

Emerging-market companies are embracing LGBT+ inclusion to achieve their global ambitions – finds a first-of-its-kind study

- Growing numbers of companies in emerging markets are supporting LGBT+ inclusion – even in countries where the human rights of LGBT+ people are challenged
- First-ever quantitative analysis of the financial impact of LGBT+ inclusion on emerging-market companies found a direct relationship between a company’s support for LGBT+ inclusion and its ability to more effectively connect with global markets and supply chains
- Companies that explicitly prohibited discrimination based on sexual orientation and/or gender identity saw 20 percentage points higher in proportion of revenue coming from international sources than companies that did not have any evidence of publicly available non-discrimination policies
- Fears that supporting LGBT+ inclusion may have negative impacts for companies in emerging markets are unfounded: the findings show LGBT+ inclusive companies within the sample group have revenue growth and earnings before interest and taxes (EBIT) margins in line with peers

New Delhi, India, 18 November 2019 – Open For Business, a coalition of global companies promoting LGBT+ inclusive societies, published the first-ever quantitative analysis of the financial impact of LGBT+ inclusion on emerging-market companies in a new report today. [“New Global Champions: Why the fastest growing companies from emerging markets are embracing LGBT+ inclusion”](#) highlights the direct relationship between an emerging-market company’s support for LGBT+ inclusion and its ability to more effectively connect with global markets and supply chains, without seeing any negative financial impacts.

The findings from this report have far-reaching implications for emerging-market companies looking to expand internationally. LGBT+ inclusion can be a key growth catalyst for them to achieve their global ambitions, and fears of reputational and revenue damage from support of LGBT+ inclusion, which are common in markets where LGBT+ rights are challenged, are unfounded.

In collaboration with Boston Consulting Group (BCG), Open For Business analysed the impact of LGBT+ inclusion on the financial performance of 96 of the fastest growing companies headquartered in emerging markets.¹ The key findings were:

- Companies that explicitly prohibited discrimination based on sexual orientation and/or gender identity (referred to as “Tier 1”) saw 20 percentage points higher in proportion of revenue coming from international sources than companies that did not have any evidence of publicly available non-discrimination policies (referred to as “Tier 3”), after controlling for companies’ region and industry
- Tier 1 companies did not suffer any negative impacts on their revenue growth or earnings before interest and taxes (EBIT) margins, even though they publicly supported LGBT+ inclusion in countries where the human rights of LGBT+ people are challenged

Table of Tier 1 companies

Airlines	<ul style="list-style-type: none"> • LATAM • Turkish Airlines • <i>Anonymous</i>² 	<ul style="list-style-type: none"> • Chile • Turkey • Malaysia 	Engineered products and infrastructure	<ul style="list-style-type: none"> • Alfa • Elsewedy • Votorantim • WEG 	<ul style="list-style-type: none"> • Mexico • Egypt • Brazil • Brazil
Automotive	<ul style="list-style-type: none"> • Apollo Tyres • Mahindra & Mahindra 	<ul style="list-style-type: none"> • India • India 	Finance & Insurance	<ul style="list-style-type: none"> • Cielo 	<ul style="list-style-type: none"> • Brazil
Consumer	<ul style="list-style-type: none"> • Alpargatas • Arca Continental • Brasil Foods • Concha y Torro • Falabella • Femsa 	<ul style="list-style-type: none"> • Brazil • Mexico • Brazil • Chile • Chile • Mexico 	Healthcare	<ul style="list-style-type: none"> • Dr. Reddy’s • Lupin • Sun Pharma 	<ul style="list-style-type: none"> • India • India • India
			Processing, metals & mining	<ul style="list-style-type: none"> • Gerdau • Grupo México • Indorama Ventures 	<ul style="list-style-type: none"> • Brazil • Mexico • Thailand

¹ A multivariate regression was performed comparing revenue growth, EBIT margin and proportion of revenue from international sources to a company’s support for LGBT+ inclusion, its headquarters’ location and its industry. Regression results are available in the report appendix.

² Two companies in the table, both headquartered in Malaysia, have been anonymized to protect employee safety given LGBT+ attitudes in the country.

	<ul style="list-style-type: none"> • Godrej • Gruma • LC Waikiki • Mercadolibre • Natura • Thai Union Frozen Food 	<ul style="list-style-type: none"> • India • Mexico • Turkey • Argentina • Brazil • Thailand 	Technology, Media & Telecommunication	<ul style="list-style-type: none"> • Orbia³ • Tata Steel • Infosys • Safaricom • Tech Mahindra • Wipro • <i>Anonymous</i>² 	<ul style="list-style-type: none"> • Mexico • India • Kenya • India • India • Malaysia
Energy	<ul style="list-style-type: none"> • PTT • Reliance Industries 	<ul style="list-style-type: none"> • Thailand • India 			

“This new research highlights the business imperative of LGBT+ inclusivity for companies looking to succeed on a global scale,” said **Elliot Vaughn, Managing Director & Partner at Boston Consulting Group**. “We hope this new data will encourage more companies to start thinking about incorporating LGBT+ inclusion into their core strategy. They can play a key role in advocating for greater LGBT+ inclusion in countries where it might be challenging for the LGBT+ community, whilst also harnessing the business benefits that come with it.”

