

2023 HACR CORPORATE INCLUSION INDEX™ REPORT

2023 HACR COALITION MEMBERS



2023 HACR EXECUTIVE COMMITTEE

BOARD CHAIR

Ramiro Cavazos
President and CEO
United States Hispanic
Chamber of Commerce

VICE CHAIR

Thomas Savino
CEO
Prospanica

TREASURER

Delia de la Vara
SVP, Advancement
and External Affairs
UnidosUS

SECRETARY

Marco Davis
President and CEO
Congressional Hispanic
Caucus Institute

2023 HACR BOARD MEMBERS

David Rodriguez
Colorado State Commander
American GI Forum

Roger Rocha, Jr.
Immediate Past President
League of United Latin American Citizens

John Villamil-Casanova
President and CEO
The ASPIRA Association

Amy Hinojosa
President and CEO
MANA, A National Latina Organization

Mary Ann Gomez Orta
President and CEO
Congressional Hispanic Leadership Institute

Ignacio Salazar
President and CEO
SER-Jobs For Progress National, Inc.

Gabriela Musiet
President and CEO
Cuban American National Council

Miguel Alemañy
Interim President and CEO
Society of Hispanic Professional Engineers

Dr. Antonio Flores
President and CEO
Hispanic Association of Colleges and Universities

Dr. Juan Andrade
President
United States Hispanic Leadership Institute



TABLE OF CONTENTS

ABOUT HACR	4
ABOUT HACR RESEARCH INSTITUTE	4
PRESIDENT'S LETTER	5
CHIEF RESEARCH OFFICER'S LETTER	6
EXECUTIVE SUMMARY & KEY FINDINGS	7
REPORT THEME	9
METHODOLOGY	10
UNDERSTANDING THE RATINGS	11
PARTICIPATING COMPANIES	12
PARTICIPATION AT A GLANCE	13
AWARDS SUMMARY	14
EMPLOYMENT INSIGHTS	15
PROCUREMENT INSIGHTS	20
PHILANTHROPY INSIGHTS	26
GOVERNANCE INSIGHTS	31
CONCLUSION	36
ACKNOWLEDGMENTS	37



ABOUT HACR

HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY

Founded in 1986, the Hispanic Association on Corporate Responsibility (HACR) is one of the most influential advocacy organizations in the nation representing 14 national Hispanic organizations in the United States and Puerto Rico. Our mission is to advance the inclusion of Hispanics in Corporate America at a level commensurate with our economic contributions. Collectively, HACR Coalition Members reflect the voice of more than 60 million Hispanics living in the United States and Puerto Rico, serving those diverse communities through advocacy, education, representation, assistance, capacity building, public policy support, resource development, and the exertion of political influence. HACR's work is possible thanks to the generous support of its Corporate Members, which includes some of the largest companies in the United States. Together, the Coalition Members and Corporate Members provide HACR with the resources needed to achieve its mission.



ABOUT THE HRI

HACR RESEARCH INSTITUTE

The HACR Research Institute (HRI) is devoted to the objective research, analysis, and publication of reports on issues related to the Hispanic community in Corporate America. The goal of our research is to assess trends, engage in dialogue with corporate leaders, and effect positive change to policies and practices that promote Hispanic inclusion.

Through dynamic research and data-driven analysis, HACR publishes content on the state of the Hispanic community and corporate diversity, and inclusion practices in Employment, Procurement, Philanthropy, and Governance. Our research initiatives include the *HACR Corporate Inclusion Index™* report, the *Corporate Governance Study*, the *Empow(h)er™: Understanding Workplace Barriers for Latinas* report, our monthly research blogs, and other independent studies conducted internally and through partnerships with leading advocacy organizations.

LETTER FROM THE HACR PRESIDENT

On behalf of the Hispanic Association on Corporate Responsibility (HACR) Board of Directors and our dedicated staff, I am pleased to present the *2023 HACR Corporate Inclusion Index™* (CII) report.

Since it was first launched in 2009, the HACR CII has been the preferred diversity benchmarking tool on Hispanic inclusion for the country's largest companies. The HACR CII provides a roadmap for action for these companies, revealing areas of progress and opportunities for growth related to HACR's four pillars of inclusion: Employment, Procurement, Philanthropy, and Governance. Our CII Report is a resource for all to further the important work of Hispanic inclusion, and we stand as a partner with you in creating a more equitable working world.

Over the past few years, we have focused our reports on Corporate America's recalibration of Hispanic DEI practices, speaking to the need for Corporate America to reconceptualize new norms for operating in the wake of a global pandemic and the need to prioritize their Hispanic inclusion efforts. But this year we focus on something more vital to this work, the endemic threats to inclusion and equality that we face in our society.

The challenges and threats to inclusion and equality have become more fierce and the recent US Supreme Court decision on affirmative action in higher education has led some to believe that DEI in the working world is no longer needed and should also be struck down. The effect of these voices has been chilling, but the fact remains that we are far from where we need to be. Our own research suggests that Hispanic inclusion at the level of boards of directors is abysmal; Hispanics filled approximately five percent of seats on *Fortune* 500 boards in 2022, despite comprising nearly 20 percent of the total US population. The story for Latinas was even more stark: only one (1) percent of all *Fortune* 500 board seats were filled by Latinas that same year.

A recalibration of practices is no longer sufficient; complete transparency and action are required in the face of these endemic threats so clearly demonstrated by the data. This year we have faced unprecedented challenges to the work of diversity, equity, and inclusion (DEI) and now more than ever, companies must publicly and earnestly continue their commitment to DEI. We applaud those who have and invite the rest to join us in this work. Together we can show the critics the value of our unique contributions that we derive from a variety of lived experiences. Diversity in all its forms drives success and primes companies for continued growth in a rapidly changing world. Let's refocus our attention on this work and the benefits it will yield for all of us.

Sincerely,



Cid Wilson

President & CEO of HACR

LETTER FROM THE HACR CHIEF RESEARCH OFFICER

Benchmarking is one the greatest tools available for identifying opportunities for improvement and continued success. Data highlights the strengths and weaknesses of every organization and helps to refine processes to provide a competitive edge. Facts, numbers, and data convey information and provide evidence to help organizations make informed decisions. So, what is the data telling us?

Current population data tells us that all companies need to think about Hispanic inclusion if they want to continue to grow and thrive. Recent estimates show the Hispanic population reached 62 million in 2020, becoming the second largest population in the United States¹, with U.S.-born Latinos propelling this growth.² As one of the fastest growing populations, we'll constitute 20 per-cent of the U.S. labor force by 2028, per the U.S. Bureau of Labor Statistics (BLS). What's more, between 2020-2030, 78 percent of net new workers will be Hispanic; the growth of the Hispanic population sustains the growth of the American workforce.³

Hispanic engagement and inclusion should be a cornerstone of every company's talent pipeline strategy from entry level to the board of directors. Hispanics should be at the heart of community investment strategies, including procurement and philanthropic partnerships. Yet, we aren't and while we have seen some progress, we are largely still underrepresented in all aspects of business.

