	BNP Paribas	Financials	Banks: Commercial and Savings	189,509	\$93.60	2			x		x		x	2		2			x	1			x	2		0		2		x		
5	General Motors	Motor Vehicles & Parts	Motor Vehicles & Parts	180,000	\$52.00	2		0		2		0			x	2		2			x		x		0		2		2		1	
6	Verizon	Telecommunications	Telecommunications	155,400	\$200.90	2		2		2		0			x	2		2			x		x		x		2		2		1	

28	Bank of America Corp.	Financials	Banking and Financial Services	209,376	\$313.50	2		2		x	x	x	2		2		x	x	x	x	2		2		1		
29	Walgreens	Food & Drug Stores	Food & Drug Stores	290,000	\$63.60	1			x	x	x	2		x	2		x	x	x	x	2		2		1		
30	Chevron	Energy	Oil and Gas	51,900	\$248.10	2		1		x	x	x	2		2		x	x	x	x	x		x		x	x	
31	Fannie Mae	Financials	Diversified Financials	7,200	\$1.50	2		1		x	x	x	2		2		x	x	x	x	2		2		1		
32	Trafigura Beheer	Wholesalers	Trading	3,935		1			x																		
33	Costco	Retailing	Retail and Consumer Products	182,000	\$85.90		x	2		2					1		x	x	1		2		2			x	
34	Boeing	Aerospace & Defense	Aerospace & Defense	140,800	\$199.50	2		1		2							x	x	x	x	2		2		1		
35	Johnson & Johnson	Health Care	Pharma-ceuticals	134,000	\$341.30	2		2		x	x	x	2		2		x	x	x				x	1		x	
36	Nestlé	Food, Beverages & Tobacco	Food Consumer Products	323,000	\$237.30	1			x	x	x	x			x	2		x	x	x	x		x	2		x	
37	Apple	Technology	Computer Hardware and Office Equipment	123,000	\$926.90	2		2		2					1			x	x	x	2		2		1		
38	Siemens	Industrials	Industrial Machinery	372,000	\$112.50	2		2		2							x	x	x	x	x		x	2		x	
39	Microsoft	Technology	Computer Software	124,000	\$750.60	2		1		x	x	x	2		2		x	x	x	1		2		2		1	
40	Anthem	Health Care	Health Care: Insurance and Managed Care	56,000	\$59.20	2		2		x	x	x			1		1		1				x	1		x	x
41	Citigroup	Financials	Banking and Financial Services	209,000	\$158.62	2		2		x	x	x					x	x	x	x		x	2			x	
42	Lockheed Martin	Aerospace & Defense	Aerospace & Defense	100,000	\$92.50	2			x	x	x	x					x	x	x	1			x		x	x	
43	Bayer	Pharma-ceuticals	Pharma-ceuticals	99,820	\$104.60	2			x	2		2					x	x	x	2		2		2		1	
44	Dow Chemical	chemicals	Chemicals	98,000		2			x	x	x	x			1			x	x	1		2		2		1	
45	Dell Technologies	Technology	Computers, Office Equipment	97,535	\$28.70		x	2		x	x	x					x	x	x	2			x	2		1	
46	AXA	Financials	Insurance: Life, Health (stock)	95,728	\$64.10	2		2		x	x	x	2		2		2		x	x	1		2		2	1	
47	Comcast	Telecommunications	Telecommunications	164,000	\$146.80		x	1		x	x	x					x	x	x	x		x		x		x	

