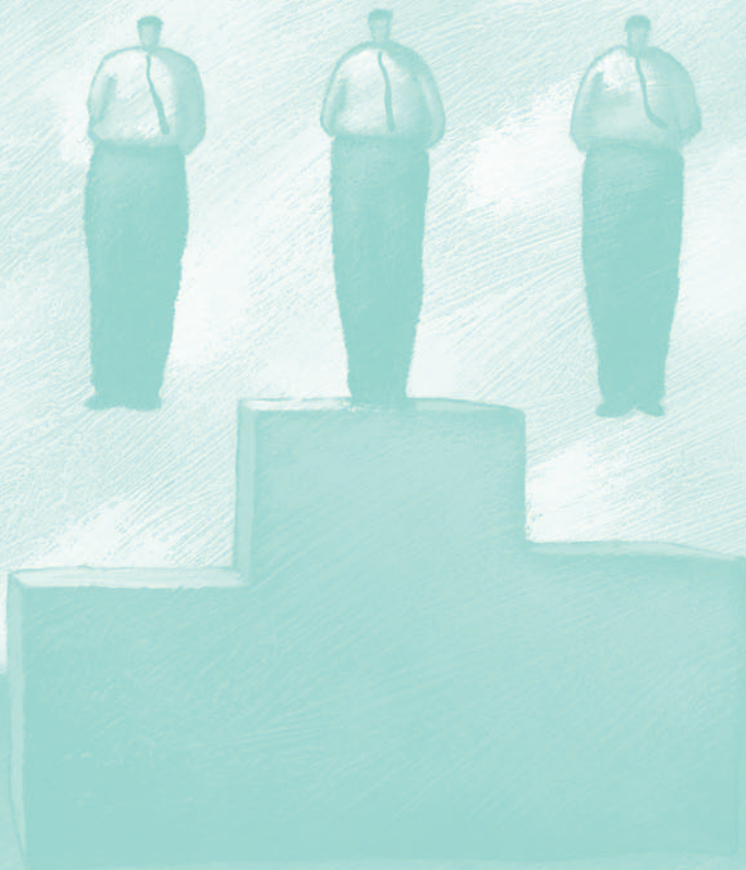




CORPORATE EQUALITY INDEX

On Gay, Lesbian, Bisexual and Transgender Social Responsibility

2004



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As America's largest gay, lesbian, bisexual and transgender organization, the Human Rights Campaign provides a national voice on sexual orientation and gender identity and expression issues. HRC effectively lobbies Congress; mobilizes grassroots action in diverse communities; invests strategically to elect a fair-minded Congress; and increases public understanding through innovative education and communication strategies. HRC is a nonpartisan organization that works to advance equality based on sexual orientation and gender expression and identity, to ensure that gay, lesbian, bisexual and transgender Americans can be open, honest and safe at home, at work and in the community.

HRC WORKNET

The Human Rights Campaign Foundation's workplace project, HRC WorkNet, is a national source of information on laws and policies surrounding sexual orientation and gender identity and expression in the workplace. HRC WorkNet advises employees and employers on the value of workplace diversity. It collects, analyzes and disseminates information to assist employees and employers in implementing policies and procedures aimed at treating gay, lesbian, bisexual and transgender workers equally. For more information, visit the HRC WorkNet website at www.hrc.org/worknet, or contact HRC WorkNet at 202/216-1552 or via e-mail at hrcworknet@hrc.org.

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INTRODUCTION

The Human Rights Campaign Foundation launched the Corporate Equality Index in 2002 as a way to evaluate how major U.S. corporations treat their gay, lesbian, bisexual and transgender employees, consumers and investors. In three years, the index has become the standard by which companies are measured, and by which they measure themselves, in regard to GLBT diversity and inclusion.

Companies are using the index the way the Human Rights Campaign had intended: as a road map to equal treatment for GLBT Americans in the workplace and marketplace. The index has also had a profound impact on many workplaces and has spurred significant change among companies that initially had been slow to adopt more equitable policies. As this year's report shows, hundreds of companies have responded by improving their policies and raising their scores.

One unintended consequence of the Corporate Equality Index is that high performers began asking the Human Rights Campaign almost immediately to add criteria to the index to help guide their continuous improvement, thus making it more difficult to score 100 percent. In response, HRC staff began crafting a more rigorous survey instrument to capture more information about leading-edge policies. And in this report, we announce additions to the index that will take effect in 2006. It is our goal to make the new criteria challenging but achievable, and to give companies enough notice of the changes to maintain or improve their scores.

METHODOLOGY

For each of the last three years, the Human Rights Campaign Foundation has surveyed that year's Fortune 500 companies, companies on Forbes' list of the 200 largest privately held firms and any other company with 500 or more employees that requested a rating or for which HRC had sufficient data to derive a score. The 2004 survey was mailed in February to the chief executive officer, the head of human resources and any other contacts who requested it. In May, HRC telephoned companies that had not responded to the survey by April 30. Once preliminary scores were tabulated, letters were sent in July to all the companies informing them of their score and asking them to provide HRC with any additional information or updates. (See Appendix 1 for the complete survey.)

A total of 791 companies were surveyed in 2004. A total of 157 companies returned surveys, for a response rate of 20 percent. (The response rate was 17 percent in 2003 and 13 percent in 2002.) In the end, 379 companies were rated. Of those rated companies, 65 percent have responded to HRC's survey in at least one of the past three years.

The HRC Foundation did not rely solely on self-reporting to rate companies. The HRC Foundation employed a team of researchers to investigate and cross-check corporate policies and practices. They scrutinized filings with the Securities and Exchange Commission to track connections between companies' significant shareholders and any anti-gay organizations or activities. They also reviewed IRS 990 forms for foundation gifts to anti-gay groups. Staff also searched case law and news accounts to ascertain whether allegations of discrimination on the basis of

sexual orientation and/or gender identity or expression had been brought against any of these corporations.

These data were supplemented by HRC WorkNet, which since 1995 has collected information on U.S. employers and maintains the most accurate and extensive database of policies regarding the GLBT community. Finally, data were included from the former *glvIndex* and *glvReports.com*, which conducted similar annual surveys of the same set of corporations from 1993 until HRC acquired that index in 2001. News accounts, employee resource groups and individuals provided another level of data in determining corporate policies. Companies are not rated until all appropriate information has been gathered and verified. All averages expressed in this report are medians.

HRC WorkNet was aided in the development of the survey instrument and the index criteria by the HRC Business Council, an advisory group composed primarily of GLBT executives in a variety of disciplines from major U.S. corporations. The group provides substantial expertise and experience in corporate policy and decision-making to help ensure that the index is rigorous and fair. The HRC Business Council was not involved in administering the survey, tabulating the data or calculating any scores. (See Acknowledgements for a list of Business Council members.)

The Corporate Equality Index is a broad measure of corporate policies and practices toward the GLBT community, and each company's rating should be viewed as a composite of its activity over the last several years. While some components of the index, such as non-discrimination policies, do not typically change from year to year, other performance indicators do, such as a company's advertising and event sponsorship. Even after scrupulous data collection and careful consideration, assigning a grade to measure how fairly a corporation that may employ tens of thousands of people treats GLBT individuals involves some degree of subjectivity. In the end, HRC realizes that a company's Corporate Equality Index score cannot convey the nuances of its performance on these issues. For more detailed explanations of corporate practices, readers should consult HRC WorkNet (www.hrc.org/worknet).

The goal of the Human Rights Campaign Foundation's WorkNet project is to assist all companies in improving the policies and climate for GLBT employees. To those ends, HRC offers continually updated resources for employers on each of the criteria covered by this index. HRC encourages companies interested in participating in the Corporate Equality Index to contact HRC WorkNet at hrcworknet@hrc.org.

SECTION 1: THE 2004 CRITERIA

The Human Rights Campaign Foundation's Corporate Equality Index is a simple and effective tool to rate large American businesses on how they are treating gay, lesbian, bisexual and transgender employees, consumers and investors.

The criteria for 2004 are the same as in 2003. Companies were rated on a scale of 0 percent to 100 percent based on whether they:

- 1.** Include the words "sexual orientation" in their primary written non-discrimination policy.
- 2.** Include the words "gender identity" or "gender identity and/or expression" in their primary written non-discrimination policy.
- 3.** Offer health insurance coverage to employees' same-sex domestic partners firm-wide; or provide cash compensation to employees to purchase health insurance for a domestic partner on their own.
- 4.** Officially recognize and support a gay, lesbian, bisexual and transgender employee resource group; or would support employees' forming a GLBT employee resource group if some expressed interest by providing space and other resources; or have a firm-wide diversity council or working group whose mission specifically includes GLBT diversity.
- 5.** Offer diversity training that includes sexual orientation and/or gender identity and expression in the workplace.

6. Engage in respectful and appropriate marketing to the gay, lesbian, bisexual and transgender community and/or provide support through their corporate foundation or otherwise to GLBT health, educational, political or community organizations or events.

7. Engage in corporate action that would undermine the goal of equal rights for gay, lesbian, bisexual and transgender people.¹

Each of the seven factors was given equal weight in calculating the score. Half-credit was given for criterion No. 4 if a company had neither a GLBT employee resource group nor a fully inclusive diversity council but would allow a GLBT resource group access to facilities, should one arise. All companies receive credit for the last criterion unless the HRC Foundation has found evidence that they have engaged in action that would undermine the goal of equal rights for GLBT people.

The index is guided in part by the Equality Principles, 10 benchmarks for companies seeking to demonstrate a commitment to equal treatment of GLBT employees, consumers and investors. The Equality Principles were developed in 1992 by the Equality Project, a New York-based group that monitors corporate policies and practices surrounding sexual orientation and gender identity and expression. (See Appendix 2 for the full Equality Principles.)

SECTION 2: FINDINGS

A total of 56 companies received a score of 100 percent on the 2004 Corporate Equality Index, twice as many as in 2003 and more than four times the number of perfect scores than in 2002, the first year the index was released. There were 28

companies with perfect scores in 2003 and 13 in 2002. (One of those companies, Bank One Corp., was acquired July 1, 2004, by J.P. Morgan Chase & Co.) No company that received 100 percent in 2002 or 2003 has seen its score decrease.