This year we have seen record participation in the HACR CII, signaling a renewed commitment to Hispanic inclusion. We are grateful to those companies who participated. Your organizational commitment in understanding the Hispanic community to promote feelings of belonging within your workforce is a requirement for Hispanic inclusion. Creating internal metrics, practicing a cul-ture of transparency, and investing in annual benchmarking through the HACR CII all go a long way to helping you achieve your Hispanic inclusion goals.

Thank you for your commitment to creating a more diverse, equitable, and inclusive work environ-ment. Your investment in this work has not gone unnoticed.

Sincerely,



Dr. Lisette Garcia

Chief Research Officer

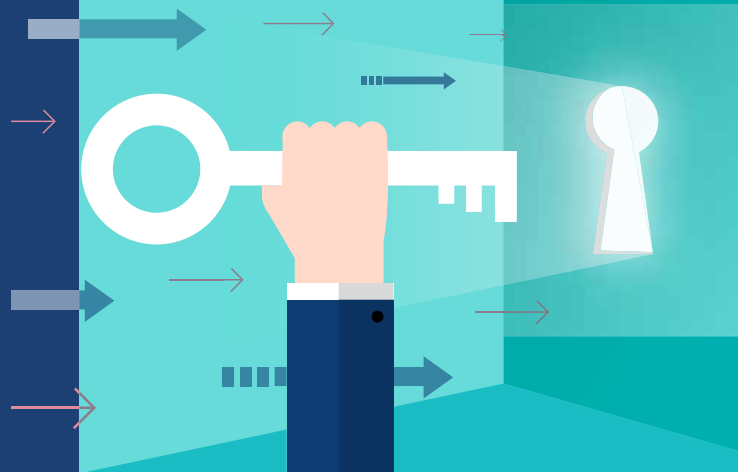
¹ A brief statistical portrait of US Hispanics, Pew Research Center accessed on August 21, 2023 <https://www.pewresearch.org/science/2022/06/14/a-brief-statistical-portrait-of-u-s-Hispanics/>

² IBID

³ Hispanics in the Labor Force 5 Facts accessed on August 21, 2023 <https://blog.dol.gov/2021/09/15/hispanics-in-the-labor-force-5-facts>



EXECUTIVE SUMMARY & KEY FINDINGS



Since 2009, the *HACR Corporate Inclusion Index™ (CII)* has been the source for understanding pro-gress for Hispanic inclusion in Employment, Procurement, Philanthropy and Governance.

The HACR CII takes a comprehensive look at policies, practices, and data from participating companies to evaluate Hispanic inclusion in real time. Using a unique set of data collected by the HACR Research Institute, we are able to report on the progress for Hispanics in all facets of Corporate America and help companies track their progress from year to year.

Corporate America has come to rely on this tool to evaluate their opportunities for continuous growth and improvement for the Hispanic community, and HACR uses the CII to understand where we need to focus to best support our partners in this work.

This year we have seen participation increase significantly on the HACR CII, equal to the level of participation in 2021, when we were at the height of the pandemic and amid a societal reckoning of social and economic disparities brought to the forefront by the tragic murder of George Floyd.

We are optimistic that this increase in participation means that Corporate America's commitment to this work and to supporting their employees has not waived, despite the challenges that diversity, equity and inclusion (DEI) are facing and the continued assaults on underrepresented and marginalized individuals in our society.

This year's theme is the need for sustained investments in DEI & Hispanic inclusion. Now is not the time to back down from this work, but rather invest more time and effort into it. DEI programs and Hispanic inclusion initiatives need continued support as well as the necessary data tracking mechanism to evaluate their impact and success. We need companies to collect the right data and to be transparent in their reporting to identify what works and what doesn't, so that we can refine processes for continuous growth and progress towards our goals - together.

2023 KEY FINDINGS

EMPLOYMENT

- Hispanics make up **15%** of the workforce.
- **22%** of Hispanics are in non-exempt positions.
- **13%** of interns were Hispanic.

PROCUREMENT

- **1%** of total procurement spend was with Hispanic businesses.
- Less than **1%** of suppliers are Hispanic.

PHILANTHROPY

- **10%** of total corporate donations went to the Hispanic community.
- **2%** of volunteer hours were in the Hispanic community.

GOVERNANCE

- **7%** of board seats were held by Hispanics.
- Hispanics hold **5%** of executive positions.
- **2%** of executive positions are held by Latinas.

SUSTAINED INVESTMENTS IN DEI & HISPANIC INCLUSION ARE STILL NEEDED

Over the past several years, Americans have been so focused on the unprecedented events facing our society; it's as if we couldn't see what was swirling around us. The combination of the challenges and our lack of experience dealing with events of such magnitude warranted our laser-like focus on what was happening. In the wake of those extraordinary events, we focused on charting the best path forward. Just under the radar, a war was being waged on those that have long been excluded and mistreated by society at large, and on diversity, equity, and inclusion (DEI), specifically Hispanic inclusion. While we're recovering from pandemic trauma and processing events like the May 2020 video of police criminality, a new challenge arises: a legal assault on affirmative action in higher education, with workplaces likely next in line. Every day a new attack is launched on policies and practices aimed at leveling the playing field, despite the goal being an equal chance at opportunity. So where do we go from here?

Now more than ever we need investment in diversity programs and initiatives to evaluate and benchmark their impact. Data serves as evidence that these initiatives are vital for the future of work and our society. Research shows that increased diversity drives innovation and success in companies.⁴ What's more, welcoming and inclusive workplaces foster higher productivity and job satisfaction.⁵ We need to cultivate workplaces that are hospitable and inclusive for all – DEI efforts uplift everyone and should not be misconstrued as detracting from anyone's experience.

This year we saw an increase in participation in the HACR CII, which gives us hope at a time when things seem dire. More companies understand the value in using evidence to discover areas for improvement and growth in Hispanic inclusion. Benchmarking DEI efforts is necessary to illuminate opportunities to increase Hispanic representation and refine processes to not only retain talent, but to also progress towards established goals in procurement and philanthropic engagement. As your trusted partner in this work, HACR has made a sustained commitment to helping companies with Hispanic inclusion in each of our four pillars (Employment, Procurement, Philanthropy, and Governance), but we cannot do it alone. We need you to partner with us to keep moving in the right direction.

As we discuss the outcomes of this year's report, let's remember that no matter the pressures we are facing, we need to stay the course and sustain investment in DEI initiatives. HACR is your partner.

METHODOLOGY



The data for the 2023 *HACR Corporate Inclusion Index™* (CII) is drawn from a survey designed and administered by HACR. Invitations to participate in the 2023 HACR CII survey were sent to all HACR Corporate Members and previous HACR CII participants from the past three (3) years.⁶

- If a corporation had previously participated in the HACR CII, invitations were sent first to the individuals responsible for their most recent submission, with additional communications sent to senior level executives if necessary.
- If HACR already had a point of contact at a company who had not previously participated in the HACR CII, email communications requesting their participation were also sent to them.
- If a company had not participated in the immediate prior year's HACR CII, requests for participation were made to the point of contact listed on their most recent submission or another point of contact that HACR had.

A total of 120 corporations received invitations to take part in the 2023 HACR CII survey; of that group, 92⁷ submitted surveys, and all were rated.⁸

The survey period occurred from January 10, 2023, to April 14, 2023. All information provided by participants on the 2023 HACR CII survey reflects data from their U.S.-based, corporate operations between January 1, 2022, and December 31, 2022.

