



Investing with an LGBTQ+ Lens

Today more than ever, investors have increased opportunities to allocate capital to strategies that address various forms of inequality across a variety of dimensions. One area includes investing in support of the LGBTQ+ (lesbian, gay, bisexual, transgender and queer) community.

Positive Impact for the Community and Your Portfolio

Whether through increased diverse perspectives resulting in improved decision-making, financial performance or employee retention, studies show that more diverse companies result in holistic impact on their bottom lines.¹

The impact of applying an LGBTQ+ lens shines a light on issues such as LGBTQ+ rights, equality and representation in leadership and underscores continued discrimination against those who self-identify in the workplace. Even today, only half of states protect people from discrimination on the basis of sexual orientation or gender identity in employment, housing and public accommodations.² Investing in companies that stand up to these issues results in a positive impact and support for the LGBTQ+ community.

Accessibility and Measurement

To fully understand how to measure the legitimacy of these funds and companies' support for the LGBTQ+ community, extensive due diligence and vetting must be done. Glenmede's team of professionals does this research on a consistent basis, so you don't have to sort through the growing pile of information.

Applying Due Diligence

Although many companies have inclusive workplace policies that support LGBTQ+ individuals, it can be challenging to understand how and to what extent they manage their impact on people. In order to obtain an accurate understanding, a survey of PRI signatories suggests that particular focus is needed on several categories of information, including companies' inherent human rights risks and the quality of human rights due diligence.³

The United Nations-supported Principles for Responsible Investment (PRI) is a network of global investors committed to integrating ESG factors into their investment practices to develop a more sustainable financial system.

It is important to perform due diligence when considering an investment in a particular company. Points to consider when investing with an LGBTQ+ lens may include whether a company:

- Offers a living wage to employees.
- Maintains workplace policies and practices that go beyond one set of family structure assumptions to support a full range of gender expressions and identities.
- Provides equal benefits for same sex couples, regardless of marriage.
- Demonstrates organizational LGBTQ+ diversity competencies that include employee resource groups or diversity councils with LGBTQ+ and allied employees and programming.
- Utilizes gender transition guidelines to establish best practices around transgender inclusion for managers and teams.

Negative screens might include companies that have had exposure to human rights controversies or expressed overt anti-LGBTQ+ policies such as criminalized LGBTQ+ expression, donated to lawmakers who advance anti-LGBTQ+ bills or that do not include LGBTQ+ protections within their labor rights policies.

Identifying Pro-LGBTQ+ Opportunities

Strategies to identify pro-LGBTQ+ investments include finding companies that facilitate stewardship into their investment approach, for example, when a company publishes its pay equity reporting, conducts a human rights audit or expands healthcare coverage.

Funds that invest with an LGBTQ+ lens may approach diversity along three dimensions: 1) access to capital, 2) workplace equity and 3) products and services. These strategies may be thematically focused on dimensions that may include a focus on LGBTQ+ rights and representation as part of a broader approach to sustainable and impact investing.

Human Rights Campaign Foundation Corporate Equality Index

The Human Rights Campaign (HRC) Foundation Corporate Equality Index (CEI) is a national benchmarking tool on corporate policies, practices and benefits pertinent to LGBTQ+ employees. Providing a score ranging from 0 to 100, this index evaluates corporations based largely on their responses to a survey administered by HRC to illustrate organizational LGBTQ+ related competencies. It assesses their public commitment to the community, whether the company includes sexual orientation and gender identity as protected classes in its U.S. nondiscrimination policy or offers domestic partner benefits and transgender inclusive benefits.

In 2024, the average CEI score for all Fortune 500 companies was 67, suggesting plenty of room for improvement. However, the average CEI score for Fortune 500 companies that did participate in the survey scored an average of 86⁴, a markedly higher score indicating stronger public commitment for the LGBTQ+ community for those companies that voluntarily participate.

The Path Forward

Though frameworks for LGBTQ+ investing are still evolving, the availability of information, funds and strategies for identifying opportunities continues to grow. The team at Glenmede can be a helpful resource as you look to invest with an LGBTQ+ lens.

For more information on investing with an LGBTQ+ lens, please reach out to SustainableAndImpactInvesting@glenmede.com.

- ¹ Diversity Matters Even More: The Case for Holistic Impact. December 5, 2023. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact>
- ² Nondiscrimination Laws. Movement Advancement Project. https://www.lgbtmap.org/equality-maps/non_discrimination_laws.
- ³ “What Data Do Investors Need to Manage Human Rights Risk?” Principles for Responsible Investment, November 29, 2022. <https://www.unpri.org/human-rights/what-data-do-investors-need-to-manage-human-rights-risks/10856.article>.
- ⁴ Corporate Equality Index 2024. Human Rights Campaign. <https://www.hrc.org/resources/corporate-equality-index>.

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