Companies With 100 Percent in 2004

Fortune Rank	Company	Fortune Rank	Company
108	Aetna Inc.**	274	Keyspan*
305	Agilent Technologies Inc.*	n/a	Kimpton Hotels & Restaurant Group Inc.*
110	American Airlines (AMR Corp.)**	n/a	Kraft Foods Inc.*
69	American Express Co.*	113	Lehman Brothers Holdings Inc.
301	Apple Computer Inc.**	422	Levi Strauss & Co.
40	AT&T Corp.*	243	Lucent Technologies Inc.**
401	Avaya Inc.**	36	MetLife Inc.
n/a	Bausch & Lomb Inc.	n/a	Miller Brewing Co.*
78	Best Buy Co. Inc.*	n/a	Mitchell Gold Co.
452	Borders Group Inc.*	n/a	Morrison & Foerster LLP
200	Capital One Financial Corp.	61	Motorola Inc.*
n/a	Cargill Inc.	118	Nationwide*
402	The Charles Schwab Corp.*	322	NCR Corp.**
n/a	ChoicePoint Inc.	499	New York Times Co.*
174	Chubb Corp.*	184	Nike Inc.**
100	Cisco Systems Inc.*	350	Owens Corning*
8	Citigroup Inc.*	62	PepsiCo Inc.*
430	Coors Brewing Co.*	25	Pfizer Inc.*
31	Dell Inc.*	179	PG&E Corp.
n/a	Deutsche Bank	57	Prudential Financial Inc.
149	Eastman Kodak Co.**	n/a	Replacements Ltd.**
n/a	Faegre & Benson*	n/a	SC Johnson & Son Inc.
4	Ford Motor Co.*	n/a	Southern California Edison Co.*
74	The Goldman Sachs Group Inc.*	n/a	UBS Financial Services Inc.*
11	Hewlett-Packard Co.	49	Wells Fargo & Co.*
9	IBM Corp.	161	Whirlpool Corp.*
53	Intel Corp.**	n/a	Worldspan Technologies Inc.**
26	J.P. Morgan Chase & Co.**	130	Xerox Corp.**

*Achieved 100 percent for the first time in 2004.

**Has scored 100 percent all three years the index has existed
n/a means "not applicable"

Of the 28 companies that scored 100 percent for the first time in 2004, 19 raised the scores from 86 percent by adding gender identity or expression to their non-discrimination statements; previously, they had met all the other criteria.

A total of 124 companies received a score of 86 percent, the most common score on the index. All but one of these companies fell short of a perfect score only because they failed to include “gender identity and/or expression” in their primary non-discrimination statement.

Number of Companies Receiving Each Score	
Rating	No. of Companies
100	56
93	1
86	124
79	11
71	60
64	5
57	43
50	5
43	37
36	1
29	28
14	7
0	1

One company — **ALLTEL Corp.** — received a score of 0 percent. The company failed to take any affirmative positions on the treatment of GLBT employees and consumers and actively opposed a shareholder resolution to include sexual orientation in its non-discrimination policy. This company stands in stark contrast to its top competitors **BellSouth Corp.**, **SBC Communications Inc.** and **Verizon Communications Inc.**, all of which scored 86 percent.

The next lowest score on the index was 14 percent. Seven companies received a score of 14 percent:

- BB&T Corp.**
- Exxon Mobil Corp.**
- International Steel Group**
- Meijer Inc.**
- New NGC Inc. (doing business as National Gypsum Co.)**
- Perot Systems Corp.**
- Shaw Industries Inc. (a subsidiary of Berkshire Hathaway Inc.)**

With the exception of **ExxonMobil** and **Perot Systems**, these companies received an automatic score of 14 points on the last criterion of the index because HRC was unable to find any evidence that they had overtly resisted equal treatment of GLBT people. However, these employers have not taken any affirmative steps for GLBT employees, consumers or investors.

The seventh criterion of the index evaluates corporate actions that may undermine the goal of equal rights for gay, lesbian, bisexual and transgender Americans. In 2004, eight companies — including **ExxonMobil** and **Perot Systems** — lost points on this measure.

RESISTING SHAREHOLDER RESOLUTIONS

In recent years, shareholder advocates have successfully lobbied more than a dozen major corporations to add sexual orientation to their non-discrimination policies. In many cases, companies amended their policies without the issue ever reaching the company's shareholders. Three companies rated this year — **ALLTEL Corp.** (0 percent), **Emerson Electric Co.** (29 percent) and **ExxonMobil** (14 percent) — opposed shareholder resolutions that went to a vote. Even after significant votes in favor of the resolutions at their annual shareholder meetings over the past several years, none of these companies has changed this policy.²

ROLLING BACK POLICIES

Perot Systems received 14 percent because while the company includes sexual orientation in its non-discrimination policy, it closed its domestic partner benefits program in 1998 after Ross Perot, Reform Party presidential candidate in 1992, returned to the firm's helm. As a result, Perot Systems is one of the few information technology companies that does not offer benefits to employees' same-sex partners. To the best of HRC's knowledge, it was also the first U.S. company to end eligibility for domestic partner benefits. ExxonMobil has the distinction of being the second U.S. company known to have rescinded GLBT-friendly workplace policies. The company stripped sexual orientation from Mobil's EEO policy when the two companies merged in 1999 and closed Mobil's domestic partner benefits program to any additional employees.

Clear Channel Communications Inc. of San Antonio, Texas, became the third company identified by HRC that has rescinded domestic partner benefits. When the company purchased SFX

Entertainment in 2000 and AM/FM radio in 2001, it forced employees into its own benefits plan that does not offer domestic partner coverage. (HRC could not calculate a Corporate Equality Index score for this company because it did not respond to HRC's survey and HRC was unable otherwise to find answers for all of the index's criteria.)

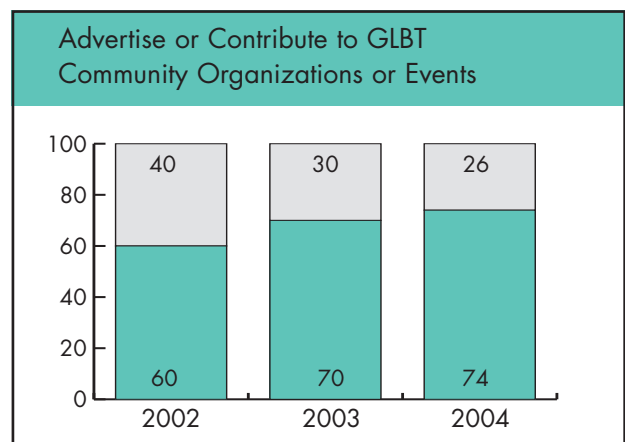
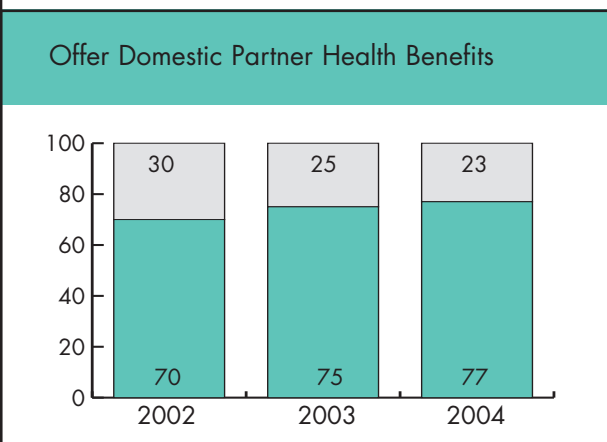
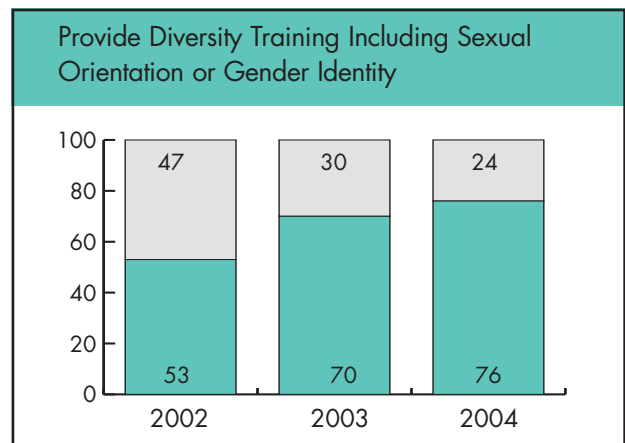
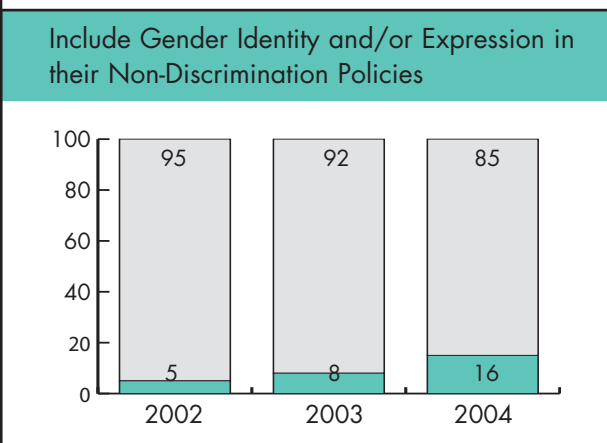
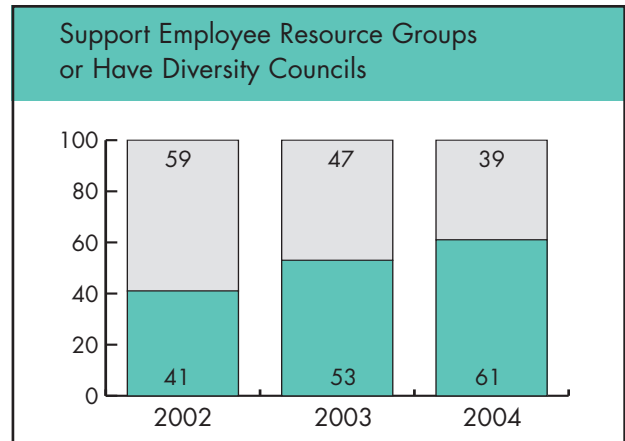
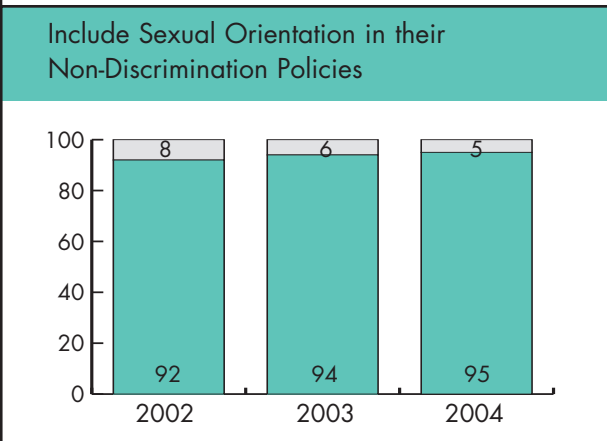
Entergy Corp., which received a score of 36 percent, also ended eligibility for domestic partner benefits. In 2001, it acquired two nuclear power plants run by the New York Power Authority, which offers domestic partner health benefits. On Jan. 1, 2003, Entergy notified employees that "as part of our Northeast benefits alignment ... [Entergy] suspended additional Domestic Partner participation."