The HRI provided additional assistance and advice throughout the process and reviewed submitted documentation for appropriate language and consistency with survey answers. Corporations were invited to provide the HRI with any additional information, corrections to data, and/or updates prior to receiving their finalized ratings.

⁶ Companies outside these parameters who requested the survey from the HACR Research Institute were also permitted to complete the 2023 HACR CII survey.

⁷ Making this year's sample size 92 participating companies (n=92).

⁸ Variances between the total survey respondents and the number of respondents for every question may be due to the fact that not all participants responded to every question and, in some instances, outliers were excluded.



UNDERSTANDING THE RATINGS

The HACR CII survey is comprised of questions developed over years of research and conversation with *Fortune* 500 and HACR Corporate Member companies about their diversity and inclusion practices and the measures in place to evaluate their progress.

The survey helps us understand the state of Hispanic inclusion in Corporate America and allows us to monitor progress over time. The data collected through the HACR CII provides a “snapshot” of Corporate America’s Hispanic inclusion efforts and serves as:

- An evaluation of Corporate America’s Hispanic diversity and inclusion efforts;
- A means of communicating to stakeholders and the public about companies’ performance on Hispanic diversity and inclusion;
- A source of motivation to companies for continued learning and improvement of Hispanic diversity and inclusion;
- A means to identify and celebrate best practices that advance Hispanic diversity and inclusion.

The HACR CII ratings are designed around two focus areas – a practice assessment and an out-comes assessment for each of our four **pillars**: Employment, Procurement, Philanthropy, and Governance. The practice assessment consists of 25 elements which examine what type of support or infrastructure a company has for diversity and inclusion. These questions are comprised of a series of yes-or-no and multiple-choice questions. The outcomes assessment, which consists of five elements, examines key indicators or measures by which companies evaluate progress on diversity and inclusion. These questions are all quantitative.

Indexing is a way to set criteria and evaluate performance in various areas of business practice. The rating permits HACR to dialogue with a participating company around very specific practices and outcomes on Hispanic diversity and inclusion. The HACR CII rating helps participating companies identify opportunities for improvement or highlight best practices and outcomes on their Hispanic inclusion efforts.



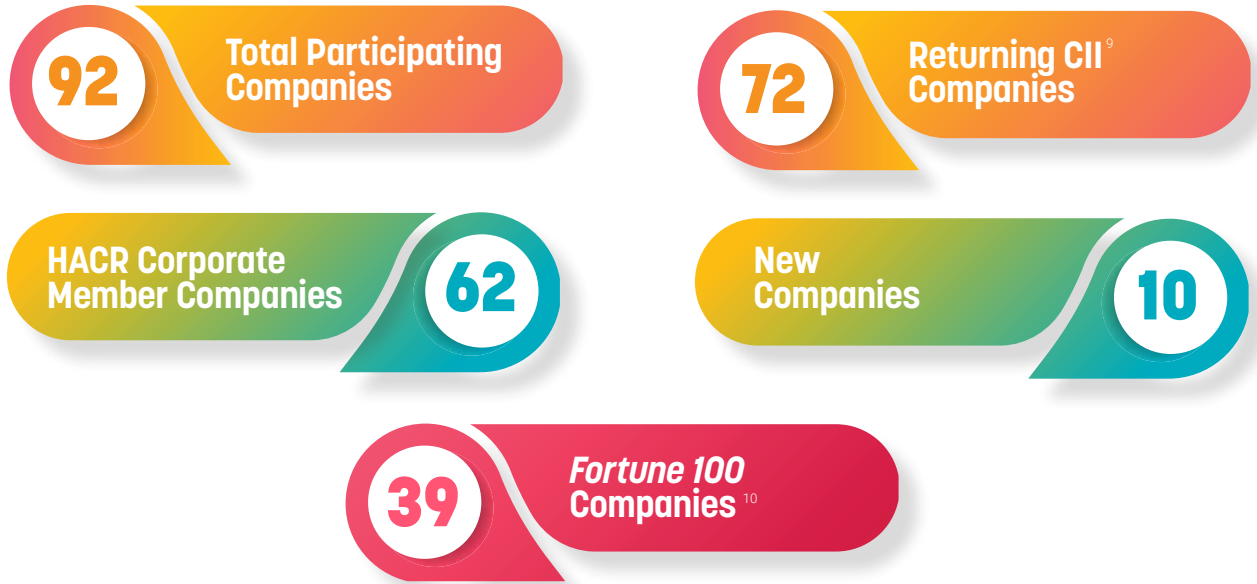
PARTICIPATING COMPANIES

ADP	Edison International	Nasdaq*
AlixPartners LLP*	Electronic Arts Inc.*	Otis Worldwide Corporation†*
Allstate Insurance Company	Elevance Health (formerly Anthem)*	Papa John's International, Inc.*
Alphabet Inc.*	Empower†	PepsiCo*
Altria Group*	The Estee Lauder Companies, Inc.	Pfizer*
American Express*	The Federal Reserve Bank of Minneapolis	PNC Financial Services Group, Inc.†*
Anheuser-Busch Companies LLC*	Ford Motor Company*	Procter & Gamble*
AT&T*	General Motors, Inc.*	PRUDENTIAL FINANCIAL, INC.*
Avison Young†	Gilead Sciences, Inc*	Raytheon Technologies*
Bank of America*	Goldman, Sachs & Co. LLC.*	Rockwell Automation, Inc.*
BMO US	GSK plc*	S&P Global*
Boston Scientific Corporation	Guardian Life	ScionHealth†
bp America Inc*	The Hartford*	SODEXO*
Bristol Myers Squibb†*	HP Inc.	State Farm*
Capital One Financial Corporation*	Humana*	State Street†*
Carrier*	IBM	Stellantis*
Catalent Pharma Solutions*	Intel Corporation*	Target*
ChenMed†*	Jacobs Solutions	TIAA
Chevron*	Johnson & Johnson*	T-Mobile US
Cigna*	JPMorgan Chase & Co.*	Toyota North America*
Cisco Systems	Kaiser Permanente	Tractor Supply Company
Citi*	Kohl's, Inc.	Travel + Leisure Co.*
The Coca-Cola Company*	KPMG LLP*	UPS*
Comcast NBCUniversal*	Land O'Lakes Inc.†	U.S. Bank*
Comerica Bank*	Levi Strauss & Co.	Verizon*
Corteva Agriscience*	Lowe's Companies, Inc.†*	Visa
CSX Transportation	McKesson Corporation	Walmart Inc.*
Delta Air Lines*	Medtronic PLC*	The Walt Disney Company*
DISH Network Corporation	MetLife, Inc.	Wells Fargo & Company*
Dow*	Moody's Corporation	Wyndham Hotels & Resorts, Inc.*
	Morgan Stanley*	Zoetis Inc.