48	Pfizer	Pharmaceuticals	Pharmaceuticals	90,200	\$251.51	2			x		x		x		x	2		1		1			x		x		x	2		2		1		
49	Procter & Gamble	Household Products	Household and Personal Products	95,000	\$184.50	2			x		x		x		x	2		2			x		x		x	1		2		2			x	
50	Valero Energy	Energy	Petroleum Refining	10,015	\$49.40	2			x		x	1			x	2		2			2			2		1		2		2		1		
51	Exxon Mobil	Energy	Petroleum Refining	71,200	\$344.10	2		2			x		x		x	2		2				x		x		x		x		x		x		
52	Sysco	wholesalers	Wholesalers: Food and Grocery	66,500	\$32.7		x	2			x		x		x	2		2				x		x		x		x		x		x		
53	State Farm Insurance Cos.	Financials	Insurance: Property and Casualty (Mutual)	65,664		2			x	2		2				x	2					x		x		x		x	2		2			x
54	Archer Daniels Midland	Food, Beverages & Tobacco	Food Production	31,300	\$24.60		x	2			x		x		x	2		2				x		x		x		x		x	2		1	
55	Intel	Technology	Semiconductors and Other Electronic Components	102,700	\$254.80	1			x		x		x		x	2		2				x		x		x		x		1	2		1	
56	Prudential Financial	Financials	Insurance: Life, Health (stock)	49,705	\$42.00	2		2			x		x		x	2		2				x		x		x	1		2			x	1	
57	AIG	Financials	Insurance	49,800	\$37.99	1			x		x		x		x		x	2				x		x		x		x		x	2		1	
58	MetLife	Financials	Insurance: Life, Health (stock)	49,000	\$47.50	2			x	2			x		x	2		2				x		x		x	1		2		2		1	
59	Aetna	Health Care	Health Care: Insurance and Managed Care	47,950	\$57.10	2			x		x		x		x	2		1				x		x		x		x	2		2		1	
60	Humana	Health Care	Health Care: Insurance and Managed Care	45,900	\$39.20	2		2			x	1			x	2		1		2		x		x		x	1			x		x		x
61	Marathon Petroleum	Energy	Petroleum Refining	43,800	\$35.70	2			x		x		x		x		x	2			1													x
62	Hewlett Packard Enterprise	Technology	Information Technology Services	195,000		2		1																										
63	Centene	Health Care	Health Care: Insurance and Managed Care	33,700	\$23.50	2			x		x		x		x	2		2				x		x		x		x		x		x		x
64	Cisco Systems	Technology	Telecommunications	72,900	\$221.30	1			x		x		x		x	2		2				x		x		x		x		x		x		x
65	Express Scripts Holding	Health Care	Health Care: Pharmacy and Other Services	26,600	\$40.90	2			x		x		x		x		x	1				x		x		x		x		x		x		x

66	Prudential plc	Financials	Insurance: Life, Health (stock)	24,711	\$67.80	2		2			x		x		x	2			x		x		x		x	2				x				
67	Deutsche Bank	Financials	Banks: Commercial and Savings	472,208	\$50.80	2		1			x		x		x	2		2		1			x		x		x		x	2	x		x	
68	Phillips 66	Energy	Petroleum Refining	14,600	\$54.90	2			x		x		x	2						x		x		x		x		x	2			x		
69	New York Life Insurance	Financials	Insurance: Life, Health (Mutual)	11,320		2			x		x		x	2		2				x		x		x		x	2			x		x		
70	Coca-Cola	Beverage	Food, Beverages and Groceries	100,300		2		1			x		x		x	2		2		2			x		x	2			x	2			x	
71	Sanofi	Pharmaceuticals	Pharmaceuticals	106,570		2		1			x	2			x	2		2				x		x		x		x	2		2		1	
72	Amazon.com	Technology	Internet Services and Retailing	566,000	\$777.80			x		x		x		x	2		2					x		x		x		x		x			x	
73	UPS	Transportation	Mail, Package, and Freight Delivery	346,415	\$94.57			x		x		x		x		x	2					x		x		x		x		x			x	
74	Target	Retailing	General Merchandisers	345,000	\$14.10			x		x		x		x	2		2					x		x		x		x	2		2		1	
75	HSBC Holdings	Financials	Banks: Commercial and Savings	228,687	\$200.30			x		x		x		x	2		2					x		x		x		x		x	2			x
76	United Technologies	Aerospace & Defense	Aerospace & Defense	204,700	\$99.60			x		x		x		x	2		2					x		x		x		x		x	2			x
77	Walt Disney	Media	Entertainment	199,000	\$152.10			x		x	2		2									x		x		x	2			x			x	
78	Alphabet (google)	Technology	Holding company	80,110	\$766.40			x		x		x	2						1				x		x		x	2		2			1	
79	Freddie Mac	Financials	Diversified financials	6,165	\$0.86			x		x		x	1										x		x		x		x		x			x

