



2018 HACR CORPORATE INCLUSION INDEX

2018 HACR COALITION MEMBERS



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INTRODUCTION



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ABOUT THE 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 12 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's 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 HACR RESEARCH INSTITUTE

The HACR Research Institute (HRI) is the research arm of HACR and is devoted to objective research, analysis, and publication of Hispanic-related issues in Corporate America. The goal of the HRI is to assess current Hispanic trends and stimulate discussion on Hispanic inclusion.

Through the HRI, HACR publishes the annual Corporate Inclusion Index, which includes a picture of the state of Hispanics in Corporate America in Employment, Procurement, Philanthropy, and Governance. The research institute also publishes the Corporate Governance Study, and other independent studies conducted internally and through partnerships with leading advocacy organizations.

A LETTER FROM THE HACR PRESIDENT & CEO



CID WILSON

Since our founding in 1986, the Hispanic Association on Corporate Responsibility (HACR) has been one of the most influential advocacy organizations in the nation. Through our executive programs, annual symposium, and research we are moving the needle for Hispanics in Corporate America. Through partnership with our Coalition Members and our Corporate Members we have made strides

growing the number of Latinos on corporate boards, strengthening the pipeline of Hispanics rising into the corporate C-suite, as well as sharing best practices for procurement with Hispanic-owned businesses, and increasing corporate philanthropy into the Hispanic community. Hispanics in the U.S. represent over \$1.5 trillion in buying power, making our community the 7th largest economy in the world, as such it is important for Corporate America to harness the power of this demographic giant in order to continue to move their companies and the Hispanic community forward.

Our HACR Corporate Inclusion Index (CII) is our corporate accountability survey that assesses companies on their inclusiveness of Hispanics. This year, we launched a new and improved format to the HACR CII. This was a major multi-year initiative, under the leadership of Dr. Lisette Garcia, senior vice president and chief operating officer of HACR who leads our HRI, the goal of which was to significantly expand our measurement tools with greater attention to each of our four pillars of corporate responsibility: Employment, Procurement, Philanthropy, and Governance.

We believe you will find the 2018 HACR CII to be informative and useful. More importantly, we believe that the newly-expanded format will encourage more companies to leverage the HACR CII to drive improvements in areas where there is opportunity for growth.

Our thanks to the companies who participated in our 2018 HACR CII and thank you to our board, leadership team, and stakeholders for their commitment to HACR and our mission of advancing Hispanic inclusion in Corporate America.

LETTER FROM THE DIRECTOR OF THE HRI



LISETTE GARCIA

This year we debuted a new survey and ratings criteria. Over the past several years we have worked very closely with our partners to understand the challenges they face in collecting data and the areas where they require the most assistance. With that in mind, and with the last 6 years of data at hand, we embarked down a new path for the HACR Corporate Inclusion Index (CII).

ABOUT THE NEW HACR CII RATINGS

The new HACR CII ratings are designed around two focus areas – a practice assessment and an outcomes assessment for each of the pillars. The practice assessment consists of twenty-five elements which examine what type of support or infrastructure a company has in place 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 typically quantitative in nature.

The new rating permits HACR to dialogue with a participating company around very specific processes on diversity and inclusion. The HACR CII rating helps participating companies identify opportunities for improvement or highlights best practices and outcomes on their diversity and inclusion efforts for Hispanics.

UNDERSTANDING THE NEW RATINGS & AWARDS

HACR uses a five star rating system. A maximum of four (4) stars are possible for the processes assessment. Stars are awarded based on a percentage achieved out of 25 total elements in each pillar. Each pillar is rated separately.

There is one (1) star possible for the outcomes assessment. This star is awarded based on a company meeting the minimum threshold for three (3) out of five (5) quantitative elements. For each pillar there are five (5) total possible stars based on a composite assessment of processes and outcomes.

Also new this year is the HACR Award for Corporate Inclusion, (HACI) which will be given to companies that achieved a five (5) star rating in any pillar. Awardees will be publically recognized by the HACR Research Institute annually.

This report is the culmination of research, many conversations, reflection, and good old-fashioned hard work. Thank you to everyone who participated and thank you for your continued support of HACR.

EXECUTIVE SUMMARY

Since 2009, HACR has been collecting data on the status of Hispanics in Corporate America along HACR's four pillars: Employment, Procurement, Philanthropy, and Governance. The HACR CII provides us the opportunity to engage in dialogue with interested companies around their diversity and inclusion practices and outcomes for Hispanics. The HACR CII criteria had remained constant since its inception until this year. After much consideration, and conversations with all of the HACR CII participants, it was time to review and update the criteria to better reflect the needs of the participants and HACR's areas of interest.

By setting new criteria, collaborating with our survey participants to evaluate and discuss performance in various areas of business practice, we leverage data to make informed decisions on policies that help companies improve performance in these areas. Readiness, by committing to the HACR CII through a willingness to participate and being completely transparent throughout the process, is a major first step in the right direction for many companies. Otherwise, how will companies know their successes or where there is still opportunity to leverage the growing Hispanic segment of the U.S. population?