FUNDING ANTI-GLBT CAUSES

While HRC researches the anti-GLBT activities of a company's significant shareholders, it does not account for them in a company's score. However, HRC does factor in contributions from corporate foundations. In 2004, HRC uncovered gifts from the foundations of three companies — **Amgen Inc.** (71 percent), **Fannie Mae** (71 percent) and **MBNA Corp.** (43 percent) — to virulently anti-GLBT organizations. The Amgen Foundation donated \$18,000 in 2001 and 2002 to James Dobson's Focus on the Family. In 2001, the MBNA Foundation donated \$6,250 to the same group. Both were general purpose grants. Meanwhile, in 2001, the Fannie Mae Foundation provided a \$50,000 grant to the Traditional Values Coalition. The grant was intended to be used "to train church leaders to provide homeownership education in the Greater Los Angeles area."

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The tables below show the percentage of CEI-rated companies that met each criterion.



Percent that have policy or practice.
 Percent that do not have policy or practice.

Both Focus on the Family and the Traditional Values Coalition support anti-GLBT legislation at the federal, state and local levels. In addition, Focus on the Family maintains a project intended to convince gays and lesbians that they can and should change their sexual orientation to become heterosexual. The psychological, medical and psychiatric establishments agree that sexual orientation cannot be changed, and that so-called “reparative therapy” aimed at altering sexual orientation does not work and may, in fact, be harmful.

SECTION 3: TRENDS

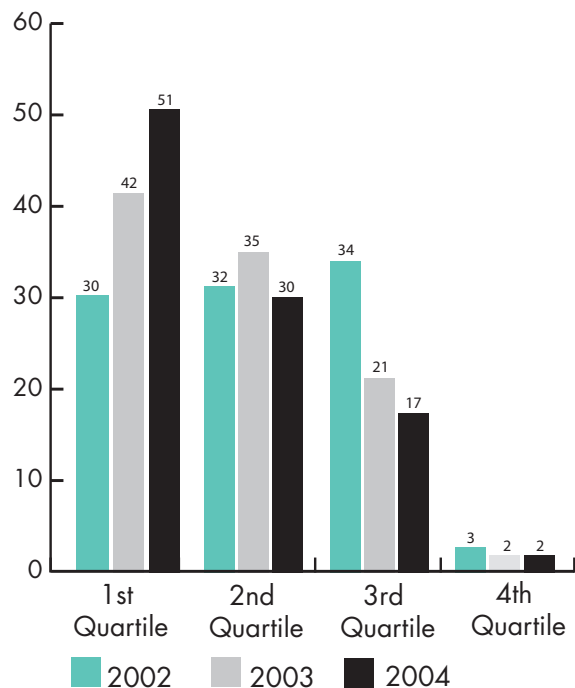
The Corporate Equality Index has helped spur an exponential rise in the number of firms that protect employees on the basis of gender identity and/or expression. In 2002, only 17 companies measured by the index had such policies. In 2003, that number rose to 30, and in 2004, it nearly doubled to 59. This is 347 percent growth in three years.

Many of the companies that added gender identity and/or expression to their policies did so in 2004 expressly because they wanted to score 100 percent on this index. HRC WorkNet and the HRC Business Council provided counseling and advice to many of these companies. Also in 2004, the HRC Foundation published “Transgender Issues in the Workplace: A Tool for Managers” in response to requests from companies seeking to earn the top score.

Rated companies have been steadily improving their scores in the three years that HRC has released the Corporate Equality Index. A total of 143 companies out of the 379 companies rated, or 38 percent, have improved their scores since 2002.

In 2004, 51 percent of companies scored in the top quartile and 81 percent scored in the top two. In 2002, scores were more evenly distributed across quartiles, with about one-third of companies in the first three quartiles and a small number scoring below 25 percent. The average score for the 379 companies rated in 2004 was 79 percent, up from 71 percent in 2003 and 57 percent in 2002.

Distribution of Index Scores: Percent of Companies in Each Quartile, by Year



Change Over Time In Companies With Low Scores

Company Name	2002	2003	2004
Aramark Corp.	n/r	14	86
Cracker Barrel	0	29	29
Domino's Inc.	14	14	50
Emerson Electric Co.	0	29	29
Exxon Mobil Corp.	14	14	14
FedEx Corp.	14	29	57
Lockheed Martin Corp.	0	71	71
MeadWestvaco Corp.	14	29	29
Meijer Inc.	14	14	14
National Gypsum	n/r	14	14
Perot Systems Corp.	14	14	14
Shaw Industries Inc.	14	14	14
Wal-Mart Stores Inc.	14	43	43

n/r=not rated

Average Score for All Companies Rated

Year	Score
2002	57
2003	71
2004	79

Moreover, companies at the extreme low end of the index have taken steps to improve their scores. In 2002 and 2003, a total of 13 companies received either zero or 14 percent. Eight of those companies have improved their scores since those ratings, some of them dramatically. In 2004, **Aramark Corp.** — the third-largest food service-provider in the world, serving food and beverages in hundreds of sports arenas, concert halls and other entertainment venues — was the most-improved employer, going from 14 percent in 2003 to 86 percent in 2004. In one year, the

company added sexual orientation to its non-discrimination policy, domestic partner benefits, diversity training and other policies.

In 2003, **Lockheed Martin** was the most-improved company, going from 0 percent to 71 percent. The two other companies that scored 0 percent in 2002 also improved their scores.

Still, there are some companies that are stuck at the low level of the index — **ExxonMobil**, **Meijer Inc.**, **National Gypsum**, **Perot Systems** and **Shaw Industries**. These companies have not improved their scores above 14 percent.

More than one-third of the rated companies have stayed firmly in the middle, with scores ranging from 29 percent to 71 percent. Notably, there are some among them that enjoy strong reputations in the GLBT community despite their inaction. These include **Ben and Jerry's Homemade Inc.** (71 percent), a Unilever subsidiary that is known for its stated commitment to corporate responsibility; **Circuit City Stores Inc.** (29 percent) is the second largest U.S. electronics retailer, operating more than 600 stores selling computers; entertainment software and consumer electronics and **Whole Foods Market Inc.** (57 percent), the world's top natural foods chain.

PERFORMANCE BY INDUSTRY

In 2004, the Corporate Equality Index rated companies in 32 industries. Eleven industries had an average score above the index average of 79 percent, while 14 industries were below the index average. There were nine industries that had multiple companies with a 100 percent rating and 13 that had no companies at 100 percent. In 10 industries, only one company achieved 100 percent.

Several industries stand out with a higher-than-average score and multiple companies that achieved 100 percent. The banking and financial services sector had the highest number of 100 percent companies — 10 — and an industry average of 86 percent. **Citigroup, Goldman Sachs, Deutsche Bank, Lehman Brothers Holdings, Wells Fargo, Charles Schwab, Capital One Financial, UBS, American Express and J.P. Morgan Chase & Co.** all received 100 percent. Still, the industry has its laggards. Newcomer to the index, **BB&T Corp.** (14 percent) has no GLBT-friendly policies in place.

Similarly, in the computer and office equipment sector, six companies achieved 100 percent — **IBM, Apple Computer, Dell, Xerox, Hewlett-Packard** and **NCR Corp.** That industry had an overall average of 86 percent.

In 10 industries, there was only one company with a score of 100 percent. For example, **American Airlines** was the only major passenger carrier with a perfect score. While all the major passenger carriers provide some level of health insurance coverage for domestic partners, several have not gone much further. **Southwest Airlines**, for instance, scored 43 on the index. It does not provide diversity training or direct corporate philanthropy toward the GLBT community.

While the hotel, resort and casino industry scored an average of 86 percent, only **Kimpton Hotels**, a boutique chain based in San Francisco, received a score of 100 percent. Similarly, while telecommunications has long been an innovator in fair workplace policies, only **AT&T Corp.** received 100 percent. **ALLTEL**, which serves more than 12 million customers in 26 states, scored 0 percent. Also, **Ford Motor Co.** was the only car manufacturer to achieve 100 percent as its industry lagged behind the index average at 71 percent.

Performance by Industry		
Industry	Avg. Score	No. of companies with 100 percent
Advertising, Marketing	43	0
Aerospace and Defense	79	0
Airlines	86	1
Apparel, Dept. Stores	71	2
Automotive	71	1
Financial Services	86	10
Chemicals and Biotechnology	71	0
Computer and Data Services	72	1
Computer Software	86	0
Computer Equipment	86	6
Consulting	86	0
Engineering and Construction*	57	0
Entertainment	79	0
Food, Beverages and Groceries	71	5
Forest and Paper Products*	71	0
Health Care	86	1
High-Tech Equip.	79	8
Home Furnishing*	29	0
Hotels, Resorts and Casinos	86	1
Insurance	86	4
Law Firms	86	2
Mail and Freight Delivery**	72	0
Manufacturing	64	1
Miscellaneous**	57	0
Oil and Gas	79	0
Pharmaceuticals	79	1
Publishing and Printing	86	1
Retail and Consumer Products	71	5
Telecommunications	86	1
Tobacco**	79	0
Transportation, Travel*	79	1
Utilities	75	3

Index Average = 79 percent

*Only three companies rated in industry; average may not reflect industry as a whole

**Only two companies rated; average may not reflect industry as a whole

Gray: Industry average below overall index average

Bold: Industry average higher than overall index average

Both the consulting sector and the computer software industry, which have historically been at the forefront of GLBT-friendly policies, had no companies that scored 100 percent. In those two industries, companies such as **Accenture, Booz Allen Hamilton, PricewaterhouseCoopers, Microsoft, Oracle** and **Quark** all achieved 86 percent — the same as their industry averages. Yet, none have amended their non-discrimination policies to include gender identity and/or expression.

The retail and consumer products sector stands out as having five leading firms scoring 100 percent, but an industry average of 71 percent — still below the index average. While companies such as **Borders Group, Best Buy** and **SC Johnson & Son** set the example, the industry had 19 firms that scored below the index average, notably, **Kmart Corp.** (57 percent), **Wal-Mart Stores** (43 percent) and **RadioShack Corp** (29 percent).