Appendix 3 Sample disclosure of each disclosure item

Categories	Disclosure items	Expected disclosure	Example of disclosure items
1. Equal employment opportunity	Non-discriminatory employment for LGBT employees	Any statement(s) or mention(s) on equal opportunity/non-discrimination policy that covers LGBT as protected characteristics with regard to employment decisions such as recruitment of staff and extend each individual the same benefits, salaries, opportunity for training, promotion regardless of the individual's sexual orientation, gender identity, gender expression or sex characteristics, non-discrimination in terms of vacancy announcements etc.	"In 2016, the Group signed its second corporate agreement in favor of diversity and inclusion, for a duration of three years. Like its predecessor, the new agreement works to guarantee equal treatment based solely on each person's skills and performance, regardless of origin, sex, customs, sexual orientation or gender identity." Source: BNP's webpage
	Contractor/vendor standards include sexual orientation and gender identity	Any statement(s) or mention(s) on how their suppliers abide by a non-discrimination policy that is inclusive of sexual orientation and gender identity or that suppliers act in a manner that adheres to a business' own standards	"The policy requires that our businesses have effective approaches in place to comply with local regulation, provide equality of opportunity and encourage our suppliers to promote equality of opportunity, and harness D&I to help the organisation perform to its full potential. All our businesses, including Group Head Office, are required to report regularly to Group HR on their compliance with the policy." Source: Prudential's CSR 2017 report, p.29
2. Equal benefits	Equivalent spouse and partner medical benefits	Any statement(s) or mention(s) on their domestic partner benefits policies that include all couples—same- and opposite-sex—and their families, regardless of sexual orientation, gender identity and expression, or sex characteristics.	"Verizon was one of the first companies to offer these benefits to same-sex couples decades ago and now provides benefits to married same-sex couples in states where same-sex marriage is legal, and to same-sex domestic partnerships in states where it is not." Source: Verizon's webpage
	Other soft benefits	Any statement(s) or mention(s) of these soft benefits that include parity between employer-sponsored benefits for different sex spouses and same sex partners or spouses, regardless of sexual orientation, gender identity and expression, or sex characteristics. : bereavement leave; employer-provided supplemental life insurance for a partner; relocation/travel assistance; adoption assistance; qualified joint and survivor annuity for partners; qualified pre-retirement survivor annuity for partners; cash balance;	"With its new paid family leave policy for all parents and caregivers, Coca-Cola is committing to the health and well-being of all employees and their families. Many LGBT people build their families through adoption, and additional time at home helping a baby or child transition into a new family environment is important. Likewise, for single parents who are LGBT, this extended paid leave allows more time to secure their child's well-being, including finding reliable child care." Source: Coca cola's CSR 2017 report, p.40

		rollover and hardship options; retiree health care benefits; and employee discounts	
	Transgender inclusive health-related benefit	Any statement(s) or mention(s) on equal health coverage for transgender individuals for health insurance coverage	"We regularly review our employment policies and practices to ensure that we are a leader in inclusion and remain an employer of choice. We expanded our medical policies to provide transgender medical and surgical benefits for employees and their dependents in the U.S. We strive to ensure that our offices are accessible to all, making it a deciding factor when considering real-estate options." Source: AIG's CSR 2017 report, p.29
3. Organisational LGBT competency	Diversity awareness	<p>Any statement(s) or mention(s) that demonstrate(s) a firm-wide, sustained and accountable commitment to diversity and cultural competency, for example:</p> <ul style="list-style-type: none"> · New hire training that clearly states the company's non-discrimination policy and provides understanding of definitions and scenarios illustrating the policy. · Supervisors undergo training that includes sexual orientation and gender identity as discrete topics, and provides understanding of definitions and scenarios illustrating such topics. · Integration of sexual orientation and gender identity in professional development, skill-based or other leadership training that includes element of diversity and /or cultural competency. 	"In 2017, we continued to promote the diversity of our workforce and to create wider awareness for diversity and an inclusive work environment. We made good progress, not only on gender equal opportunities, but also in cultural and generational diversity, and equal opportunities for LGBTI (Lesbian, Gay, Bisexual, Transgender, Trans- and Intersexual) employees. These are key pillars of our Diversity & Inclusion agenda." Source: Deutsche Bank's CSR 2017 report, p.58
	Provide support and respect privacy	<p>Any statement(s) or mention(s) that demonstrate(s) that companies take proactive positive measures to provide support and respect the privacy of LGBT employees, in order to create a positive working environment so that LGBT employees can work with dignity. Examples of measures:</p> <ul style="list-style-type: none"> · Company's support of efforts by LGBT employees to create their own informal staff group or affinity network. · Provision of equal opportunities to LGBT staff for extra-curricular activities etc. · Supportive restroom/facilities, non-discriminatory dress code and documentation guidance relating to special rights of trans and intersex employees at work. · Anonymous employee engagement or climate surveys conducted on an annual or biennial basis allow employees 	"Lesbian, gay, bisexual and transgender (LGBT) people face legal and cultural challenges in many regions of the world, but at Dell we share one global culture of acceptance. One of our outlets for fostering this culture is Pride, our employee resource group (ERG) for LGBT team members and their allies." Source: Dell's CSR 2017 report, p.36