Corporate America like the United States more generally, is in a unique position right now – they must learn how to work with the Hispanic community to further their interests or risk the losing business opportunities with the fastest growing population in the U.S. Our hope is that companies recognize this opportunity and truly leverage it to their advantage to help them on their diversity journey, because if they achieve their inclusion goals, HACR achieves its mission.

KEY FINDINGS

This report provides key highlights on this year's findings with respect to the four HACR pillars:

Employment

- Hispanics comprise an average of more than 17 percent of the total reported employee base for the 2018 HACR CII participants.

Procurement

- On average, participants reported directing nearly two (2) percent of total procurement spend to Hispanic-owned businesses.

Philanthropy

- 90 percent of participants reported having a plan for outreach and corporate giving to local and national Hispanic organizations.

Governance

- Hispanics held just over seven (7) percent of board seats amongst the participating companies.

HACR AS YOUR PARTNER

As mentioned earlier, the HACR CII revamp was a multi-year process that was inclusive of a core set of participating companies. Since 2013, we have held in person meetings, conference calls, and webinars, all to ensure that as the CII evolved, we considered not only our research objectives, but the needs of our participants as well. The HACR CII is a true partnership, in working together to improve Hispanic inclusion we not only work to achieve our goals, but we also help companies to achieve theirs. The result is a comprehensive measure of Hispanic inclusion in Employment, Procurement, Philanthropy, and Governance which helps us recognize what companies are doing well through the new HACI Awards. It also helps us identify areas of opportunity for our participants.

Our goal with the CII was to shift the focus from compliance and reporting to sustainable cultural change informed by good data, that evolves as needed. Through open lines of communication and discussion of mutual goals, goals that moved beyond simply counting people and (dollars) to making people and (dollars) count, we would positively impact Hispanic inclusion in Corporate America

METHODOLOGY

The data for the 2018 Hispanic Association on Corporate Responsibility Corporate Inclusion Index (HACR CII) is drawn from a survey designed and administered by the HACR Research Institute (HACR HRI).

Invitations to participate in the 2018 HACR CII survey were sent to all *Fortune* 100 companies, HACR Corporate Members, and 2017 HACR CII participants.*

If a corporation had not previously participated in the HACR CII, requests were made to the chief executive officer, as well as the highest-level executives responsible for communications and human resources and/or diversity, when it was possible to obtain their contact information. If HACR had a point of contact at a particular company who had not previously participated in the HACR CII, email communications requesting their participation were also sent to them.

If a corporation had previously participated in the HACR CII, invitations were sent first to the individuals responsible for previous submissions, with additional communications sent to senior level executives if necessary.

A total of 137 corporations received invitations to take part in the survey; of that group, 50 submitted surveys and all but one were rated.** The survey period was from January 20, 2018 to September 15, 2018.

The HACR staff 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 HACR staff with any additional information, corrections to data, and/or updates prior to finalizing their ratings.

** Companies outside these parameters who requested the survey from the HACR Research Institute were allowed to complete the 2018 HACR CII survey.*

*** Aggregate data results are based on 49 complete on-time submissions. 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. Information reported for each question was calculated solely based on the number of complete responses.*

PARTICIPATING COMPANIES

ADP	Freddie Mac †	PayPal †
Aetna*	GM*	PepsiCo*
Allstate Insurance Company	Herbalife Nutrition*	Phillips 66 †
American Express †	HP Inc. †	Prudential Financial, Inc.*
Anthem, Inc.	Humana Inc.*	Sodexo, Inc.*
AT&T*	Intel Corporation	State Farm*
Bank of America*	Johnson & Johnson*	Target*
Capital One Financial Corp.*	JPMorgan Chase & Co.*	T-Mobile USA, Inc.*
Cigna*	The Kroger Company	Toyota Motor North America, Inc.*
Citi*	Marriott International, Inc.	United States Tennis Association*
The Coca-Cola Company*	McDonald's Corporation*	UPS*
Comcast NBCUniversal Telemundo*	McKesson Corporation †	Verizon*
Comerica Bank*	Medtronic, Inc.*	Walmart Inc.*
DuPont	MetLife Inc.*	The Walt Disney Company*
Exelon Corporation	Miller Coors LLC*	Wells Fargo & Company*
FedEx Corporate †	Morgan Stanley*	
Ford Motor Company*	Northwestern Mutual †	

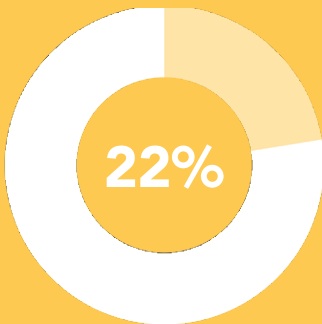
Thank you to all of this year's participating companies!