SECTION 4: OTHER BEST AND WORST PRACTICES

The 2004 HRC Corporate Equality Index limited its scope to criteria for which HRC has statistically significant data that allow it to compare companies across market sectors. To be sure, there are other policies, practices and performance indicators that speak to a company's sensitivity to GLBT concerns. While the policies and practices discussed below are not currently included among the criteria used in rating companies, they represent best and worst practices among a select group of companies. As will be discussed later, some of these policies will be included in the Corporate Equality Index in 2006.

AT THE FOREFRONT OF EQUALITY

Spousal Equivalency: Beyond domestic partner health insurance

While providing health and medical benefits to employees' same-sex partners and spouses is an essential measure of a GLBT-friendly employer, many employers offer other benefits that are also important to GLBT families. Certain benefits, such as pensions and other retirement plans, are regulated by state and federal agencies that place some restrictions on how an employer may administer them. Nonetheless, employers have the option to provide many other benefits to same-sex couples without incurring great expense.

As marriage for same-sex couples becomes a reality in Massachusetts and elsewhere, some companies are taking steps to equalize all of their benefit programs. Most notably, 74 rated companies extend to employees' same-sex partners or spouses equal benefits in all areas surveyed, including:

- dental and vision insurance;
- insurance coverage for a domestic partner's dependents;
- continuation of health coverage under COBRA-like programs;
- bereavement leave;
- family and medical leave similar to that required under the Family and Medical Leave Act;
- relocation assistance;
- and pension survivorship benefits.

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Employers that Offer Spousal Equivalency Benefits to Same-Sex Partners

Name	Fortune Rank	Index Score	Name	Fortune Rank	Index Score
Agilent Technologies Inc.	305	100	Intel Corp.	53	100
Amgen Inc.	246	71	J.P. Morgan Chase & Co.	26	100
Anheuser-Busch	142	79	John Hancock Financial	192	79
Apple Computer Inc.	301	100	Johnson & Johnson	30	86
Applebee's International Inc.	n/r	86	KPMG LLP	n/r	86
AT&T Wireless Services	120	50	Lehman Brothers Holdings	113	100
Bank of America Corp.	24	86	Lexmark International Inc.	364	86
Bausch & Lomb Inc.	n/r	100	Lincoln National Corp.	339	86
Borders Group Inc.	452	100	McKinsey & Co. Inc.	n/r	86
Campbell Soup Co.	280	71	MetLife	36	100
Charles Schwab	402	100	Morgan Stanley	39	86
ChevronTexaco Corp.	6	86	Motorola Inc.	61	100
Chubb Corp.	174	100	Nike Inc.	184	100
Cigna Corp.	101	86	Nordstrom Inc.	286	86
Cingular Wireless	n/r	86	Northern Trust Corp.	n/r	86
Cisco Systems	100	100	PacifiCorp	n/r	86
Citigroup Inc.	8	100	Pennzoil-Quaker State Co.	n/r	43
Continental Airlines	231	86	PepsiCo Inc.	62	100
Credit Suisse First Boston	n/r	86	Pfizer Inc.	25	100
Dell Inc.	31	100	PG&E Corp.	179	100
Deloitte & Touche	n/r	86	Prudential Financial Inc.	57	100
Dow Chemical Co.	44	86	QUALCOMM Inc.	434	71
Eastman Kodak Co.	149	100	SBC Communications Inc.	33	86
Fannie Mae	20	71	SC Johnson & Son Inc.	n/r	100
FleetBoston Financial Corp.	140	86	Shell Oil Co.	n/r	86
Gap Inc.	124	86	Staples Inc.	152	86
Gateway Inc.	484	71	Sun Microsystems	173	86
Genentech	n/r	86	SunTrust Banks Inc.	272	86
General Mills Inc.	186	86	Time Warner Inc.	27	86
General Motors Corp.	3	86	Toyota	n/r	86
Gillette Co.	215	86	Verizon Communications	12	86
Goldman Sachs	74	100	Viacom Inc.	64	86
Hartford Financial Services Co.	102	86	Vision Service Plan	n/r	86
Heller, Ehrman, White & McAuliffe	n/r	86	Wachovia Corp.	73	86
Hewitt Associates	n/r	86	Wells Fargo & Co.	49	100
Hewlett-Packard Co.	11	100	Xcel Energy	254	86
IBM	9	100	Xerox Corp.	130	100

n/r = not ranked

Grossing Up: Compensating for unequal tax treatment

An increasing number of employers extend health insurance coverage to the same-sex partners of company employees because it makes good business sense and it is the right thing to do. In 2003, for instance, an average of three employers per day added such coverage.³ Nonetheless, same-sex couples and their employers must pay federal income tax on the fair market value of the benefits. And in all but three states — California, Vermont and Massachusetts — they must also pay state income taxes on the fair market value of such benefits.

A small number of employers account for this unequal treatment by “grossing up” employees’ salaries to cover the cost of the additional taxes. Nine companies have told HRC that they offer such a benefit to employees:

Name	Index Score	Fortune Rank
Anheuser-Busch	79	142
Bright Horizons Family Solutions Inc.	71	n/r
General Electric Co.	86	5
Keyspan	100	274
Morgan Stanley	86	39
PacifiCorp	86	n/r
Shell Oil Co.	86	n/r
UnumProvident Corp.	79	187
Worldspan Tech. Inc.	100	n/r

n/r = not ranked

Global non-discrimination policies

Given the variance in international law regarding sexual orientation and gender identity, consistent workplace policies are even more important in an increasingly global marketplace. For instance, countries such as Egypt imprison or execute gay people. Other countries, including the United States, have laws that allow discrimination based on sexual orientation or gender identity and/or expression to persist. Employers find that employees may be more willing to relocate if they can be assured they’ll continue to receive benefits and that they’ll be protected from discrimination no matter where they live.

HRC’s Corporate Equality Index survey results indicate that a number of employers are implementing consistent policies prohibiting discrimination based on sexual orientation or gender identity and/or expression across all of their operations. Of the 359 rated companies that prohibit discrimination based on sexual orientation, 134, or 37 percent, told HRC that their policy applies to employees worldwide. More than two-thirds of the 58 companies that include gender identity and/or expression in their non-discrimination statements extend such protections worldwide.

Supplier diversity

Supplier diversity programs have typically been a vehicle through which employers actively seek business with minority- and women-owned businesses. With the recent development of a certification process for GLBT-owned businesses by the National Gay and Lesbian Chamber of Commerce, some employers have extended their supplier diversity programs to include GLBT-owned businesses. Of the 128 rated companies that indicated to HRC that they have supplier diversity programs, 11, or 9 percent, seek business from GLBT vendors as part of this program. They are:

Name	Index Score	Fortune Rank
Avaya Inc.	100	401
Aventis Pharmaceuticals Inc.	86	n/r
Coors Brewing	100	430
IBM	100	9
J.P. Morgan Chase & Co.	100	26
Jenner & Block	86	n/r
Miller Brewing Co.	100	n/r
Nextel Communications	71	183
Shell Oil Co.	86	n/r
Wells Fargo & Co.	100	49
Wyndham International Inc.	86	n/r

n/r = not ranked

Transgender health benefits

Access to appropriate health care is a pressing issue for many transgender people. According to a survey of transgender people conducted by the National Center for Lesbian Rights and the Transgender Law Center, more than 30 percent of respondents indicated that they had been discriminated against while trying to access health care.⁴

Even when a transgender person has health insurance coverage, most health insurance plans exclude many of the procedures outlined as medically necessary for transsexuals. Labeled the “transgender exclusion,” disqualified treatments may include psychological counseling for initial diagnosis and ongoing transition assistance, hormone replacement therapy, doctor’s office visits to monitor hormone replacement therapy and sex-reassignment surgery.⁵

Despite these hurdles, several companies offer insurance plans that cover some of the specific needs of transsexual employees. For instance, 89 rated companies indicated that their health plans cover one or more treatments, such as psychological counseling, hormone replacement therapy, or medical visits to monitor the effects of hormone replacement therapy. HRC cautions that even these numbers may be slightly misleading. While some policies may not have an explicit transgender exclusion, coverage of certain procedures and treatments may be denied if the plan advisers or administrators decide that such treatments do not meet the plan’s definition of medical necessity.

Clear leaders in this area are 10 companies that told HRC that they offer insurance plans that cover all of the treatments and procedures HRC tracks, ranging from counseling by a medical health professional to sex reassignment surgery:

Name	Index Score	Fortune Rank
Amgen Inc.	71	246
Avaya Inc.	100	401
Faegre & Benson	100	n/r
IBM	100	9
Imation Corp.	79	n/r
Lehman Brothers Holdings	100	113
PPG Industries	71	236
Quest Diagnostics	86	366
SBC Communications Inc.	86	33
State Farm Group	71	18

n/r = not ranked

RESISTING EQUALITY

Marriage for same-sex couples

It didn't take long for questions about benefits eligibility to reach the workplace following the issuance of marriage licenses to same-sex couples in Massachusetts, San Francisco and elsewhere in 2004. Many companies were prepared for the advent of legal marriage for same-sex couples because they already offered domestic partner benefits to employees' same-sex partners.

At least two companies, however, are publicly resisting any effort to treat same-sex spouses equally. **Cumberland Farms** of Canton, Mass., issued a memo to its employees May 12, 2004,

just five days before marriage licenses became available in the state, stating that "employees will not be able to enroll a same-sex spouse" in the company's health insurance plan. Also, an employee of Dallas, Texas-based **Dean Foods Co.** who returned from San Francisco and requested benefits for his same-sex spouse was denied.

Cumberland Farms defended its position by saying in the memo, "this approach is permitted by federal laws." Because the company self-insures, this statement is technically accurate. However, federal law does not prevent employers from extending such coverage; it merely sets a minimum standard that employers must meet. HRC recommends that all employers treat employees' same-sex spouses as they do opposite-sex spouses. (HRC could not calculate a Corporate Equality Index score for Cumberland Farms or Dean Foods because neither responded to HRC's survey and HRC was otherwise unable to find answers for all of the index's criteria.)

SECTION 5:
RAISING THE BAR

THE 2006 CORPORATE EQUALITY INDEX

The HRC Corporate Equality Index does not — and perhaps cannot — measure all of the ways that companies are demonstrating their commitment to equality in the workplace. Nevertheless, HRC has been collecting data beyond that used to generate companies' scores on the Corporate Equality Index for the past three years with the intention of adding criteria to the rating system to promote the myriad other workplace policies and procedures that are important to GLBT and fair-minded people. In our efforts both to measure

and promote best practices, HRC has also evaluated trends in the benefits industry, employee satisfaction surveys, and collected feedback and advice from business leaders and GLBT community leaders to select criteria that are challenging yet achievable.