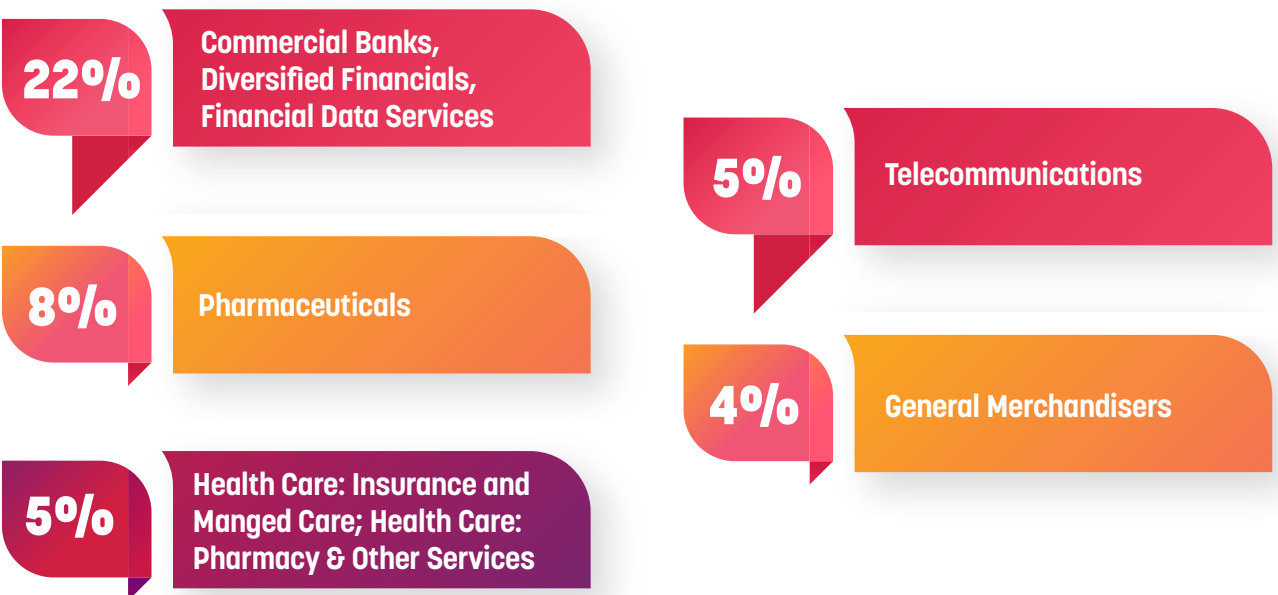
THANK YOU TO ALL OF THIS YEAR'S PARTICIPATING COMPANIES!

* 2022 HACR Corporate Member Company
† New 2023 Participant

PARTICIPATION AT A GLANCE



TOP INDUSTRY PARTICIPATION



⁹ Returning is defined as any company that completed the CII in the immediate prior year. ¹⁰ Based on the 2022 Fortune 100 list.

AWARDS SUMMARY



EMPLOYMENT 5 STAR COMPANIES

5.0



ADP
Altria Group
BMO US
Boston Scientific Corporation
bp America Inc.
Bristol Myers Squibb
Capital One Financial Corporation
Chevron
Cigna
Comcast NBCUniversal
Corteva Agriscience
DISH Network Corporation
Dow
Edison International
Electronic Arts Inc.
Gilead Sciences, Inc.
Goldman, Sachs & Co. LLC.
HP Inc.
Intel Corporation
JPMorgan Chase & Co.

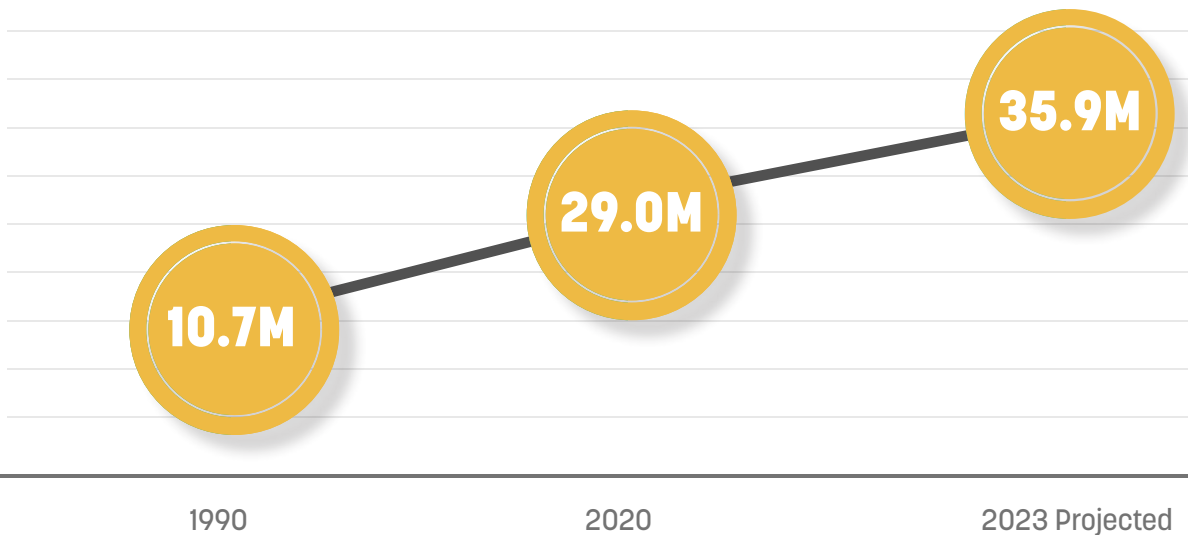
KPMG LLP
McKesson Corporation
Medtronic PLC
MetLife, Inc.
Moody's Corporation
Morgan Stanley
PepsiCo
Procter & Gamble
PRUDENTIAL FINANCIAL, INC.
Raytheon Technologies
State Farm
Target
TIAA
Toyota North America
Travel + Leisure Co.
Verizon
Visa
Walmart Inc.
Wells Fargo & Company
Zoetis Inc.

EMPLOYMENT INSIGHTS

WHAT DID WE FIND?

Hispanic representation and workforce presence are growing in the United States, with projections anticipating nearly 36 million by 2030.¹¹ Presently, Hispanics constitute roughly 18 percent of the total labor force.¹² As our workforce numbers expand, a deeper analysis of the types of positions that Hispanics occupy is essential.

HISPANIC WORKERS IN THE LABOR FORCE¹³



This year's HACR CII continues to show fluctuations in Hispanic representation in Corporate America as companies continue to adjust their post-pandemic operations. In fact, the participating companies' representation, 15 percent, is lower than the BLS estimate of 18 percent. And when we break that down to take a closer look at non-exempt and exempt positions, we find that Hispanics are more commonly in non-exempt positions than exempt positions. Exempt positions, which often lead to a path to the top, offer better benefits, working conditions, and advancement opportunities.

¹¹ Hispanics in the Labor Force 5 Facts. <https://blog.dol.gov/2021/09/15/hispanics-in-the-labor-force-5-facts> accessed on 8.28.23.

¹² Labor Force Characteristics by Race and Ethnicity <https://www.bls.gov/opub/reports/race-and-ethnicity/2021/home.htm> accessed on 8.28.23.