** 2017 HACR Corporate Member Company*

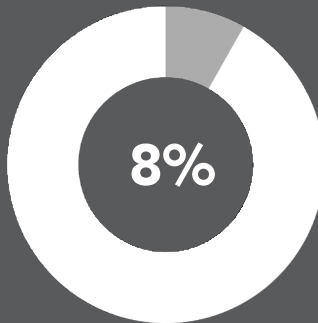
† First Year Participant

PARTICIPATION AT A GLANCE

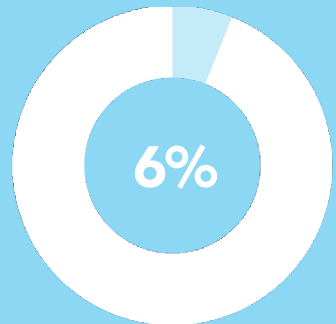
BREAKDOWN BY TOP INDUSTRIAL SECTORS



Financial Services



Telecommunications



Healthcare

50

Companies
Participated

37

Fortune 100
Companies

33

HACR Corporate
Member Companies

8

First Year Participants

41

Returning Participants



www.hacr.org



Hispanic inclusion
Hispanic leaders
Hispanic CEOs
Fortune 500

**Do you want to learn more about Hispanic
inclusion in Corporate America?
We are just one click away!**

 [/www.hacr.org](http://www.hacr.org)

EMPLOYMENT TRENDS

WHY IS EMPLOYMENT IMPORTANT?

Work is a central component of our society. Not only is it the single most important way that people provide for themselves and their families economically, but it also helps to define who we are, how we see ourselves, and how others see us. Through work we obtain meaning to our existence. Arguably, this is all influenced by the quality of jobs, and though how we define “good” jobs versus “bad” jobs changes with time, most can agree that “good” jobs are those that provide livable wages, fringe benefits, security, stability, and satisfaction.

Given the importance of securing “good” jobs to the overall health and wellbeing of individuals and families in the U.S. it is crucial for HACR to ensure that Hispanics are well represented in those “good” jobs. Hispanics should not simply be left to occupy marginal jobs because of the convergence of a multitude of factors including the precarious nature of immigration in the U.S. or perceptions about race, ethnicity, and gender.

IN THE U.S.

Hispanics have a higher labor force participation rate than Whites.*

1,900

The number of hours a Hispanic adult works in one year **

\$44,800

Median Household income for Hispanics

** Source: Bureau of Labor Statistics (BLS)*

*** Source: Calculated from BLS data on average hours worked per week by race*

**** Source: Pew Hispanic Research Institute*

EMPLOYMENT

CONGRATULATIONS TO THE HACR CII 5 STAR COMPANIES

ADP

Aetna

Allstate Insurance Company

Anthem, Inc

AT&T

Cigna

The Coca-Cola Company

Comcast NBCUniversal Telemundo

GM

Humana Inc.

Intel Corporation

Johnson & Johnson

JPMorgan Chase & Co.

MetLife Inc.

Miller Coors LLC

Morgan Stanley

PepsiCo

Prudential Financial, Inc.

State Farm

Verizon

The Walt Disney Company

2018 EMPLOYMENT TRENDS

EMPLOY

WHAT DID WE LEARN?

Data from the HACR CII shows us that there are a few areas that should be of concern to Corporate America and Hispanics in Corporate America. For instance, in 2018 there were twice as many Hispanics in nonexempt positions as in exempt positions. Because nonexempt positions are those that are least likely to pay well, provide health insurance, offer job security, or opportunities for advancement, they could be considered "bad jobs." They are the ones that are most precarious in nature and if Hispanics are more likely to be employed in these types of positions what does this mean for their economic wellbeing?

On a positive note, companies appear to be thinking about the future of their workforce and how to build a pipeline of talent to progress into upper management. And while succession planning is part of what almost all companies do, greater attention needs to be paid to mentorship and sponsorship opportunities, as those are likely key elements of talent development and progression as well.

YMENT

HOW DID THE SAMPLE DO?

Overall the sample received three (3) Stars in the practices evaluation. Assessment metrics for employee advancement programs such as mentorship and sponsorship programs, as well as succession planning, were the elements that most companies were missing. And while the presence of these employee advancement programs is important, an assessment of their success is equally important and necessary to diversify the executive pipeline.

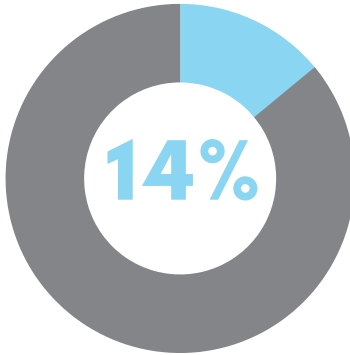
In terms of the quantitative measures, the sample group did meet the criteria for four (4) out of five (5) metrics, thereby awarding them the star.