Recognizing that some policy changes take time to implement, HRC has committed to changing its rating methodology incrementally and to giving employers at least 12 months' notice before doing so. HRC is also committed to providing the resources and tools that employers need to meet each new criterion counted in a company's rating. (For tools and resources on all of the criteria in the index, visit www.hrc.org/worknet.) Therefore, HRC will add new criteria to the rating system beginning in 2006.

PROPOSED NEW FACTORS IN THE RATING SYSTEM FOR 2006

Beginning in 2006, HRC intends to enhance the criteria it uses to assess company performance in three areas: equal benefits, workplace policies for transgender employees and diversity training.

Equal benefits: HRC tracks several benefits in addition to medical/health insurance that employers regularly extend to their married employees as part of their efforts to recruit and retain talented workers. HRC will award points to companies based on whether they:

1. Provide COBRA-like leave to employees' domestic partners as they do to employees' spouses
2. Provide vision, dental and dependent medical coverage to employees' domestic partners if they also provide that coverage to employees' spouses

In addition, HRC will award points to companies that extend equal benefits to employees' same-sex domestic partners or spouses in at least three of the following areas:

1. Bereavement leave
2. Family and medical leave (akin to the leave granted under the federal Family and Medical Leave Act)
3. Supplemental life insurance
4. Relocation assistance
5. Adoption assistance
6. Retiree medical coverage
7. Automatic pension benefits for employees' same-sex partners in the event of an employee's death (applies to defined benefit plans only)

Transgender employee policies: In addition to including "gender identity" or "gender identity and/or expression" in the primary non-discrimination policy, companies will receive points if they provide evidence that they have met at least one of the following:

1. Have written guidelines or procedures concerning employees who transition on the job
2. Allow employees to take short-term disability leave for the purpose of a transition
3. Cover the following treatments for employees under going gender transition, if they cover them for any employees:
 - a) Mental health counseling
 - b) Hormone replacement therapy
 - c) Doctor visits to monitor hormone replacement therapy
 - d) No exclusions for surgical procedures for the purpose of sex reassignment

Diversity training: HRC will only allot points to companies that offer diversity education for employees that covers both sexual orientation and gender identity and/or expression. The current system awards points for companies that offer training either covering sexual orientation or gender identity or expression.

ADJUSTING THE RATING METHOD

In 2006, HRC will also adjust how it calculates the Corporate Equality Index score. The most significant change in this area is how HRC intends to treat the sole negative criterion — whether companies engage in corporate actions that undermine the goal of GLBT equal rights. Since the index's launch in 2002, HRC has automatically awarded companies points on this measure if it found no evidence that the company had engaged in action that would undermine the goal of equal rights for gay, lesbian, bisexual and transgender people. Beginning in 2006, HRC will deduct points from such bad actors.

HRC will communicate with companies over the next year to assist them in understanding the new criteria. HRC will also solicit feedback from companies about their experiences in striving to meet these new expectations as we further refine the HRC Corporate Equality Index.

CONCLUSIONS

In just three years, the HRC Foundation's Corporate Equality Index has sparked important and measurable change at some of America's largest and most successful companies. The rapid growth in the number of employers prohibiting discrimination based on gender identity and/or expression is arguably a direct result of the fact that the Corporate Equality Index requires such a policy in order to achieve 100 percent. That factor alone rose 347 percent since the CEI was first released. And while the total number of companies offering this protection remains relatively small, HRC expects this to continue to be a high-growth factor in future years of the index.

Other measured factors that have grown relatively rapidly over the short life of the index are the recognition of GLBT employee resource groups and the inclusion of sexual orientation and/or gender identity issues in diversity training. Again, by letting companies know that GLBT employees, consumers and investors value such efforts, HRC has helped to move corporate America along the continuum toward equality.

The Corporate Equality Index is having the effect HRC had hoped for when it developed this measuring tool. Most companies would prefer to receive high scores on this index, just as they would on other indexes that grade them on other commitments to diversity and fairness. The number of companies at the bottom of the index continues to shrink, and an increasing number of companies are going beyond the minimum required to get 100 percent.

Granted, there are still a few companies that don't get it when it comes to basic equality for their GLBT employees. For instance, a handful of companies continue to oppose shareholder resolutions asking simply for a broader non-discrimination policy. HRC was disturbed to learn this year that a small number of companies have contributed to fiercely anti-GLBT organizations. It is our hope that by shining a light on this practice, we can stop these contributions in the future.

Finally, while we will add some new factors to our index in 2006, we don't expect that this will reduce the number of companies with perfect scores. The changes will help to publicize the progress already under way at a substantial number of U.S. companies, and will make even clearer that corporate America — long a leader in basic fairness for GLBT employees — is continuing to blaze the trail because equality is good business.

APPENDIX 1: 2004 CORPORATE EQUALITY INDEX SURVEY

RESPONSE DEADLINE: April 30, 2004

Please complete this form and send it to:

HRC WorkNet
1640 Rhode Island Avenue, N.W.
Washington, DC 20036
Fax: (202) 628-0517
Email: HRCWorkNet@hrc.org

Contact Alice Budisatrijo at aliceb@hrc.org or (202) 572-8917 if you have questions.

Basic Company Information

HRC will not publish or distribute contact information externally.

Company Name:

Your Name:

Your Title

Your Department/Division:

Your Phone Number:

Your Email Address:

NON-DISCRIMINATION / EEO POLICIES

1. Does your firm bar employment discrimination based on sexual orientation by including the words “sexual orientation” in its primary non-discrimination or EEO policy? (Please attach a copy of the policy)

- Yes, we include “sexual orientation” in our primary non-discrimination or EEO policy
(Please attach a copy of the policy)
- Yes, but only in one or more subsidiaries or labor agreements
- We do not have such a policy, but are working toward this in the next one year
- We do not have such a policy
- Do not know

1a. If YES, does the policy apply to all your global operations including non-U.S. citizens based abroad?

- Yes
- No
- Do not know
- We have no employees based outside the U.S.

2. Does your firm bar employment discrimination based on gender identity or gender expression by including the words “gender identity” or “gender identity or expression” in its primary non-discrimination or EEO policy? (Please attach a copy of the policy)

- Yes, we include “gender identity” or “gender identity or expression” in our primary non-discrimination or EEO policy
- Yes, but only in one or more subsidiaries or labor agreements
- We do not have such a policy, but are working toward this in the next one year
- We do not have such a policy
- Do not know

2a. If YES, does the policy apply to all your global operations including non-U.S. citizens based abroad?

- Yes
- No
- Do not know
- We have no employees based outside the U.S.

BENEFITS

3. Does your company offer health insurance coverage to your employees’ same-sex domestic partners (or same-sex spouses where same-sex marriage licenses are available i.e., San Francisco as of this writing)? If no, please also answer 3d.

- Yes, firm-wide
 - Yes, but only in one or more subsidiaries or labor agreements
 - We do not offer domestic partner health benefits, but plan to offer them in the next one year
 - We do not offer domestic partner health benefits and have no plans to offer them
 - Do not know
- Definition of domestic partner includes same-sex partners only
 - Definition of domestic partner includes both same- and opposite-sex partners

3a. If YES, what year did same-sex domestic partner health insurance benefits become available at your company?

- Year
- Do not know

3b. If YES, does your company “gross up” wages for employees who enroll for domestic partner health benefits to cover the added tax burden from the imputed value of the benefit that appears as income for the employee?

- Yes
- No
- Do not know

3c. If YES, are the benefits offered to employees in all your global operations where such benefits would be available to opposite-sex spouses, including non-U.S. citizens based abroad?

- Yes
- No
- Do not know
- We have no employees based outside the U.S.

3d. If NO, does your company offer cash compensation to employees to purchase their own health insurance for domestic partners?

- Yes
- No
- Do not know

4. What other benefits does your company offer to domestic partners of U.S. employees? Please place “Y” or “N” depending on what your company offers:

Benefits Available to Opposite-Sex Spouses	Available to Same-Sex Partners (or Spouses)
<input type="radio"/> Dental	<input type="radio"/>
<input type="radio"/> Vision	<input type="radio"/>
<input type="radio"/> Domestic partner’s dependent medical coverage	<input type="radio"/>
<input type="radio"/> COBRA/COBRA-like benefits	<input type="radio"/>
<input type="radio"/> Bereavement leave	<input type="radio"/>
<input type="radio"/> FMLA-like leave	<input type="radio"/>
<input type="radio"/> Supplemental life	<input type="radio"/>
<input type="radio"/> insurance for the DP	<input type="radio"/>
<input type="radio"/> Relocation/travel assistance	<input type="radio"/>
<input type="radio"/> Adoption assistance	<input type="radio"/>
<input type="radio"/> Beneficiary for pensions and survivorship benefits	<input type="radio"/>

Please describe any other benefits offered to employees' domestic partners:

5. Does your company offer one or more health insurance plan(s) that cover the following specific health care needs of transgender employees? Please check all that apply:

- Counseling by a mental health professional
- Pharmacy benefits covering hormone therapy
- Medical visits to monitor the effects of hormone therapy
- Surgical procedures for the purpose of sex reassignment
(often called sex-reassignment surgery or SRS)
- Other (please describe below)
- We do not offer such a health insurance plan, but we are working with our health insurance provider(s) to be able to offer this in the next one year
- We do not offer such a health insurance plan and have no current plans to do so
- Do not know

Please describe any other benefits offered to transgender employees:

DIVERSITY MANAGEMENT AND TRAINING

6. How many reporting levels are there between your firm's CEO and the individual whose primary job function is work force diversity that includes lesbian, gay, bisexual or transgender diversity? (0=direct report)

_____ # Levels

- Do not know

7. Does your company have an officially recognized LGBT employee affinity group?

- Yes
- No
- Do not know

7a. If NO, would your company allow LGBT employees to use its facilities and other resources to form a group if one expressed interest?

- Yes
- No
- Do not know

7b. If YES, please provide contact information for the group:

- Name of Group:
- Contact (s):
- Phone:
- E-mail:
- Website:
- Mailing Address

8. Does your company have a firm-wide diversity council or working group with a mission that specifically includes LGBT diversity?

- Yes, we have a diversity council or working group that includes LGBT issues
- No, we have a diversity council or working group, but LGBT issues are not covered
- No, we do not have a diversity council or working group
- Do not know

9. Does your company provide diversity awareness or employee training, what topics are covered and who is required to attend? (The topics covered may be included as part of a general overview of diversity, or in topic-specific sessions.)