¹³ Source: BLS.GOV



Hispanic Employees



Hispanic Exempt Employees



Hispanic Non-Exempt Employees

While Hispanic representation throughout all aspects of an organization is important, avoiding an overrepresentation of Hispanics in non-exempt roles relative to their overall employee population is critically important. Unfortunately, among this year's participating companies, Hispanic non-exempt employees represent 73 percent of total Hispanic employees, indicating an overrepresentation in such positions. This over concentration in positions that are more precarious and usually more at risk, has far-reaching impacts on opportunities for advancement and inclusion in more professional positions.

To help combat this, we recommend recruitment strategies for all levels and investments in internship programs as a way of attracting new employees that can move through the pipeline to achieve success at all levels within a company. This year, nearly 98 percent of participating companies indicated their recruitment strategies were inclusive of Hispanics and over 93 percent indicated that their internship program was also inclusive of Hispanics.



Hispanics accounted for more than 13% of interns.

One last mechanism that companies have to ensure the representation of Hispanics across all levels within their organization is their Employee Resource Groups (ERGs). For the past several years, companies have recognized the role that ERGs can play in not only attracting new talent to an organization, but also in supporting and uplifting employees during these tumultuous times. ERGs are instrumental in creating welcoming and inclusive workplaces. Nearly all companies indicated that they had an ERG and over 90 percent were leveraging those groups to support employees through retention and professional development activities. However, only 87 percent were leveraging that ERG to assist with recruitment. This is an opportunity for all companies to further engage their ERG in this important work.

OPPORTUNITIES

The biggest opportunity for companies lies in further developing goals and metrics for assessing the effectiveness of internal talent-development programs. While almost all participants (91%) reported having mentorship programs, and an even higher number (97%) indicated having succession planning initiatives, a notably smaller proportion of companies (70%) had both established goals and metrics tied to these programs and initiatives. Investing in DEI efforts and Hispanic inclusion isn't just about creating programs; it is also about evaluating and structuring them to achieve their desired outcomes.

Mentorship Program



Goals and Metrics

Sponsorship Program



Goals and Metrics

Succession Planning Initiatives



Goals and Metrics

Goals and metrics to evaluate the success of internal talent-development initiatives are crucial to demonstrate the impact of these programs. Without these tracking mechanisms, the programs are vulnerable to cuts or complete elimination. Given the circumstances these past few years and the more recent assaults on DEI work and Hispanic inclusion, using data to support the investment in programs to create a more inclusive workforce is essential. Only by providing evidence will these efforts weather the storm.

Additionally, the existence of formal sponsorship programs is lagging. Only 75 percent of the participating companies indicated they had formal sponsorship programs. Organizational culture often makes it more challenging for women and people of color to break through to the upper ranks without the support of a sponsor to advocate for them. Formal sponsorship programs are effective tools for breaking down barriers to advancement and cultivating a culture of inclusion when they are structured properly with goals and evaluation metrics. Such programs are crucial to shaping the employee experience and essential to ensuring diverse candidates' progress through the corporate pipeline.

HOW DID THE SAMPLE DO?

PRACTICE ASSESSMENT

Overall, the sample received a three (3) star rating in their practice assessment out of four (4) total possible stars. As in years prior, tracking metrics for mentorship, sponsorship, and succession were the areas that presented the most challenges for our participants. We certainly applauded the creation of programs to develop talent internally, but cannot emphasize enough the importance of implementing goals and metrics to evaluate the success of those internal programs. In this moment, when we most need to prove why DEI efforts and Hispanic inclusion add value to corporations, metrics are key evidence supporting the need for sustained investment in this work.

OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for three (3) out of five (5) metrics, thereby awarding them the additional star.



PROCUREMENT 5 STAR COMPANIES

5.0



ADP
AT&T
Capital One Financial Corporation
Comcast NBCUniversal
Edison International
Elevance Health
Ford Motor Company
Humana
Medtronic PLC
SODEXO
TIAA
Toyota North America
Walmart Inc.

PROCUREMENT INSIGHTS

WHAT DID WE FIND?

Hispanic inclusion in procurement was a challenge before the pandemic and remains a challenge after. Fewer than one percent (1%) of suppliers were Hispanic and just slightly more than one percent (1%) of total spend was with Hispanic-owned businesses. How can we improve this? Historically one of the biggest challenges in procurement is data and the willingness of companies to be transparent with us in regard to their procurement information. Without data to justify the need for DEI initiatives in any field, we will face a challenge from those who do not support this work. Companies should prioritize the investment necessary to collect better data and be willing to share that data in their benchmarking efforts.



Less than 1% of suppliers were Hispanic



Of total spend was with Hispanic-owned businesses

Companies can draw insights from research to increase the number of Hispanic suppliers they use and the amount of money they spend with Hispanic-owned businesses. Some proven strategies for success in this area include having a strategic plan for supplier diversity that is reviewed regularly, working with trade associations to identify eligible suppliers, a separate budget for supplier diversity, thinking beyond Tier one (1) to having mechanisms in place to hold their suppliers accountable for their own supplier diversity (Tier two (2)), and leveraging their ERG in the work of supplier diversity.

Amongst our sample, nearly all had a strategic plan (95%), and it was reviewed regularly, 88 percent were working with trade associations to identify diverse suppliers and only 87 percent had a separate budget for supplier diversity. Fewer than two thirds (64%) of participating companies held their Tier one (1) suppliers accountable for supplier diversity and just slightly more than half (58%) engage their ERG to assist with supplier diversity. So, while many companies have implemented some of these proven strategies, there are still opportunities for investment in DEI efforts in this area to lead to improvements in Hispanic inclusion in procurement.



95%

Strategic Plan

88%

Work with Trade Associations

87%

Separate Budget for Supplier Diversity

64%

Hold Tier 1 Accountable for Supplier Diversity

58%

Engage their ERG in Supplier Diversity Efforts

OPPORTUNITIES

One theme that emerged during this year's CII cycle was that many minority-owned businesses needed capital infusions during and post-pandemic, and the result of that was that oftentimes these capital infusions shifted ownership enough that these companies no longer met the definition of minority-owned. This caused a number of companies to lose suppliers that they had built relationships with and who they had come to rely on. How do we prevent this from happening in the future? That is where the opportunities lie in procurement – aiding and supporting Hispanic-owned businesses to ensure they are able to develop the capacity and capability to do business with them today and in the future.

Since the pandemic's onset, diverse supplier development initiatives have declined. Pre-pandemic, nearly 80 percent of participating companies offered these development initiatives, dropping to just over 60 percent during the height of the pandemic. This year, nearly 70 percent of participating companies reported offering supplier development initiatives, with roughly about 10 percent of Hispanic suppliers across the sample participating.

Percent of companies providing supplier development initiatives



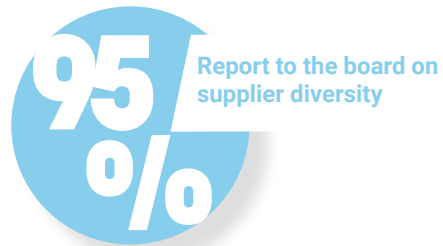
Pre-pandemic, during the pandemic, and post-pandemic

Apart from crucial developmental initiatives, which ensure collaboration between Hispanic-owned businesses and larger enterprises, companies should contemplate extending financial aid, such as advanced payment options or short-term payment terms. This can be a significant boost for small minority-owned businesses, helping address their capital and cash-flow challenges. Just more than half (52%) of this year's participants reported providing financial assistance to Hispanic suppliers. Providing financial assistance to these suppliers is another way that companies can invest in DEI and Hispanic inclusion efforts and provides a sustained investment in the Hispanic community.