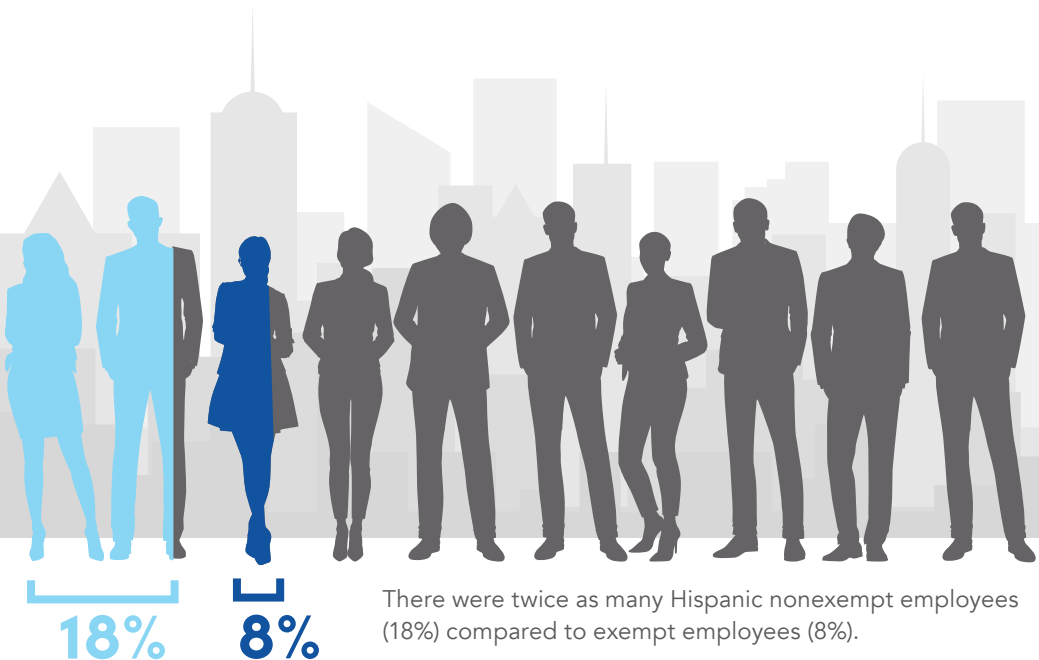
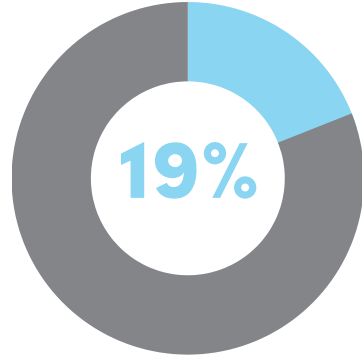
FOUR STARS IN EMPLOYMENT

WHAT DID WE FIND?

HISPANIC HIRE RATE



HISPANIC ATTRITION RATE



PIPELINE DEVELOPMENT

100%

offered internship programs inclusive of Hispanics

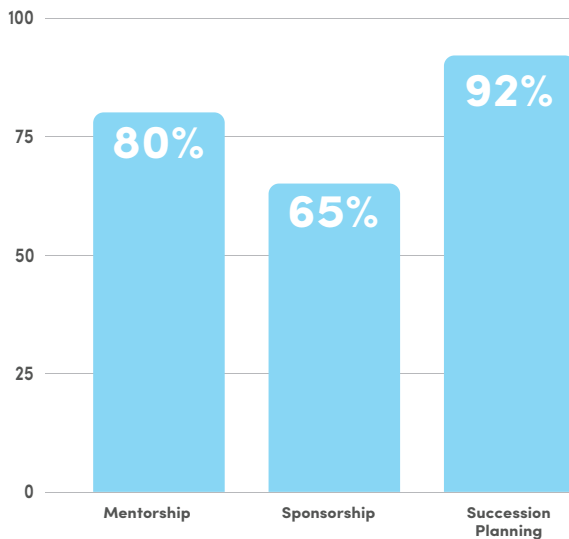
13%

of all interns were Hispanic

98%

had a Hispanic Employee Resource Group (ERG)

COMPANIES INVESTING IN THEIR EMPLOYEES



Research has shown that these programs are crucial for building a pipeline of leaders poised to move up the executive ladder.

Each of these programs provides a key resource critical for helping the diverse leaders advance their careers.

PROCUREMENT TRENDS

WHY IS PROCUREMENT IMPORTANT?

Many companies are starting to recognize that, much like overall employee diversity, supplier diversity is also a business imperative. Supplier diversity impacts large firms and small businesses enabling them to grow their consumer base, develop community relationships, and build their brands among potential new customers and partners. At the same time, Corporate America is in a unique position to make a significant difference in sustaining growth and economic development in Hispanic communities. By providing vendor opportunities to underrepresented suppliers and facilitating the success of Hispanic-owned businesses, corporate giants have the power to promote the economic development of the local and regional areas surrounding these businesses. It's a win-win situation for everyone.

There is no doubt that Corporate America has been making strides in Hispanic inclusion through their procurement efforts. However supplier diversity remains an area where significant improvements should be made if Corporate America is to remain competitive in the changing economy.

IN THE U.S.

4.37M

Hispanic-owned businesses*

\$709B

Contribution of Hispanic-owned businesses to the economy*

31.6%

Growth rate of Hispanic-owned businesses*

*Source: United States Hispanic Chamber of Commerce (USHCC)

PROCUREMENT

CONGRATULATIONS TO THE HACR CII 5 STAR COMPANIES

Comcast NBCUniversal Telemundo
Exelon Corporation

GM
Walmart Inc.