Other (please describe)

Diversity Topic	All required to attend	All managers or supervisors required to attend	Some employees required to attend	None required to attend, but training is offered	Not offered
Sexual Orientation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender Identity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Race/Ethnicity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (please describe)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please describe the other training employees receive:

10. Does your firm have a supplier diversity program?

- Yes
- No
- Do not know

10a. If YES, does your firm seek out LGBT-owned companies in your supplier diversity program?

- Yes
- No
- Do not know

10b. If YES, what percentage of your current supply chain is LGBT-owned?

- %
- Do not know

MARKETING AND ADVERTISING/SPONSORSHIP/PHILANTHROPY

11. During the past year, has your company engaged in marketing or advertising to the LGBT community?

- Yes
- No
- Do not know

11a. If YES, please describe a maximum of three such advertising or marketing campaigns.

Name of campaign	Number of outlets utilized (include total number of TV, online, print and other outlets)	Scope of Media (National, across your entire operating area, LGBT only, local, other) select all that are appropriate	Duration of campaign (in years)	Creative content (gay themed or general audience)
------------------	--	---	---------------------------------	---

1.

2.

3.

11b. Please provide any additional information about your company's advertising campaigns. Please use an extra sheet if necessary.

12. During the past year, has your company sponsored a LGBT health, educational, political or community event?

Yes

No

Do not know

12a. If YES, please describe a maximum of three events that your company has sponsored.

Name of event	Number of events sponsored	Scope of event (National, across your entire operating area, local, other)	How many years have you sponsored this event?	Type of organization sponsored (political, educational, health, community)
---------------	----------------------------	--	---	--

1.

2.

3.

12b. Please provide any additional information about your company's event sponsorships. Please use an extra sheet if necessary.

13. During the past year, has your company provided financial support either directly or through your corporate foundation, in-kind donations or otherwise to LGBT health, educational, political or community related organizations?

- Yes
- No
- Do not know

13a. If YES, please describe a maximum of three such activities.

Name of Organization	Type of support (Cash grant, inkind, other)	Average annual amount or percent of total giving	How many years have you supported this organization?	Type of organization sponsored (political, educational, health, community)
----------------------	---	--	--	--

- 1.
- 2.
- 3.

13b. Please provide any additional information about your company's philanthropic activities. Please use an extra sheet if necessary.

14. Please include any other information that would illustrate how your company views lesbian, gay, bisexual or transgender employees, consumers or investors. (This could include information on innovative business practices that affect the gay community, further description of employee benefits, innovative products or services adapted for the gay community, etc.)

Thank you for taking the time to complete the HRC Corporate Equality Index survey.

APPENDIX 2: THE EQUALITY PRINCIPLES

(As Amended by the Equality Project (501c3) executive board, copyright 2001)

- 1.** The company will prohibit discrimination based on sexual orientation and gender expression or gender identity as part of its written employment policy statement.
- 2.** The company will disseminate its written employment policy statement company-wide.
- 3.** The company will not tolerate discrimination on the basis of any employee's actual or perceived health condition, status or disability.
- 4.** The company will offer equal health insurance and other benefits to employees to cover their domestic partners regardless of the employee's marital status, sexual orientation, gender expression or gender identity.
- 5.** The company will include discussions of sexual orientation, gender expression and gender identity as part of its official employee diversity and sensitivity training communications.
- 6.** The company will give employee groups equal standing, regardless of sexual orientation, gender identity or gender expression.
- 7.** The company advertising policy will avoid the use of negative stereotypes based on sexual orientation, gender identity or gender expression.
- 8.** The company will not discriminate against advertising, marketing or promoting events on the basis of sexual orientation, gender expression or gender identity.
- 9.** The company will not discriminate in the sale of its goods or services based on sexual orientation, gender expression or gender identity.
- 10.** The company will not bar charitable contributions to groups and organizations on the basis of sexual orientation, gender expression or gender identity.

APPENDIX 3: 2004 CORPORATE EQUALITY INDEX SCORES

(As some scores may have changed since the printing of this report, please visit www.hrc.org/worknet for the latest sources.)

EMPLOYER NAME	CITY	STATE	CEI SCORE
Aetna Inc.	Hartford	CT	100
Agilent Technologies Inc.	Palo Alto	CA	100
American Airlines (AMR Corp.)	Dallas-Fort Worth Airport	TX	100
American Express Co.	New York	NY	100
Apple Computer Inc.	Cupertino	CA	100
AT&T Corp.	New York	NY	100
Avaya Inc.	Basking Ridge	NJ	100
Bausch & Lomb Inc.	Rochester	NY	100
Best Buy Co. Inc.	Minneapolis	MN	100
Borders Group Inc.	Ann Arbor	MI	100
Capital One Financial Corp.	Falls Church	VA	100
Cargill Inc.	Minneapolis	MN	100
Charles Schwab	San Francisco	CA	100
ChoicePoint Inc.	Alpharetta	GA	100
Chubb Corp.	Warren	NJ	100
Cisco Systems	San Jose	CA	100
Citigroup Inc.	New York	NY	100
Coors Brewing	Golden	CO	100
Dell Inc.	Austin	TX	100
Deutsche Bank	New York	NY	100
Eastman Kodak Co.	Rochester	NY	100
Faegre & Benson	Minneapolis	MN	100
Ford Motor Co.	Dearborn	MI	100
Goldman Sachs	New York	NY	100
Hewlett-Packard Co.	Palo Alto	CA	100
IBM	Armonk	NY	100
Intel Corp.	Santa Clara	CA	100
J.P. Morgan Chase & Co.	New York	NY	100
Keyspan	Brooklyn	NY	100
Kimpton Hotels	San Francisco	CA	100
Kraft Foods Inc.	Northfield	IL	100
Lehman Brothers Holdings	New York	NY	100
Levi Strauss & Co.	San Francisco	CA	100
Lucent Technologies Inc.	Murray Hill	NJ	100
MetLife	New York	NY	100
Miller Brewing Co.	Milwaukee	WI	100
Mitchell Gold Co.	Taylorsville	NC	100
Morrison & Foerster	San Francisco	CA	100

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Motorola Inc.	Schaumburg	IL	100
Nationwide	Columbus	OH	100
NCR Corp.	Dayton	OH	100
New York Times Co.	New York	NY	100
Nike Inc.	Beaverton	OR	100
Owens Corning	Toledo	OH	100
PepsiCo Inc.	Purchase	NY	100
Pfizer Inc.	New York	NY	100
PG&E Corp.	San Francisco	CA	100
Prudential Financial Inc.	Newark	NJ	100
Replacements Ltd.	Greensboro	NC	100
SC Johnson & Son Inc.	Racine	WI	100
Southern California Edison	Rosemead	CA	100
UBS	New York	NY	100
Wells Fargo & Co.	San Francisco	CA	100
Whirlpool Corp.	Benton Harbor	MI	100
Worldspan Technologies Inc.	Atlanta	GA	100
Xerox Corp.	Stamford	CT	100
Electronic Arts	Redwood City	CA	93
ABN AMRO	Chicago	IL	86
Accenture	Chicago	IL	86
Adobe Systems Inc.	San Jose	CA	86
Affiliated Computer Services	Dallas	TX	86
Allstate (The Allstate Corp.)	Northbrook	IL	86
Anthem Inc.	Indianapolis	IN	86
Applebee's International Inc.	Overland Park	KS	86
Aramark Corp.	Philadelphia	PA	86
Aventis Pharmaceuticals Inc.	Bridgewater	NJ	86
Bank of America Corp.	Charlotte	NC	86
Bank of New York Co.	New York	NY	86
BellSouth Corp.	Atlanta	GA	86
Boeing (The Boeing Co.)	Seattle	WA	86
Booz Allen Hamilton Inc.	McLean	VA	86
BP America	Chicago	IL	86
Bristol-Myers Squibb Co.	New York	NY	86
Cendant Corp.	New York	NY	86
ChevronTexaco Corp.	San Ramon	CA	86
Cigna Corp.	Philadelphia	PA	86

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Cingular Wireless	Atlanta	GA	86
CMP Media LLP	Manhasset	NY	86
Continental Airlines	Houston	TX	86
Cox Communications Inc.	Atlanta	GA	86
Credit Suisse First Boston	New York	NY	86
Cummins Inc.	Columbus	IN	86
Daimler Chrysler Corp.	Auburn Hills	MI	86
Darden Restaurants	Orlando	FL	86
Deloitte & Touche	New York	NY	86
Delta Airlines Inc.	Atlanta	GA	86
Dow Chemical Co.	Midland	MI	86
DTE Energy Co.	Detroit	MI	86
E*TRADE Group Inc.	Menlo Park	CA	86
EarthLink Inc.	Atlanta	GA	86
Electronic Data Systems Corp. (EDS)	Plano	TX	86
Ernst & Young	New York	NY	86
Federated Department Stores	Cincinnati	OH	86
FleetBoston Financial Corp.	Boston	MA	86
Gannett Co. Inc.	McLean	VA	86
Gap Inc.	San Francisco	CA	86
Genentech	San Francisco	CA	86
General Electric Co.	Fairfield	CT	86
General Mills Inc.	Minneapolis	MN	86
General Motors Corp.	Detroit	MI	86
Gillette Co., The	Boston	MA	86
GlaxoSmithKline Inc.	Research Triangle Park	NC	86
Hannaford Brothers	Scarborough	ME	86
Harris Bankcorp Inc.	Chicago	IL	86
Hartford Financial Services Co.	Hartford	CT	86
Harvard Pilgrim Health Care Inc.	Wellesley	MA	86
Hasbro Inc.	Pawtucket	RI	86
Heller, Ehrman, White & McAuliffe	San Francisco	CA	86
Hewitt Associates	Lincolnshire	IL	86
Hoffmann-La Roche Inc.	Nutley	NJ	86
Honeywell International Inc.	Morristown	NJ	86
Hyatt Hotels Corp. (H Group Holding)	Chicago	IL	86
International Paper Co.	Purchase	NY	86
Jenner & Block	Chicago	IL	86