Finally, for a supplier diversity program to be robust and effective, there are certain necessary elements: a project leader who is a high-ranking, full-time employee who is accountable for the program's success and for reporting to the board; and a supportive team.

OPPORTUNITIES

In our participant sample, almost all have a full-time employee who reports to the board on this work. Only 87 percent, however, had a dedicated team for supplier diversity, and less than two-thirds had metrics in place to determine if goals for Hispanic suppliers had been met. Again, thinking back to our theme this year about the importance of sustained investment in this work and continued data collection to be sure its relevance to the larger community is understood, evaluation metrics are vital for continuous growth and improvement in this area.



HOW DID THE SAMPLE DO?

PRACTICE ASSESSMENT

Overall, the sample received a two (2) star rating in the procurement practice assessment out of four (4) total possible stars. As in past years, companies can improve the diversity and efficiency of their procurement practices by continually tracking outcomes for Hispanic suppliers. One of the biggest obstacles is the inability to track information at the level of detail necessary to really understand how Hispanic-owned businesses, not just minority-owned businesses, are really doing. Related to tracking is transparency, 27 percent of participating companies did not disclose enough information for us to be able to evaluate their performance in this area.

OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for only two (2) out of five (5) metrics, thereby failing to receive the additional star.



**FINAL RATING
2 STARS**

PHILANTHROPY 5 STAR COMPANIES

5.0



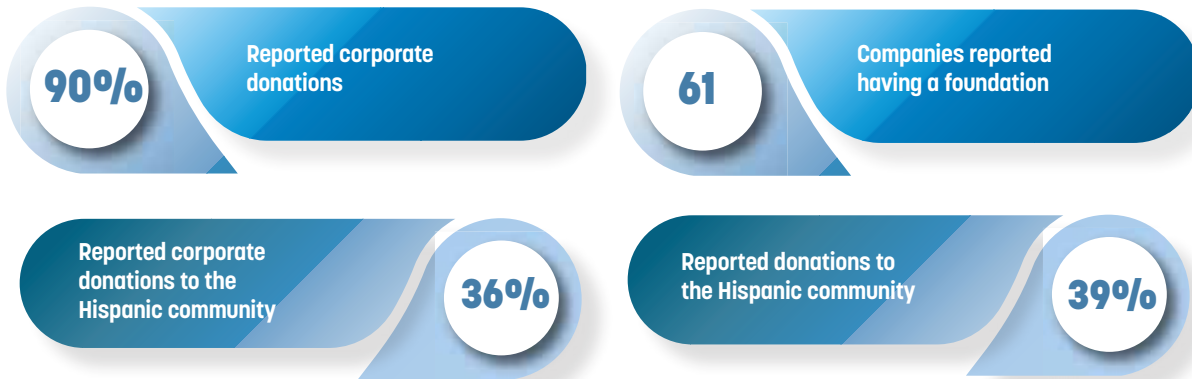
Comcast NBCUniversal
Edison International
Ford Motor Company
Humana
Medtronic PLC
Target
Toyota North America
U.S. Bank
Verizon
Visa

PHILANTHROPY INSIGHTS

WHAT DID WE FIND?

One of the greatest challenges that companies face in philanthropy is related to tracking and reporting on their philanthropic efforts in the Hispanic community. Regrettably, there hasn't been noticeable progress in this area this year.

Among the companies participating, over 90 percent reported making corporate donations. Only 36 percent of these companies, however, could effectively track and report their donations to the Hispanic community. Similarly, of the 61 companies with a foundation, just 39 percent were able to accurately track and report dollars donated to the Hispanic community.



These challenges are not limited to tracking and reporting donations but also to tracking and reporting volunteer hours in the Hispanic community as well. As noted throughout this report, data provides evidentiary support to identify where programs or initiatives are needed and helps to ensure the efficient use of resources both human and financial. Data helps us to evaluate our investments and determine where more investment of time or dollars is needed. Without evidence to illuminate the opportunities, we risk making the wrong investment. Only one third of the participating companies reported the ability to track volunteer hours in the Hispanic community, of those, only 41 percent reported any hours. These numbers represent employee-wide volunteer efforts not those led by the Hispanic ERG. We also asked about ERG-led volunteer efforts, and while nearly 95 percent of companies indicated their ERGs are involved in various philanthropic events, only 41 percent tracked the number of hours their ERGs spent volunteering their time in the Hispanic community.



This year's CII participants reported allocating around 10 percent of their total corporate give, 19 percent of their total foundation contributions, and three (3) percent of their total in-kind contributions to the Hispanic community. In dollars, these figures amount to an average corporate give to the Hispanic community of \$3.5 million, an average foundation give to the Hispanic community of \$3.8 million, and an average in-kind give to the Hispanic community equal to \$1.8 million.

Hispanic Philanthropic Donations

**TOTAL
CORPORATE GIVE**

10%

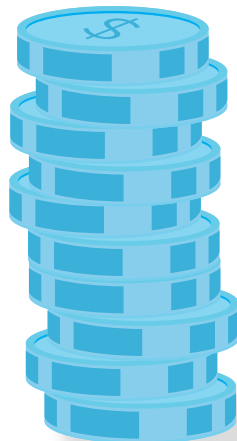
\$3.5M



**TOTAL
FOUNDATION GIVE**

19%

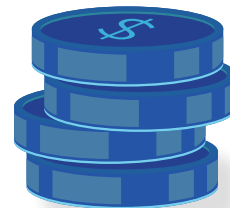
\$3.8M



**TOTAL
IN-KIND GIVE**

3%

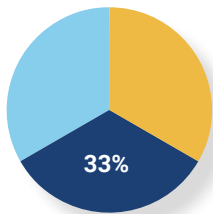
\$1.8M



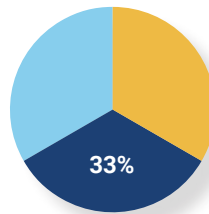
OPPORTUNITIES

One issue that has been raised this year is the inability of third-party platforms to track data at the level we are interested in for the CII. Many platforms do not provide the opportunity to identify which communities are being served through donations of time or money, only that these donations were made. This limitation to these platforms really hampers an organization's ability to evaluate impact and can hinder future resource allocation. At a time, ripe with economic uncertainty, when every dollar counts from both the perspective of the donor and the recipient, better tracking and ways of collecting data are essential.

Our ability to change these platforms is limited. We can, however, make recommendations to help companies make progress in this area. The first is more elementary: nearly one third of this year's participants indicated they did not have a strategic plan to guide the work of their foundation. Of those who did have a plan, one third did not review it regularly. This is fundamental to philanthropic efforts – a regularly-reviewed strategic plan that guides decision making to ensure maximum impact on meeting current needs. Sustained investment in DEI and Hispanic inclusion requires intentional efforts that can be tracked, analyzed, and evaluated to assess impact – this takes careful planning, strategy, and constant evaluation, in other words - deliberate actions.



Nearly one-third did not have a strategic plan for their foundation.



Of those who did have a plan, one-third did not review it regularly.