2018 PROCUREMENT TRENDS

PROCUR

WHAT DID WE LEARN?

Data from the 2018 HACR CII shows us that procurement is the area with the greatest opportunity for Hispanic Inclusion. Hispanic-owned businesses are the fastest growing segment of the entrepreneurial sector so we need to work with Corporate America to be able to engage this market segment. And while the overall proportion of direct spend with Hispanic-owned businesses is low, the future holds tremendous opportunity for growth throughout the supply chain.

Corporate America is in a position to use their power to increase supplier diversity throughout the supply chain. The world's largest companies should hold their suppliers accountable for diversity, otherwise we we not see any meaningful increase in diverse spend and the related benefits will not trickle down to Hispanic communities around the U.S.

REMENT

HOW DID THE SAMPLE DO?

Overall the sample received a two (2) star rating on the procurement practices measures. Most notably missing were the measures regarding accountability metrics down the supply chain, as well as certain internal metrics including whether or not companies are tracking if diverse suppliers move from bid to award status.

In terms of the quantitative measures, the aggregate met the criteria for four (4) out of five (5) metrics necessary to award the sample the star for procurement.



THREE STARS IN PROCUREMENT

WHAT DID WE FIND?

2%

Average procurement spend with Hispanic suppliers

3%

Average Tier 2 spend with Hispanic suppliers

3,056

Total number of Hispanic suppliers

6%

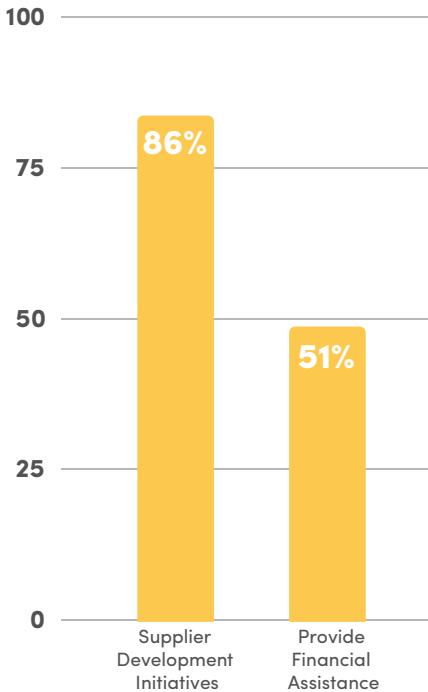
Hispanic Suppliers in Development Initiatives



78%

Hold their Tier 1 suppliers accountable for supplier diversity

DIVERSE SUPPLIER PARTNERSHIPS



One of the greatest concerns companies have in working with diverse suppliers is ensuring that they can handle their business.

To ensure that these minority-owned businesses have the capacity to work with them, many companies work with these suppliers and provide them with resources such as development initiatives and financial assistance.

More than half of the sample reported that their ERG is actively involved in supporting procurement opportunities.

96%

Work with trade associations or chambers that serve Hispanic suppliers

41%

Track if diverse suppliers move from bid to award status

96%

Have a strategic plan for supplier diversity

PHILANTHROPY TRENDS

WHY IS PHILANTHROPY IMPORTANT?

Have you ever stopped to think about what makes communities work? People who live and work, either for themselves or someone else are the lifeblood of community economies, which is why HACR focuses so intently on Employment and Procurement as principles that guide our mission. But what about Corporate America's role in the community through service and financial contributions for the greater good, which help to sustain quality of life for those in need? Corporate social responsibility through the work of their charitable arms is equally as important for ensuring the long term growth and sustainability of the Hispanic community in the U.S. Successful businesses have an obligation to give back to the communities in which they are embedded and by doing so help to prepare the next generation to succeed.

Like supplier diversity, inclusive philanthropic efforts are an area of opportunity for Corporate America. There is so much that can be done to contribute to the development of communities around the U.S. and there is nothing more rewarding than involving your employees in building that goodwill.

IN THE U.S.

62.6M
volunteers*

7.8B
hours volunteered*

\$184B
Estimated value
of volunteer hours
donated to the
community*

**Source: Corporation for National and Community Service*

PHILANTHROPY

CONGRATULATIONS TO THE HACR CII 5 STAR COMPANIES

AT&T

Cigna

Citi

Comcast NBCUniversal Telemundo

Exelon Corporation

UPS

Verizon

2018 PHILANTHROPY TRENDS



PHILANT

WHAT DID WE LEARN?

Data from the 2018 HACR CII shows us that the opportunity in philanthropy is around better tracking and clearer metrics to fully understand the impact of the work companies are doing in the community. And while most companies have metrics in place to evaluate the effectiveness of the corporate giving, very few have reached a point where they can track the impact of perhaps their greatest resource, their people. More robust employee volunteer programs with clear impact measures are needed.