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Johnson & Johnson	New Brunswick	NJ	86
Kaiser Permanente Foundation Health Plan Inc.	Oakland	CA	86
KPMG LLP	Montvale	NJ	86
Lexmark International Inc.	Lexington	KY	86
Limited Brands Inc.	Columbus	OH	86
Lincoln National Corp.	Philadelphia	PA	86
Marriott International	Bethesda	MD	86
MasterCard Inc.	Purchase	NY	86
McGraw-Hill (The McGraw-Hill Companies Inc.)	New York	NY	86
McKinsey & Co. Inc.	New York	NY	86
Mellon Financial Corp.	Pittsburgh	PA	86
Merck & Co. Inc.	Whitehouse Station	NJ	86
Merrill Lynch & Co.	New York	NY	86
Microsoft Corp.	Redmond	WA	86
Morgan Stanley	New York	NY	86
Nordstrom Inc.	Seattle	WA	86
Northeast Utilities System	Berlin	CT	86
Northern Trust Corp.	Chicago	IL	86
Oracle Corp.	Redwood Shores	CA	86
PacifiCorp	Portland	OR	86
Polaroid Corp.	Cambridge	MA	86
PricewaterhouseCoopers	New York	NY	86
Procter & Gamble (The Procter & Gamble Co.)	Cincinnati	OH	86
Quark Inc.	Denver	CO	86
Quest Diagnostics	Teterboro	NJ	86
Qwest Communications International Inc. **	Englewood	CO	86
Raytheon Co.	Lexington	MA	86
RJ Reynolds Tobacco	Winston-Salem	NC	86
SAFECO Corp.	Seattle	WA	86
SBC Communications Inc.	San Antonio	TX	86
Schering-Plough Corp.	Madison	NJ	86
Scholastic Corp.	New York	NY	86
Seagate Technology Inc.	Scotts Valley	CA	86
Sears, Roebuck and Co.	Hoffman Estates	IL	86
Sempra Energy	San Diego	CA	86
SGI (Silicon Graphics Inc.)	Mountain View	CA	86
Shell Oil Co.	Houston	TX	86
SLM Corp. (Sallie Mae)	Reston	VA	86

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
St. Paul Companies	St. Paul	MN	86
Staples Inc.	Framingham	MA	86
Starbucks Corp.	Seattle	WA	86
Starwood Hotels & Resorts Worldwide	White Plains	NY	86
Subaru of America Inc.	Cherry Hill	NJ	86
Sun Microsystems	Palo Alto	CA	86
SunTrust Banks Inc.	Atlanta	GA	86
Target Corp.	Minneapolis	MN	86
Texas Instruments Inc.	Dallas	TX	86
Time Warner Inc.	New York	NY	86
Toyota Motor Manufacturing North America Inc.	Erlanger	KY	86
Travelers Property Casualty Corp.	Hartford	CT	86
Unisys Corp.	Blue Bell	PA	86
United Airlines (UAL Corp.)	Elk Grove	IL	86
United Parcel Service (UPS)	Atlanta	GA	86
US Airways Group	Arlington	VA	86
Verizon Communications	New York	NY	86
Viacom Inc.	New York	NY	86
Vision Service Plan	Rancho Cordova	CA	86
Visteon Corp.	Dearborn	MI	86
Volkswagen of America Inc.	Auburn Hills	MI	86
Wachovia Corp.	Charlotte	NC	86
Wainwright Bank & Trust Co.	Boston	MA	86
Walgreens Co.	Deerfield	IL	86
Walt Disney Co.	Burbank	CA	86
Washington Mutual Savings Bank	Seattle	WA	86
Wellpoint Health Networks	Thousand Oaks	CA	86
Wyndham International Inc.	Dallas	TX	86
Xcel Energy	Minneapolis	MN	86
Anheuser-Busch	St. Louis	MO	79
Calpine Corp.	San Jose	CA	79
Colgate-Palmolive Co.	New York	NY	79
Imation Corp.	Oakdale	MN	79
John Hancock Financial Services Inc.	Boston	MA	79
KLA-Tencor	San Jose	CA	79
Northrop Grumman Corp.	Los Angeles	CA	79
PNC Financial Services Group Inc.	Pittsburgh	PA	79
Reebok International	Stoughton	MA	79

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Ryder System Inc.	Miami	FL	79
UnumProvident Corp. †	Portland	ME	79
3M (Minnesota Mining and Manufacturing)	St. Paul	MN	71
Abbott Laboratories	Abbot Park	IL	71
Abercrombie & Fitch Co.	New Albany	OH	71
Advanced Micro Devices	Sunnyvale	CA	71
Air Products & Chemicals Inc.	Allentown	PA	71
Albertson's Inc.	Boise	ID	71
Altria Group Inc. (Philip Morris Companies Inc.)	New York	NY	71
Amazon.com	Seattle	WA	71
Amgen Inc.	Thousand Oaks	CA	71
Applied Materials Inc.	Santa Clara	CA	71
Barnes & Noble Inc.	New York	NY	71
Ben and Jerry's Homemade Inc.	South Burlington	VT	71
Blockbuster Inc.	Dallas	TX	71
Bright Horizons Family Solutions Inc.	Boston	MA	71
Campbell Soup Co.	Camden	NJ	71
Cinergy Corp.	Cincinnati	OH	71
Coca-Cola (The Coca-Cola Co.)	Atlanta	GA	71
Compass Group North America	Charlotte	NC	71
Consolidated Edison Co.	New York	NY	71
Delphi	Troy	MI	71
Deluxe Corp.	Shoreview	MN	71
Dole Food Co. Inc.	Westlake Village	CA	71
Duke Energy	Charlotte	NC	71
Edison International	Rosemead	CA	71
Eli Lilly & Co.	Indianapolis	IN	71
Fannie Mae	Washington	DC	71
Freddie Mac	McLean	VA	71
Gateway Inc.	North Sioux City	SD	71
Georgia Pacific	Atlanta	GA	71
Home Depot	Atlanta	GA	71
Interpublic Group of Companies Inc.	New York	NY	71
Keane Inc.	Boston	MA	71
Kellogg Co.	Battle Creek	MI	71
Kimberly-Clark	Irving	TX	71
Lillian Vernon Corp.	New Rochelle	NY	71
Lockheed Martin Corp.	Bethesda	MD	71

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Men's Wearhouse Inc., The	Houston	TX	71
Nextel Communications	Reston	VA	71
Nims Associates Inc.	Decatur	IL	71
Northwest Airlines Corp.	Eagan	MN	71
Perkins & Will	Chicago	IL	71
Pitney Bowes Inc.	Stamford	CT	71
PPG Industries	Pittsburgh	PA	71
PPL Corp.	Allentown	PA	71
Principal Financial Group	Des Moines	IA	71
Providian Financial Corp.	San Francisco	CA	71
QUALCOMM Inc.	San Diego	CA	71
Safeway Inc.	Pleasanton	CA	71
Sara Lee Corp.	Chicago	IL	71
Siemens Energy & Automation Inc.	Alpharetta	GA	71
Sprint Corp.	Overland Park	KS	71
State Farm Group	Bloomington	IL	71
Supervalu	Eden Prairie	MN	71
University Hospitals of Cleveland	Cleveland	OH	71
US Bancorp	Minneapolis	MN	71
Verio Inc.	Englewood	CO	71
Visa International	Foster City	CA	71
Vivendi Universal	New York	NY	71
Williams Companies Inc.	Tulsa	OK	71
Working Assets Funding Service	San Francisco	CA	71
Baxter International Inc.	Deerfield	IL	64
Bear Creek Corp.	Medford	OR	64
ConocoPhillips	Houston	TX	64
Deere & Co.	Moline	IL	64
Illinois Tool Works Inc.	Glenview	IL	64
Allegheny Energy	Hagerstown	MD	57
Arhaus	Columbus	OH	57
Avon Products	New York	NY	57
Biovail Pharmaceuticals Inc.	Bridgewater	NJ	57
Bridgestone Americas Holding Inc. (Firestone)	Nashville	TN	57
Caterpillar	Peoria	IL	57
Clorox Co.	Oakland	CA	57
Coca-Cola Enterprises	Atlanta	GA	57
Digitaria Interactive Inc.	San Diego	CA	57

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Donna Karan	New York	NY	57
DPR Construction	Redwood City	CA	57
DuPont (E. I. du Pont de Nemours)	Wilmington	DE	57
EMC Corp.	Hopkinton	MA	57
Estee Lauder Companies	New York	NY	57
FedEx Corp.	Memphis	TN	57
Gallup Organization, The	Princeton	NJ	57
General Dynamics Corp.	Falls Church	VA	57
Hallmark Cards Inc.	Kansas City	MO	57
Health Net Inc.	Woodland Hills	CA	57
Hilton Hotels Corp.	Beverly Hills	CA	57
Host Marriott	Bethesda	MD	57
Instinet Group Inc.	New York	NY	57
J.C. Penney Corp. Inc.	Plano	TX	57
Kmart Corp.	Troy	MI	57
Knight Ridder	San Jose	CA	57
Kroger Co., The	Cincinnati	OH	57
L.L. Bean Inc.	Freeport	ME	57
Liz Claiborne Inc.	New York	NY	57
Marimba Inc.	Mountain View	CA	57
MassMutual Life Insurance	Springfield	MA	57
Mattel Inc.	El Segundo	CA	57
McDonald's Corp.	Oakbrook	IL	57
National City Corporation	Cleveland	OH	57
Progressive (The Progressive Corp.)	Mayfield Village	OH	57
Reuters America Holdings Inc.	New York	NY	57
SAP America	Newton Square	PA	57
Software House International	Somerset	NJ	57
TAP Pharmaceutical Products Inc.	Lake Forest	IL	57
Tech Data Corp.	Clearwater	FL	57
TIAA-CREF	New York	NY	57
Times Mirror Co.	Los Angeles	CA	57
Whole Foods Market Inc.	Austin	TX	57
WPP Group USA	New York	NY	57
AT&T Wireless Services	Redmond	WA	50
Domino's Inc.	Ann Arbor	MI	50
Howard & Howard Attorneys, PC	Bloomfield Hills	MI	50
New York Life Insurance Co.	New York	NY	50