Dilip Chenoy, Secretary General of the Federation of Indian Chambers of Commerce and Industry, added: “When emerging-market companies expand globally, they go up against international peers who are LGBT+ inclusive. If they choose not to embrace LGBT+ inclusion, they are diminishing their competitiveness and missing out on achieving their full potential. It is heartening to see that a number of Indian companies are leading on LGBT+ inclusion – both internally at the workplace and externally to advocate a more LGBT+ inclusive society.”

Jon Miller, Founder of Open For Business said: “Most crucially, this report focuses on the regions of the world where support is currently most needed – the global south. Many of these companies are being progressive on LGBT+ issues despite being based in countries where LGBT+ rights are challenged – and that’s real leadership. We think of these companies as the new global champions for LGBT+ inclusion. This report shows why LGBT+ inclusion is rising to the top of their agendas. It sends a clear message that companies are not realizing their full potential if they procrastinate on LGBT+ inclusion.”

The analysis yielded six dimensions in which LGBT+ inclusion is linked to business performance:

- **Financial performance:** High-potential emerging-market companies which openly support LGBT+ inclusion suffer no negative impact on revenue growth or earnings before interest and taxes (EBIT).
- **Global markets & supply chains:** LGBT+ inclusion allows the high-potential emerging-market companies to more effectively tap into global markets and supply chains.
- **Talent acquisition & retention:** High-potential emerging-market companies which openly support LGBT+ inclusion are better able to attract and retain talent.
- **Brand strength & customer orientation:** High-potential emerging-market companies which openly support LGBT+ inclusion see stronger brands & better customer orientation.
- **Corporate governance:** LGBT+ inclusive policies can be taken as an indicator of stronger corporate governance.
- **LGBT+ inclusive cities:** LGBT+ inclusive cities can provide a supportive environment to help boost the competitiveness of high-potential emerging-market companies.

In addition to featuring examples of emerging-market companies taking external actions to advocate for LGBT+ inclusive societies, the report also includes in-depth case studies of Godrej, Natura and Wipro’s inclusion journeys. These case studies identified three key stakeholder groups that drive companies to focus on LGBT+ inclusion – senior leadership, employees and external stakeholders (i.e. consumers and civil society).

The full report can be found here: <https://open-for-business.org/new-global-champions>

- NOTES FOR EDITORS -

About Open For Business

Open For Business is a coalition of global companies making the case that inclusive, diverse societies are better for business and essential for economic growth. The purpose of the coalition is to advance LGBT+ inclusion globally, by presenting and promoting a positive economic and business case for equality of opportunity for everyone, across the

³ Until September 2019, Orbia was known as Mexichem



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For more information on Open For Business, please visit <https://open-for-business.org/>.

About Boston Consulting Group

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we help clients with total transformation—inspiring complex change, enabling organizations to grow, building competitive advantage, and driving bottom-line impact.

To succeed, organizations must blend digital and human capabilities. Our diverse, global teams bring deep industry and functional expertise and a range of perspectives to spark change. BCG delivers solutions through leading-edge management consulting along with technology and design, corporate and digital ventures—and business purpose. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, generating results that allow our clients to thrive.

About the report

Open For Business published this report with the aim of further strengthening the business case for LGBT+ inclusion, with a focus on emerging markets – where support for LGBT+ inclusion is often most needed. As many of the fastest growing companies based in emerging markets are embracing LGBT+ inclusion, this report presents a qualitative evaluation of this trend, and explores the underlying drivers. In addition to presenting a comprehensive evidence base linking LGBT+ inclusion with the business performance of a group of the fastest growing companies headquartered in emerging markets, this report also includes the internal and external actions that businesses can take to promote LGBT+ inclusive societies.

For **companies** headquartered in emerging markets, this report provides a strong business rationale for LGBT+ inclusion. For **civil society organisations** seeking to work with businesses in emerging markets, this report provides compelling arguments to secure more corporate support. For **policymakers** in emerging markets, this report shows how LGBT+ inclusion can boost the competitiveness of fast-growing companies. This report shows why LGBT+ inclusion is a business and economic issue.

The Open For Business team undertook the final analysis and writing of the report, led by **Drew Keller** in Washington D.C., alongside **Tisha Cromwell** and **CJ Lin** as well as **Yvonne Muthoni** in Nairobi, Kenya. Contributing authors include **Ann-Kathrin Richter**, **Ruairidh Macintosh**, **James Moss** and **Monica Rivero** of the **Brunswick Group**. **Godrej, Natura** and **Wipro** contributed their perspectives on and experience in promoting LGBT+ inclusive societies in their home countries. **Jon Miller** is the executive editor of Open For Business.

The work of Open For Business is supported by a Research Advisory Board, which provides ongoing guidance and feedback, and helps to ensure the economic case for LGBT+ inclusion is comprehensive and up to date. The Research Advisory Board consists of the following members:

- Suen Yiu Tung, Founding Director of Sexualities Research Program, Chinese University of Hong Kong
- Matteo Winkler, Professor of Law, HEC Paris
- Pawel Adrjan, Economist, Indeed
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