The human element of philanthropy is often overlooked but it isn't any less important than the dollar contributions. Volunteerism, a shift from traditional giving in Corporate America, can have positive effects on employee engagement and meaning associated with work. The direct result can positively impact communities and corporate bottom lines in unexpected ways.

PHILANTHROPY

HOW DID THE SAMPLE DO?

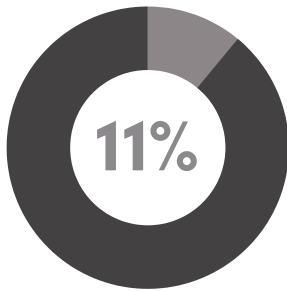
Overall the sample received a two (2) star rating on the philanthropy practices measures. Most notably missing were the measures regarding impact. Most companies have metrics in place to assess the general impact of their philanthropic efforts, but few have the ability to understand the impact of their goodwill and charity in specific communities of color.

In terms of the quantitative measures, the aggregate met the criteria for four (4) out of five (5) metrics, thereby awarding them the star for philanthropy.

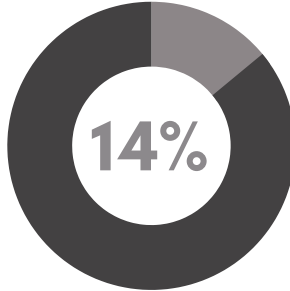


THREE STARS IN PHILANTHROPY

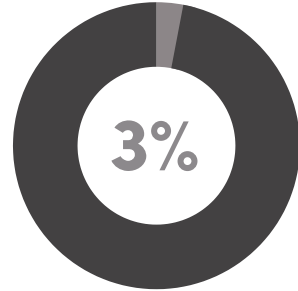
WHAT DID WE FIND?



Corporate Give to
Hispanic Community



Foundation Give to
Hispanic Community



In-Kind Give to
Hispanic Community

90%

Have an strategic plan
for corporate giving

73%

Have a strategic plan
for foundation giving

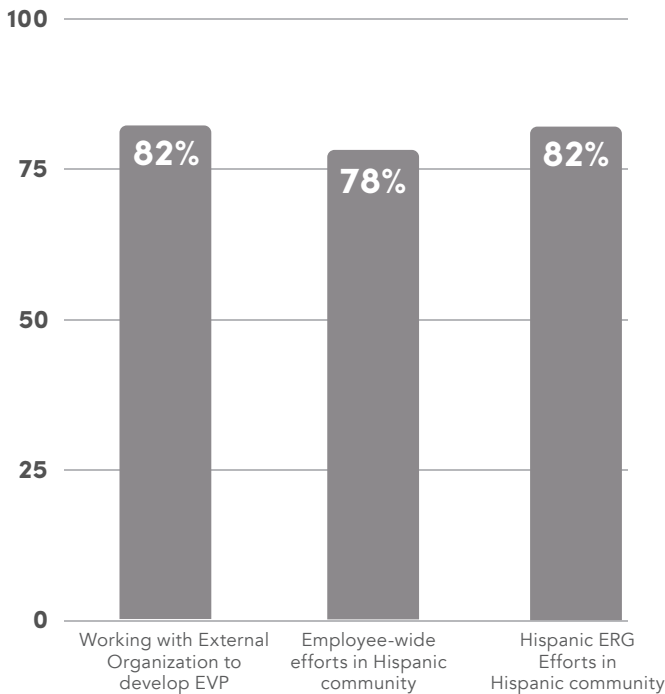
\$7,080,639

Total average dollars donated
to organizations working in the
Hispanic community

\$1,012,577

Total average dollars
donated to Hispanic-led
organizations

EMPLOYEE VOLUNTEER PROGRAMS (EVP)



Service to others is a priority for millions of Americans, including the employees at our participating companies. Many companies are working to develop their employee volunteer programs to maximize their impact and to engage the growing Hispanic population in the U.S.

92%

Have a strategic plan for their employee volunteer program

220,182

Employee-wide volunteer hours in the Hispanic community

\$5,315,193

Estimated value of volunteer hours donated to the Hispanic community

GOVERNANCE TRENDS

WHY IS GOVERNANCE IMPORTANT?

Governance, which examines corporate leadership, is potentially the most important pillar of HACR's mission. Employment, Procurement, and Philanthropy all play a role in the sustained growth of the Hispanic community in the U.S. However, Governance sets the tone for how effective all policies in HACR's other pillars will ultimately be. The C-suite influences corporate culture and is responsible for creating an environment where diversity and inclusion can thrive. Leaders who understand that, fully champion the cause, and aren't afraid to leverage their influence for positive gains, are needed to affect change.

The next generation of Americans needs to see themselves reflected in the leadership of Corporate America, and while we have made modest gains, there is still more work to be done. What are companies doing to impact meaningful change and how are we holding them accountable for the needed cultural shift?

IN THE U.S.