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Pathmark Stores Inc.	Carteret	NJ	50
A.G. Edwards Inc.	St. Louis	MO	43
American President Lines	Oakland	CA	43
AutoZone Inc.	Memphis	TN	43
Avnet Inc.	Great Neck	NY	43
Baltimore Gas & Electric Co.	Baltimore	MD	43
Cambridge Technology Group	Cambridge	MA	43
Carlson Companies Inc.	Minneapolis	MN	43
Costco Wholesale Corp.	Issaquah	WA	43
D&B (The Dun & Bradstreet Corp.)	Murray Hill	NJ	43
Dana Corp.	Toledo	OH	43
Dow Jones & Co. Inc.	New York	NY	43
Fifth Third Bancorp	Cincinnati	OH	43
H. E. Butt Grocery Co.	San Antonio	TX	43
Hain Celestial Group, Inc (The)	Boulder	CO	43
Humana Inc.	Louisville	KY	43
KB Home	Los Angeles	CA	43
Latrobe Brewing Co.	Latrobe	PA	43
Lear Corp.	Southfield	MI	43
Marsh & McLennan	New York	NY	43
MBNA Corp.	Wilmington	DE	43
Morningstar Inc.	Chicago	IL	43
N. W. Ayer & Partners	New York	NY	43
Navistar International Corp.	Warrenville	IL	43
Northern Telecom Inc.	Nashville	TN	43
Office Depot Inc.	Delray Beach	FL	43
Omnicom Group	New York	NY	43
Ortho-Neutrogena	Los Angeles	CA	43
PacifiCare Health Systems	Santa Ana	CA	43
Pennzoil-Quaker State Co.	Houston	TX	43
Rockwell Collins	Pomona	CA	43
Scudder Kemper Investments	New York	NY	43
Southwest Airlines	Dallas	TX	43
Toys "R" Us Inc.	Wayne	NJ	43
Vertis	Baltimore	MD	43
Wal-Mart Stores Inc.	Bentonville	AR	43
Waste Management Inc.	Houston	TX	43
Wyeth	Madison	NJ	43

CORPORATE EQUALITY INDEX 2004

EMPLOYER NAME	CITY	STATE	CEI SCORE
Entergy Corp.	New Orleans	LA	36
Advanced Digital Information Corp.	Redmond	WA	29
AIG (American International Group)	New York	NY	29
Aquila	Kansas City	MO	29
Archer Daniels Midland Co.	Decatur	IL	29
Automatic Data Processing Inc.	Roseland	NJ	29
Baldor Electric Co.	Fort Smith	AR	29
Bayer Corp.	Pittsburgh	PA	29
Cerner Corp.	Kansas City	MO	29
Circuit City Stores Inc.	Richmond	VA	29
Cracker Barrel Restaurants (CBRL Group Inc.)	Lebanon	TN	29
Emerson Electric Co.	St. Louis	MO	29
Franklin Templeton Investments	San Mateo	CA	29
Genuine Parts Co.	Atlanta	GA	29
H. J. Heinz Co.	Pittsburgh	PA	29
Harrah's Entertainment Inc.	Las Vegas	NV	29
Hormel Foods Corp.	Austin	MN	29
Lauren Manufacturing Co.	New Philadelphia	OH	29
May Department Stores Co., The	St. Louis	MO	29
Maytag Corp.	Newton	IA	29
MeadWestvaco Corp.	Stamford	CT	29
Nestle Purina PetCare Co.	St. Louis	MO	29
Newell Rubbermaid Inc.	Freeport	IL	29
Nissan North America	Gardena	CA	29
R.R. Donnelley & Sons	Chicago	IL	29
RadioShack Corp.	Fort Worth	TX	29
Rite Aid Corp.	Camp Hill	PA	29
Rohm & Haas	Philadelphia	PA	29
SRA International Inc.	Fairfax	VA	29
BB&T Corp.	Winston-Salem	NC	14
Exxon Mobil Corp.	Irving	TX	14
International Steel Group	Richfield	OH	14
Meijer Inc.	Grand Rapids	MI	14
National Gypsum	Charlotte	NC	14
Perot Systems Corp.	Dallas	TX	14
Shaw Industries Inc.	Dalton	GA	14
ALLTEL Corp	Little Rock	AR	0

* It appears that significant shareholder of Coors Brewing Co. stock may have supported an institution whose mission includes undermining the goal of GLBT equality. To HRC's knowledge, such support has not affected the company's policies or practices related to GLBT employees.

† It appears that significant shareholder of UnumProvident Corp. stock may have supported an institution whose mission includes undermining the goal of GLBT equality. To HRC's knowledge, such support has not affected the company's policies or practices related to GLBT employees.

**It appears that significant shareholder of Qwest Communications International Inc. stock may have supported an institution whose mission includes undermining the goal of GLBT equality. To HRC's knowledge, such support has not affected the company's policies or practices related to GLBT employees.

APPENDIX 4: LIST OF ANTI-GLBT GROUPS

(Corporate foundation giving was evaluated for contributions to the following anti-GLBT groups.)

Alabama Policy Institute	Ohio Roundtable	Citizens for Parents'
Center For Arizona Policy	Oklahoma Family Policy Council	Rights of Maryland
Arkansas Family Council	Oregon Citizens Alliance	Coalition for the protection
Campaign for California Families	Stronger Families For Oregon	of Marriage in Nevada
California Family Policy Council	Pennsylvania Family Institute	Constitution Party of Texas
Rocky Mountain Family Council	Palmetto Family Council	Family Policy Council
Campaign on Moral Concerns	South Dakota Family Policy Council	Family Protection Lobby
California Family Council	Tacoma Ministerial Alliance	Family Research Institute
Colorado for Family Values	Free Market Foundation	Family Taxpayers Network
Family Institute of Connecticut	Families Northwest	Hawaii Alliance for Traditional
Take Back Miami	West Virginia Family Foundation	Marriage and Values
American Family Association	Alliance for Life Ministries	International Organization
Georgia Family Council	Wisconsin's Christian United	of Heterosexual Rights
Hawaii Family Forum	Bradley Foundation	Intercessors for America
Cornerstone of Idaho	Abiding Truth Ministries	Kalamazoo Citizens Voting Yes
Illinois Family Institute	Alliance Defense Fund	Kerusso Ministries
Eagle Forum	Alliance for Marriage	Liberty Counsel
Concerned Christians of America	American Family Association	Marriage Benefits Defense Initiative
Indiana Family Institute	Christian Coalition	Marriage Law Project
Iowa Family Policy Center	Concerned Women for America	Marriage Watch
Westboro Baptist Church	Culture and Family Institute	Massachusetts Parents
The Family Foundation	David H. Koch	Rights Coalition
Louisiana Family Forum	Charitable Foundation	Mission America
Christian Civic League	Exodus International	Montana Citizens for
Christian Coalition of Maine	Family Policy Network	Decency Through Law
Maine Grassroots Coalition	Family Research Council	National Non-Sectarian Council
Maryland Family Values Alliance	Focus on the Family	of Pro-Family Activists
Take back Maryland	Free Congress Foundation	Newton Parents for Moderation
Massachusetts Family Institute	Harvest USA	Northstar Legal Center
Massachusetts Citizens for Marriage	Homosexuals Anonymous	Pacific Justice Institute
Catholic Conference	MacLellan Foundation	Pro-Family Network
Catholic Action League	National Association for the	Royal Oaks Citizens Voting
Equal Rights Not Special Rights	Research and Therapy	No to Special Rights
Ann Arbor	of Homosexuality	Save Our Scouts
Political Action Committee	Public Advocate	Southeastern Legal Foundation
Minnesota Family Association	PFOX	Stop Promoting
Mississippi Family Council	Sarah Scaife Foundation	Homosexuality International
Family First	Traditional Values Coalition	Texas Justice Foundation
North Carolina	Family Research Institute of	Toward Tradition
Family Policy Council	Wisconsin	Transforming Congregations
Christian Action League	Americans for Truth	Traverse City Voting Yes
of North Carolina	About Homosexuality	Vision America
North Dakota Family Alliance	Arkansas faith and ethics council	Wisconsin Christians United
New Jersey Family Policy Council	Association of Maryland Families	
League of American Families	Christian Action Network	
New York Family Policy Council	Christian Coalition of America	
Citizens for Community Values	Christian Family Network	

NOTES

1. Companies with no known anti-GLBT activity automatically earned 14 percentage points. Otherwise, companies lost points based on such actions as: undue influence by a significant shareholder calculated to undermine a company's employment policies or practices related to its GLBT employees; or directing corporate charitable contributions in a manner calculated to undermine equality for GLBT people. Scores on this criterion may also be based on information related to a company's actions, such as: opposing shareholder resolutions reasonably aimed at encouraging the adoption of non-discrimination policies covering sexual orientation and/or gender identity; or directing resources from a majority-owned subsidiary to an institution(s) whose mission or goals undermine equality for GLBT people; or engaging in proven practices that are contrary to the company's written GLBT employment policies.
2. The 2004 shareholder votes in favor of amending the company's non-discrimination policy to include sexual orientation were 27.5 percent at ALLTELL and 28.9 percent at ExxonMobil. The vote in 2003 at Emerson Electric Co. was 10 percent. The resolution at Emerson Electric was not filed in 2004 but is planned for 2005.
3. Herrschaft, Daryl and Kim I. Mills, *The State of the Workplace for Lesbian, Gay, Bisexual and Transgender Americans 2003* (Washington: Human Rights Campaign Foundation, 2004).
4. Minter, Shannon and Christopher Daly, *Trans Realities: A Legal Needs Assessment of San Francisco's Transgender Communities* (San Francisco: National Center for Lesbian Rights; San Francisco: Transgender Law Center, 2003), 16. Also available at <http://www.transgenderlawcenter.org/tranny/pdfs/Trans%20Realities%20Final%20Final.pdf>.
5. Most private insurance plans expressly exclude services related to sex-reassignment. While sex-reassignment surgery is excluded from Medicare coverage, there is no exclusion under the federal Medicaid statute. As a result, according to the National Center for Lesbian Rights, "almost every court that has ever considered the issue has concluded that states cannot categorically exclude sex-reassignment surgeries for Medicaid coverage." Nonetheless, many Medicaid statutes exclude procedures related to sex-reassignment, and it is difficult for many transsexuals to obtain Medicaid reimbursement for medical procedures related to sex-reassignment. (Shannon Minter, "Representing Transsexual Clients: Selected Legal Issues," National Center for Lesbian Rights, http://www.transgenderlaw.org/resources/translaw.htm#_ftnref49 (accessed November 2003).)

ABOUT THE AUTHOR

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Since 1998, Herrschaft has overseen HRC WorkNet, the workplace project of the Human Rights Campaign Foundation. In this capacity, he monitors and evaluates corporate policies surrounding lesbian, gay, bisexual and transgender employees, consumers and investors. He led the launch of HRC's Corporate Equality Index in 2002; this is his third annual CEI report. He is also lead author of the HRC Foundation's annual report, *The State of the Workplace for Lesbian, Gay, Bisexual and Transgender Americans*.

Herrschaft has consulted with dozens of major corporations seeking to implement domestic partner benefits and/or non-discrimination policies. He has presented HRC findings to diverse audiences, including The Conference Board, the Society for Human Resource Management and the New York City Council. He is frequently called upon by national and local media and has appeared on CNN and CNBC. He is a member of Linkage Inc.'s Diversity Summit Advisory Board and the board of Out & Equal Workplace Advocates. Before joining HRC, he was a research associate at the Urban Institute. He holds a bachelor's degree from The George Washington University.

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