Given the limitations of third-party platforms to track philanthropic data, and the fact that almost all participating companies indicated that their Hispanic ERG was involved in these philanthropic efforts in the Hispanic community, why not leverage them to help fill the data void of third-party platform tracking mechanisms? Working with your ERG to devise a strategy to track investments of time and dollars in the communities they are serving is an opportunity for internal partnership. Internal partnerships are more important now than ever. As we continue to face cuts in all areas in the wake of continued economic uncertainty, we **must** create a culture which recognizes the need to invest in DEI. Including more folks in this work is one way to do that and often creates a bond through partnership and collaboration.

HOW DID THE SAMPLE DO?

PRACTICE ASSESSMENT

Overall, the sample received a two (2) star rating on the philanthropy practice measures. Companies should increase their focus on tracking and impact evaluation for their philanthropic investments in Hispanic communities. Even though it may add some additional steps or complexity to established practices, it will ensure that practices have the intended effects on the communities they are intended to serve.

OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for one (1) out of five (5) metrics, thereby failing to receive the additional star.



**FINAL RATING
2 STARS**

GOVERNANCE 5 STAR COMPANIES

5.0



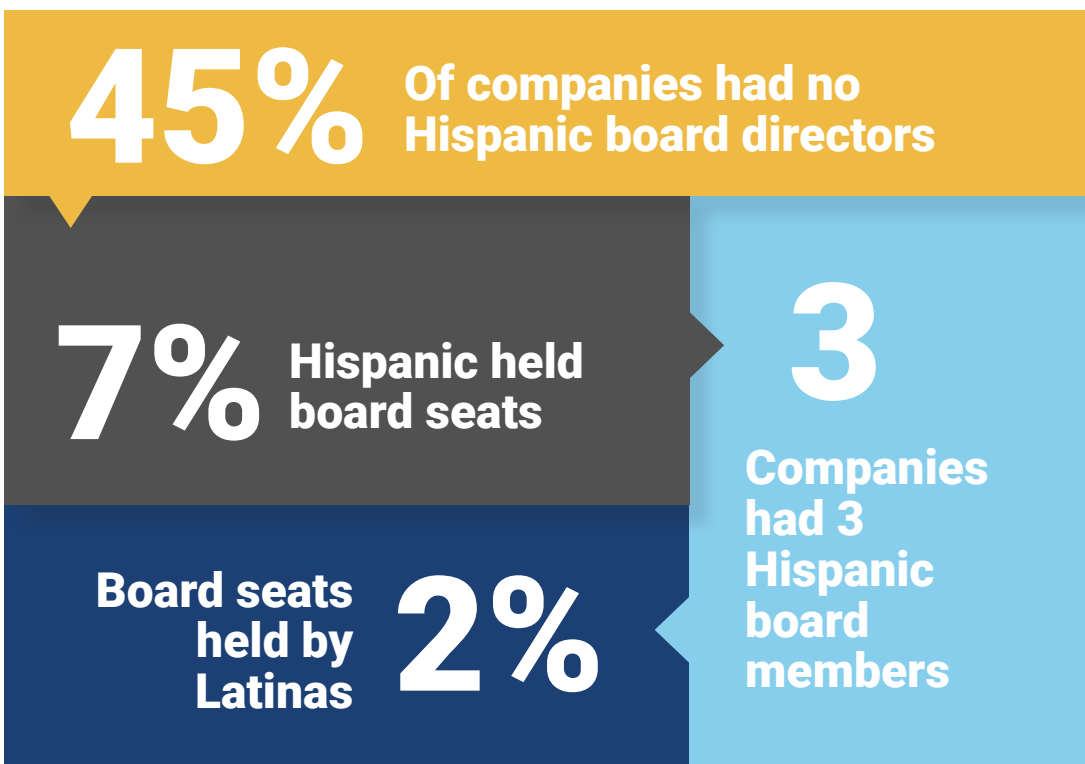
Altria Group
American Express
AT&T
Bank of America
bp America Inc
Bristol Myers Squibb
Chevron
Citi
The Coca-Cola Company
Comcast NBCUniversal
Comerica Bank
Corteva Agriscience
DISH Network Corporation
Dow
Edison International
Elevance Health
Gilead Sciences, Inc.
Goldman, Sachs & Co. LLC.
HP Inc.
Intel Corporation
Johnson & Johnson
JPMorgan Chase & Co.

Kaiser Permanente
KPMG LLP
McKesson Corporation
Medtronic PLC
MetLife, Inc.
Moody's Corporation
Otis Worldwide Corporation
PepsiCo
Pfizer
Procter & Gamble
PRUDENTIAL FINANCIAL, INC.
Raytheon Technologies
State Street
Stellantis
Target
TIAA
Travel + Leisure Co.
U.S. Bank
Verizon
Visa
Walmart Inc.
The Walt Disney Company
Wells Fargo & Company

GOVERNANCE INSIGHTS

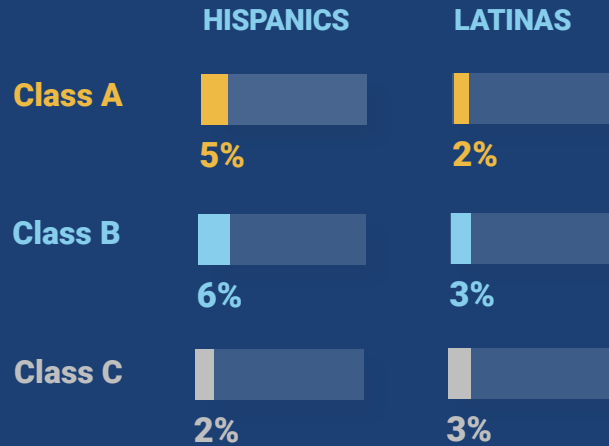
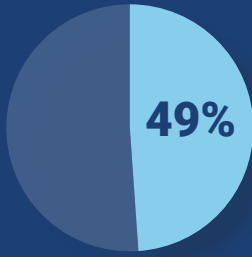
WHAT DID WE FIND?

Representation at all levels of Corporate America is important. Without a seat at the table to take part in crucial conversations, our voice is not included. Board representation is essential to ensure that the needs of the Hispanic community are heard. This year's CII data shows that corporate board representation for Hispanics is nearly seven percent (7%) and only two percent (2%) of seats were held by Latinas. A striking 45 percent of the participating companies had no Hispanic board directors. But we were thrilled to see that three (3) companies had three (3) Hispanic board members and that one of those companies had three (3) Latinas.