18%

of the population
is Hispanic*

3.5%

of board seats in the
Fortune 500 held by
Hispanics**

Companies with the
most cultural diversity
on their boards
are more likely to
experience higher
profits***

*Source: Pew Hispanic Research Institute

**Source: The Alliance for Board Diversity

***Source: McKinsey and Company

GOVERNANCE

CONGRATULATIONS TO THE HACR CII 5 STAR COMPANIES

ADP

American Express

Cigna

Citi

The Coca-Cola Company

Comcast NBCUniversal Telemundo

Comerica Bank

GM

Johnson & Johnson

Marriott International, Inc.

PepsiCo

Target

United States Tennis Association

Verizon

2018 GOVERNANCE TRENDS

GOVER

WHAT DID WE LEARN?

Data from the 2018 HACR CII shows us that the opportunity in governance is around accountability for diversity. Most companies say they value diversity and that it is important for their business, yet there remains a considerable gap between their words and actions.

Organizational culture trumps business strategy every day, no matter the cost, so how effective are companies at promoting an environment where diversity and inclusion will thrive? You don't know if you don't measure.

Top down commitment is key to meeting diversity and inclusion objectives for all organizations. That commitment must be clear, specific, measurable, attainable, realistic, and timely. Otherwise you run the risk of doing more harm than good.

NANCE

HOW DID THE SAMPLE DO?

Overall the sample received a three (3) star rating on the governance practices measures. Most notably missing were the measures that could be considered indicative of corporate culture i.e. whether the chief diversity officer (or highest ranking person responsible for diversity) has direct access to the CEO and the CEO's involvement in diversity.

In terms of the quantitative measures, the aggregate met the criteria for four (4) out of five (5) metrics necessary for awarding them the star for governance.



FOUR STARS IN GOVERNANCE

WHAT DID WE FIND?

HISPANICS IN LEADERSHIP

7%
Board directors

6%
Executives

5%
Direct reports
to the CEO

6%
Two reporting
levels from
the CEO

5%
Three reporting
levels from
the CEO

LATINAS IN LEADERSHIP



1%

Direct reports
to the CEO

2%

Two reporting levels
from the CEO

2%

Three reporting
levels from the CEO

CONCLUSION

FINAL THOUGHTS



NEXT STEPS

The first cycle of the new HACR CII has come to an end. Overall we saw some movement in the right direction with certain indicators, especially in Employment. However, businesses need to challenge themselves to make a serious change, not only because it is good for their bottom line, but because it's also important for society. Corporate America is uniquely positioned to positively impact the growing Hispanic population in the U.S., but only if they take action now by truly incorporating the Hispanic Community into all facets of their operations and leveraging existing opportunities to make that happen.

Our goal with the HACR CII has always been to help companies identify those opportunities and make changes to improve Hispanic inclusion. While the metrics we use to evaluate performance have changed, that goal has not. What we have hoped to accomplish is to move companies from merely counting numbers to making numbers count through thoughtful evaluation as part of a comprehensive iterative process. Most companies are counting numbers, but are they evaluating what those numbers mean and taking action based on what those numbers indicate? Getting Corporate America to see the opportunity in having metrics that assess how well an initiative or program is doing at achieving its desired goal is important.

EMPLOYMENT

If the intended goal is to create a diverse pipeline of future leadership candidates, then deliberate, well-designed initiatives that help in the development and advancement of these employees are essential. Initiatives such as mentorship, sponsorship and succession planning play a key role. These programs are often confused as serving the same purpose, they are however, distinct. Mentorship programs connect employees with more seasoned employees who can help them navigate their corporate environment, it's more of an advisory role. Sponsorship programs pair employees with senior executives with influence, who can positively impact career trajectories, they're more of an advocate. Succession planning helps to ensure that there are qualified candidates poised to fill leadership positions as they become open.

Traditionally, many of these programs depended on networks and research has shown that minorities and women have not had access to these networks. As such it's important to be intentional in who is selected to participate in these programs and to formalize them. Only through intentionality and formalization will we actually see these programs benefiting more diverse populations.

While it may seem impossible to formalize and structure many of these programs since they are often built on personal relationships and often are more effective when they develop organically, it has been done. One way of structuring them is to create opportunities for relationships to develop by having planned networking events where those who have limited access to key executives can meet and talk with them.

Finally, we cannot underscore the importance of metrics to assess their progress towards achieving specific goals. Consistent evaluation is necessary if we are going to see these programs have an impact.

MENTORSHIP

12%

Evaluation Metrics

49%

Goals & Metrics

SPONSORSHIP

12%

Evaluation Metrics

45%

Goals & Metrics

SUCCESSION PLANNING

18%

Evaluation Metrics

65%

Goals & Metrics

PHILANTHROPY

Corporate Philanthropy is about providing opportunity to those who are less fortunate or who don't have access to what we have, but it also represents an opportunity for the companies themselves. It's an opportunity to make a meaningful impact on a broader societal issue. It's an opportunity to think critically and strategically about community investment and engagement. It's an opportunity to integrate community service into the business, providing skill and talent development, as well as a mechanism for employee engagement. It's also an opportunity for companies to introduce themselves to millions of new customers or future employees.