	<p>the option to identify as LGBT.</p> <ul style="list-style-type: none"> · Keeping any information relating to the sexual orientation, gender identity, gender expression or sex characteristics of individual confidential and secure. 	
Due diligence	<p>Any statement(s) or mention(s) that companies conduct due diligence to identify, prevent, mitigate and account for, any actual or potential negative impact on the enjoyment of human rights by LGBT people that they have caused or contributed to or which are directly linked to their operations, products and services, and business relationships.</p>	<p>“Strengthening our human rights due diligence In 2017, we continued to roll out our Human Rights Due Diligence Programme at all levels, and reviewed and incorporated additional elements on human rights into our revised CARE Audit Protocol. Our human rights due diligence helps us to stay ahead of regulatory changes, which we expect to become more stringent at the international and national level.” Source: Nestle's CSR 2017 report, p.60</p>
Remediation mechanisms	<p>Any statement(s) or mention(s) that companies seek to resolve any adverse human rights impact they have caused or contributed to. For example:</p> <ul style="list-style-type: none"> · Establishing and participating in operational-level grievance mechanisms that address specific issues of concern to LGBT people, such as protection for whistle-blowers; · Influencing and changing discriminatory policies and practices of business partners or supplier who discriminate against LGBT people. 	<p>In order to achieve the required level of engagement, we need to: Collectively develop our 'positive-impact' culture, our culture of diversity and inclusion, and our dialogue with society. Establish specific 'engagement objectives' for each major Group entity and incorporate their contributions into the Group's overall CSR and diversity and inclusion goals. Beyond this quest for excellence in all areas related to our engagement, we will support causes where we can have major impacts. We will achieve this by aligning our products and services, partnerships, employer behaviour, procurement policies, community action, philanthropy, staff-volunteering initiatives and intrapreneurial initiatives.” Source: BNP's CSR 2017 report, p.15</p>
Performance Measurement	<p>Any statement(s) or mention(s) about companies' performance measurement relating to LGBT area. For example, inclusion of LGBT diversity metrics in the performance measures of senior management/ executives.</p>	<p>The annual Shell People Survey is one of the main tools we use to measure employee views on a range of topics. In 2017, we started using a new methodology for this assessment. In addition to providing team leaders with improved reports, the rating scale changed from percentage favourable to an average index and the scores reflect the new methodology. Based on this new rating scale, the average employee engagement score remained stable in 2017 with 76 points, similar to 2016 (previously reported as 79%). The survey also measures employee views on the inclusiveness of their workplace. In 2017, we achieved 81 index points for our diversity and inclusiveness index.” Source: Royal Dutch Shell's CSR 2017 report, p.17</p>
Prevention and protection against harassment and discrimination	<p>Any statement(s) or mention(s) about companies taking active steps to prevent, protect against, and eliminate discrimination, harassment and violence directed against LGBT employees. For example:</p> <ul style="list-style-type: none"> · Complaint registration or reporting process to prevent and address harassment and discrimination in the 	<p>“The year 2017 was marked by a pivotal debate on sexism and sexual harassment in society. As Jean-Laurent Bonnafé, Chief Executive Officer, and Yves Martrenchar, Group Human Resources Director, have pointed out to all employees, BNP Paribas has a zero-tolerance policy for all forms of sexism and sexual harassment and intends to play a prominent role in combating them. As a result, the Group is continuously</p>