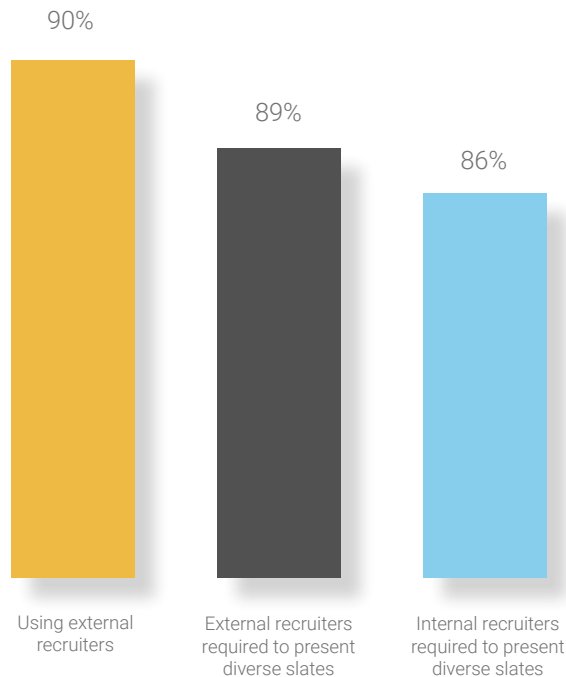


Hispanic representation in executive roles remains notably low, with only around five percent (5%) accounting for Class A employees, dropping further to nearly two percent (2%) for Latinas. Similar trends continue across the leadership pipeline, with approximately six percent (6%) and two percent (2%) Hispanics in Class B and Class C positions, respectively. Latinas made up about three percent (3%) in both Class B and Class C positions. Alarming, nearly half (49%) of surveyed companies have no Hispanic executives.

NO HISPANIC EXECUTIVES



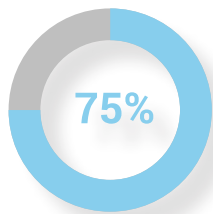
Companies can adopt supportive measures to enhance Hispanic representation in their **executive** pipeline and corporate boards. Common practices include engaging external recruiters for filling board and executive roles, while mandating diverse candidate presentations from both internal and external recruiters. Almost all participating companies (90%) utilized external recruiters to fill these roles, and almost an equivalent percentage required external recruiters to present diverse slates. A lower percentage (86%), however, made the same request to present diverse slates to their internal recruiters.



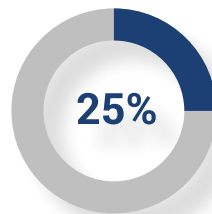
So, while many of the participating companies are leveraging these support practices, more work is still needed to see greater representation of Hispanics at the highest levels of Corporate America.

OPPORTUNITIES

Accountability is key; without it, it can be difficult to really see progress in Hispanic inclusion. Diversity goals with specific metrics that are part of executive performance reviews are an important step. Although, it's encouraging that almost 75 percent of this year's sample integrates these goals and metrics, 25 percent don't, illustrating there is room for growth.



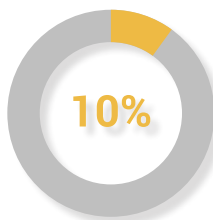
Of this year's sample integrates these goals and metrics



Don't integrate these goals and metrics

Throughout this report we have been talking about the importance of metrics and data and sustained investment in DEI and Hispanic inclusion – but that investment doesn't just mean dollars. It means time. It means prioritizing this work and holding everyone accountable for it. Including diversity goals with specific metrics as part of the performance process for the leaders of your organization goes a long way to demonstrating your commitment to this work. It is one of the ultimate investments you could make in DEI and Hispanic inclusion.

Additionally, corporate diversity goals specifically related to Hispanic inclusion are also important in this work. Currently, more than 10 percent of participating companies still did not have diversity goals specific to Hispanic inclusion.



Of participating companies still did not have diversity goals specific to Hispanic inclusion.

How can you chart a course successfully when you don't know where you are trying to go? That's what happens when you don't have goals for Hispanic inclusion. How do you identify what needs to change? Or improve? Or what you need to do more of when you don't have specific goals? Goals don't have to be numeric targets; they can be related to employee experience, employee engagement and organizational culture, among other things. Sustained investment in DEI and Hispanic inclusion requires thoughtful goals. Otherwise, what are we investing in?

HOW DID THE SAMPLE DO?

PRACTICE ASSESSMENT

Overall, the sample received a three (3) star rating on the governance practices measures. One area where companies can improve is related to metrics and accountability for this work. While nearly all companies indicated they reported to the board on their diversity progress and that the executive responsible for this work has a staff to assist, accountability metrics for other executives and more generally to measure progress on goals for Hispanic inclusion are needed.

OUTCOMES ASSESSMENT

For the quantitative measures, the sample group met the criteria for three (3) out of (5) metrics, thereby awarding them an additional star for a total of four (4) stars in this section.



CONCLUSION & FINAL THOUGHTS

For the past 14 years, the *HACR Corporate Inclusion Index™* (CII) has been the source for understanding progress for Hispanic inclusion in Employment, Procurement, Philanthropy and Governance within Corporate America. This year there are a few trends that have given us cause for celebration and others which have caused us to pause and reflect.

We have certainly celebrated this year's increase in participation. A signal that despite the continued assaults on this work and on underrepresented and marginalized individuals in our society, Corporate America's commitment to DEI has not faltered. We implore companies to stand their ground and invest more time, effort, and support into DEI and into creating the necessary metrics to evaluate performance.

We are also happy to see the overall proportion of Hispanic employees has stayed relatively constant across the past several years and perhaps more importantly, the proportion of Hispanic employees in exempt positions has increased to nine (9) percent. After several years of decreases in the proportion of Hispanic employees in exempt positions, we are glad to see this rebound. One related area which remains a concern is the increasing proportion of Hispanic employees concentrated in non-exempt positions. Nearly three-quarters of Hispanic employees at participating companies were found in non-exempt positions, positions that often fail to provide benefits and access to advancement, which stymies opportunities for career growth. The high concentration of Hispanics in non-exempt positions is reflected in the relatively low number of Hispanic executives and corporate board members among the participating companies. There is a connection – if we do not have access to the pipeline how do we ever expect to reach the top?

One positive change we saw this year in philanthropy was that the Hispanic community received 10 percent of corporate contributions, exceeding even pre-pandemic contribution levels. Additionally, nearly 20 percent of foundation dollars went to the Hispanic community, and the community benefited from on average 3,000 volunteer hours. These resources, both human and financial, are much needed.

Despite these gains, there are several areas of opportunities for Corporate America. When it comes to procurement and supplier diversity, the opportunity lies in greater transparency and better data collection, measures we have advocated on for several years. We have seen some improvements, but there is room for more. Similarly in philanthropy, transparency and better tracking mechanisms are a must. There is so much good work happening in communities across the United States, but platform limitations prevent companies from truly measuring the impact. We need companies to collect the right data and to be transparent in their reporting to identify what works and what doesn't, so that we can refine processes for continuous growth and progress towards our goals.

The *2023 HACR Corporate Inclusion Index™* (CII), like those of years past, highlights both the positive and negative trends, but also provides companies with an actionable plan to advance Hispanic inclusion throughout their **operations**.

ACKNOWLEDGMENTS

On behalf of the HACR Board of Directors, we would like to acknowledge and extend a special thank you to the following for their support of the 2023 *HACR Corporate Inclusion Index™* report.

Lisette Garcia

HACR Chief Research Officer

Sylvia Pérez Cash

HACR EVP & Chief Operating Officer

Nayda Rivera Hernandez

Project & Technical Coordinator

Andrea Orlando

HACR Director of Communications and Marketing

Tessy Heyser Arguelles

Cover Designer

Adrian Preuss

Graphic Designers

We also thank the companies who took the time to respond to our request for data and the HACR staff for their thoughtful review of the report.