The challenge here is data – effective metrics and tracking of information are needed. There's an opportunity here for companies to more carefully measure the impact of their service and the beneficiaries of their goodwill. Currently there is very little information available on the specific impact and beneficiaries within the Hispanic community. These metrics are crucial for understanding how effective these community engagement projects have been, for identifying where the need remains, and for building and developing sustained partnerships with the Hispanic community. Partnerships that can continue to yield returns to both parties for many years to come.

Understanding the impact of dollar give to the Hispanic community is also important. While many companies have metrics in place to measure the impact of their give generally, there is much detail that is lost when we cannot track the specific communities these funds are going to. Companies are devoting their time, talent, and resources to community investment and development, we should be able to more accurately track their efforts and measure their impact. In doing so we can target these resources, human capital and financial capital, to the areas with the greatest need.

51%

Don't track which Hispanic organizations benefit from volunteer hours

63%

No metrics for employee volunteer hours in the Hispanic community

73%

Don't calculate a dollar value for employee volunteer hours in the Hispanic community

55%

No metrics for ERG volunteer hours in the Hispanic community

67%

Don't calculate a dollar value for ERG volunteer hours in the Hispanic community

PROCUREMENT

An economic win for small businesses is an economic win for Corporate America and the communities in which they operate. Moving forward, supplier diversity programs that create an environment that address sourcing challenges will help diverse businesses prosper. While spend is important, ensuring that diverse businesses have the resources they need to continue to thrive, is just as important. One of the most important factors necessary for promoting this success is removing some of the barriers that prevent them from doing business with Corporate America. One example of these barriers is requiring third-party certification, we understand the assurances this provides, however, if it is a requirement, why not help them obtain it?

Most companies have figured out the importance of diversity for employment. In the case of procurement however, many companies are still trying to figure out how to incorporate diversity into their practices given the parameters within which they operate, such as limited influenceable spend. More innovative approaches or thinking around supplier diversity strategy, better tracking, and support for diverse suppliers, are needed to really drive progress on supplier diversity. If we continue to do things the way they've always been done, we aren't going to make any progress. Corporate America is in a unique position to impact the economic development of many communities through their supplier diversity programs and by creating an environment that encourages working with diverse suppliers we will see economic gains.

Finally, it is important for companies to clearly align performance metrics that are realistic and measurable with diversity goals and hold themselves accountable for meeting their objectives. Without monitoring and continuous reassessment of actual results we don't know what's working and what isn't and we'll never see improvement.

80%

Third party
certification required

69%

Working to get Hispanics
certified suppliers

86%

Corporate presence at
minority vendor fairs

63%

Advertise in
diversity publications

84%

Have accountability metrics
to deliver on supplier diversity
goals for Hispanic suppliers

59%

Do not track if diverse
suppliers move from bid
to award status

GOVERNANCE

There is no shortage of information on the importance of diversity at the highest levels of Corporate America, yet, as evidenced by the relatively low representation of Hispanics at the top, it continues to be a challenge for most companies. So, why is it that what companies are doing isn't working? Requiring diverse slates for executive and board positions, for example, is an important first step but it hasn't materialized into any real gains thus far.

First and foremost, organizations must understand their corporate culture. If corporate culture constrains strategy then is the organization ready for diversity and inclusion? The corporation must then manage diversity and inclusion within the culture's constraints or change that culture. Take for example whether or not the chief diversity officer (or highest ranking individual responsible for diversity) has a direct connection or reporting relationship with the CEO. This person is charged with ensuring companies meet their diversity goals on all fronts, however, the lack of access most of these individuals have to the CEO sends a message about a company's commitment to meeting inclusion goals.

Equally important as organizational culture to the success of diversity and inclusion efforts is the CEO's commitment. Research has shown that companies whose CEOs are actively involved in championing diversity have better results – decreased turnover, more creativity and innovation, greater financial performance, and even an increase in stock prices. As the most senior executive, the CEO sets the agenda and tone for the direction the company will move and employees will take their cues from those actions. Ultimately, a CEO's commitment to diversity and Hispanic inclusion through active engagement plays a vital role in the success of these efforts.

76%

SEC diversity statement

80%

Require diverse slates from external recruiters for Board and Executive openings

49%

CDO direct reports of CEO

65%

CEO attends meetings with company diversity council

71%

CEO hosts diversity meetings with internal stakeholders

59%

CEO actively participates in external diversity councils

CONGRATULATIONS TO COMCAST NBCUNIVERSAL TELEMUNDO FOR THEIR 2018 HACR CII SUBMISSION



Comcast NBCUniversal Telemundo rated 5 stars and received a HACR Award for Corporate Inclusion (HACI) in each of the CII pillars. The collective actions and contributions of individuals across departments and functions of your organization serve as an example that through commitment, creating a more inclusive environment is possible in employment, procurement, philanthropy, and governance.

HACR is honored and proud to partner with Comcast NBCUniversal Telemundo on its diversity and Hispanic inclusion journey. Thank you for your exemplary leadership and exceptional work this year.

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THANK YOU! ¡GRACIAS!

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