		<p>workplace, while protecting those who report such abuses from retaliation.</p> <ul style="list-style-type: none"> · Addressing security issues to protect LGBT employees from external harassment, such as looking into the safety of staff travelling to and from work and on company-related business. 	<p>strengthening its policies and initiatives to raise employee awareness and accountability, facilitate feedback, support victims, and take disciplinary action in accordance with its Code of Conduct.” BNP’s CSR 2017 report, p.25</p>
4. Prevent other human rights violations in the marketplace	Marketing or advertising to LGBT consumers	<p>Any statement(s) or mention(s) about companies’ initiatives in:</p> <ul style="list-style-type: none"> · Advertising with LGBT content, advertising in LGBT media or sponsoring LGBT events. · Companies using their leverage to influence the behaviour of suppliers and partners, whose practice may, intentionally or not, discriminate against or violate the rights of LGBT people. · Company actively supporting partners and suppliers who extend opportunities, products and services on a non-discriminatory basis to LGBT people. 	<p>“we have continued to foster a culture of inclusion, encouraging our employees to bring their whole selves into our four walls; served our LGBT clients and customers with pride; and been resolute in our commitment to the LGBT communities we live and work in.”</p> <p>Source: Bank of American corporation’s webpage</p>
5. Public commitment	Ongoing LGBT-specific engagement that extend across the company	<p>Any statement(s) or mention(s) that demonstrate LGBT-specific efforts that extend beyond the boundary of the company. Example:</p> <ul style="list-style-type: none"> · Philanthropic support of LGBT companies. · Implement corporate giving guidelines prohibiting philanthropic giving to non-religious companies that discriminate against LGBT people. · Stakeholder engagement in LGBT issues. · Participate in collective action to challenge discriminatory laws and practices. · Engage with trade union in social dialogue on issues of common interest relating to rights of LGBT workers. 	<p>“In our Latin America (LATAM) region, the Panama Pride chapter continued to grow not only in membership but also in influence. In FY16, ERG members led Dell to become the first company with a corporate presence at Panama’s annual Pride parade, with 40 team members participating. In FY17, Caterpillar and other companies joined our 200-plus marching team members. This year, Pride Panama also launched a learning program designed to deliver computer and English classes to at-risk members of the transgender community. Other Pride chapters and local companies are looking to replicate the initiative. The FY17 launch of Mexico’s first Pride chapter helped LATAM grow its overall Pride membership by 51 percent over FY16.” Source: Dell’s CSR 2017 report, p.36</p>

Appendix 4 LGBT disclosure extent score

No.	Company	No. of Disclosure items
1	CVS Health	11
2	Citigroup	10
3	Johnson & Johnson	10
4	Sony	10
5	Walmart	10
6	Cardinal Health	9
7	Chevron	9
8	Royal Dutch Shell	9
9	Ford Motor	8
10	IBM	8
11	Siemens	8
12	Verizon	8
13	Anthem	7
14	Bank of America Corp.	7
15	BNP Paribas	7
16	Coca-Cola	7
17	Dow Chemical	7
18	Fannie Mae	7
19	General Motors	7
20	Humana	7
21	Microsoft	7
22	Nestlé	7
23	Procter & Gamble	7
24	Aetna	6
25	Apple	6
26	AT&T	6
27	AXA	6
28	BASF	6
29	BP	6
30	Exxon Mobil	6
31	FedEx	6
32	Hewlett Packard Enterprise	6
33	HP	6
34	JP Morgan Chase	6
35	Phillips 66	6
36	Prudential Financial	6
37	Prudential plc	6
38	Valero Energy	6
39	Wells Fargo	6
40	AmerisourceBergen	5
41	Cisco Systems	5
42	Comcast	5
43	Deutsche Bank	5

No.	Company	No. of Disclosure items
44	New York Life Insurance	5
45	PepsiCo	5
46	Sanofi	5
47	Trafigura Beheer	5
48	Volkswagen	5
49	AIG	4
50	Alphabet (google)	4
51	Boeing	4
52	Dell Technologies	4
53	Express Scripts Holding	4
54	HSBC Holdings	4
55	MetLife	4
56	Walgreens	4
57	Amazon.com	3
58	Bayer	3
59	Continental	3
60	Costco	3
61	General Electric	3
62	Honda Motor	3
63	Hyundai Motor	3
64	Intel	3
65	Lockheed Martin	3
66	Marathon Petroleum	3
67	Pfizer	3
68	State Farm Insurance Cos.	3
69	Sysco	3
70	Target	3
71	UnitedHealth Group	3
72	Walt Disney	3
73	Archer Daniels Midland	2
74	Centene	2
75	Freddie Mac	2
76	Home Depot	2
77	Lowe's	2
78	United Technologies	2
79	UPS	2