2022

GLF Diversity, Inclusion and Belonging Report

BUILDING A CULTURE OF INCLUSION IN THE GLOBAL TELECOMS INDUSTRY

May 2022

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The ITW Global Leaders' Forum (GLF) is a network of the leaders from the world's largest international carriers, who convene to discuss strategic issues and to agree collaborative activities with the aim of driving the next phase of growth for the industry.

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INTRODUCTION

Message from Eric Cevis, Chair of the GLF Diversity, Inclusion and Belonging Working Group

As the world begins to emerge from the COVID-19 pandemic, we believe the Diversity, Inclusion and Belonging ("DIB") conversation remains as relevant as ever for the telecom industry. We have seen the war for talent more aggressive than ever - with the rise of formidable technical talent competitors in Hyperscalers and traditional industries with a renewed focus on digitalization. Our workforces' expectations are evolving as Millennials and Generations Zs enter the employment market; seeking employers that truly embrace diversity, inclusion and belonging, and genuinely care about their and their communities' well-being. In addition, Covid-19 has made the hybrid-workplace approach a reality which is seemingly here to stay. We strongly believe for our industry to thrive into the future, being aware of and adapting to our ever-evolving environment is vital. A key component here is embracing, fostering, and progressing the diversity, inclusion and belonging agenda within our individual organizations and, equally as importantly, the broader industry.

This is our third GLF leadership on Diversity, Inclusion and Belonging report. Our first two reports focused primarily on the "diversity" pillar of DIB. In 2020, the focus was on gender, as this appeared to be the starting point for many of our GLF members' DIB journeys. This focus was broadened in 2021 to include race, sexual orientation, disabilities, and age as key diversity axes; with a particular focus on racial diversity led by the increased attention systemic racism received globally due to the Black Lives Matter movement sparked by the George Floyd murder. In this year's report we provide an update on the progress experienced across the different diversity axes by our members; and then unpack the "Inclusion" pillar of DIB, as we believe diversity and representation transformation is only sustainable and significant when paired with a focus on inclusivity.

In this year's report we have divided our respondents into two groups – first time respondents (as close to 50% of the respondents were not a part of the 2021 survey) and reoccurring respondents (those that participated in both 2021 and 2022 surveys). It is evident these two sets of respondents are in different phases of their DIB journeys. DIB is typically a newer focus for our GLF survey first-time respondents than those that have responded to the GLF survey in the past. We therefore use this split to highlight the momentum and higher levels of progress made by the reoccurring respondents who have been focusing on DIB for some time now.

From a GLF perspective we are glad to see that DIB for our reoccurring respondents remains a strong focus. As these members have evolved in their journeys, the more it becomes evident to them that there is so much more to be done and substantially more progress to be made. We are seeing that even where there has been significant progress made, there are continued efforts and initiatives to further accelerate progress – evident in the continuous flow of new, exciting, and innovative initiatives and approaches to drive DIB by these GLF members.

Likewise, we are encouraged to see so many new respondents taking an interest and starting their DIB journeys. We hope that by showing the benefits realized by our reoccurring respondents, this report serves to both inspire and encourage our first-time respondents to persist in their focus and DIB initiatives.

As the GLF, we see a real opportunity for us to play a key role in driving this important change across our industry. It is important we spend time getting our newer respondents up to the same level as our re-occurring respondents. Through our Diversity, Inclusion and Belonging Working Group, the GLF DIB survey and continuous industry-wide engagements, we believe we are in a unique position to support our members and the broader industry in this journey. We would like to start actively sharing key learnings and best practices successfully incorporated by our progressive historical players; with the objective of getting all industry players to the same DIB level and beyond. We believe this transformation is crucial to improve the attractiveness of the industry which, in turn, will be beneficial for all industry players.

Before getting into the details of the report, I want to thank both the new and the repeat respondents for their participation in our survey and the insights provided in the interview process which were, as always, key inputs for this report. Like last year, we will deliver this report with joint and anonymized information along with case studies. We hope this report will help each organization to assess their journey, become inspired by others and keep building their own unique path

Eric D. Cevis
President, Verizon Partner Solutions
May 2022

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EXECUTIVE SUMMARY

Measuring the industry's progress on Diversity, Inclusion and Belonging

- The 2022 respondents have been divided into two cohorts: (A) "repeat respondents", referring to GLF members who participated in both 2021 and 2022 surveys, and (B) "new respondents", referring to GLF members participating in this survey for the first time. The rationale for the division is that Cohort A typically have greater Diversity, Inclusion and Belonging (DIB) focus and progress versus Cohort B; therefore, by dividing the respondents into the two groups, we can compare the different DIB profiles.

- The notion that Diversity, Inclusion and Belonging is strategically important is 100% subscribed to by Cohort A GLF members, showing a +14pp increase from 2021. Comparatively, only 60% of Cohort B recognize the strategic importance of DIB - significantly lower than both the 2021 respondents and the repeat GLF respondents.

- 46% of Cohort A have an inherent belief in DIB without being able to articulate its specific benefits. The remaining 54% consider DIB a differentiator in driving individual performance improvement, attracting, and retaining talent, enhancing innovation and richness of thinking, and enabling a closer customer relationship. In comparison, 20% of Cohort B do not see any benefits associated with DIB or consider it as part of business-as-usual; 30% believe it is the just "right thing to do"; with the remaining 50% articulating further benefits, similar to those provided by Cohort A.

- The level of focus on DIB has remained consistent for Cohort A. However, we have seen a a change in perspective on the level of focus as these members delve deeper into addressing DIB. This has resulted in an increasing awareness that (1) much more needs to be done to truly drive DIB; and (2) the nature of DIB is constantly changing and hence requires constant attention and focus.

- Intersectionality is another topic receiving increased attention from Cohort A, with recognition that individuals cannot be defined by a single DIB axis, and therefore focusing on one dimension or multiple dimensions in an isolated fashion limits potential impact. As a result, GLF members are deliberately broadening their DIB focus areas to incorporate more diversity dimensions and intersectionality.

- The GLF members within Cohort B show much lower focus across all diversity axes, except race. Three reasons for this were provided: (1) businesses consider themselves "naturally diverse" and therefore do not believe focus is required, (2) DIB is considered complex and varying by geography and therefore needs to be treated subtly to ensure respect and sensitivities are recognized for all perspectives and (3) many of these members are just starting their DIB journeys, and only have capacity to focus on one or two diversity categories.

- Cohort A's sustained focus has translated into significant progress from 2021. 69% of Cohort A believe they are diverse in at least one axis versus 43% in 2021. Additionally, 31% now believe they are diverse in both race and gender, a +14pp uplift from 2021. In comparison, 50% of Cohort B believe they are diverse in one axis, but none believe they are diverse in both gender and race.

- Three factors are consistent across GLF members experiencing strong DIB tractions and progress:

  1. Leadership sponsorship – results continue to show organizations with CEO-led DIB strategies have more focused and impactful DIB strategies than those where responsibility lies at a lower level.

  2. Formal structures in place - DIB traction it is often because of new formal structures/units in place. There is an evolution where over time it comes onto the CEO agenda, the CEO pushes it personally, and then formal structures are put in place.

  3. A holistic set of KPIs linked to leadership remuneration targets - Previously KPIs were primarily focused on gender and race representation, this has expanded to track areas such as age, sexual orientation, and disabilities. In addition, many GLF members have started setting KPIs with qualitative targets and ambitions; linking these to leadership performance remuneration and bonuses.

Building a culture of inclusion in the telecoms industry

- Inclusion is the crucial enabler to a meaningful and sustainable change in diversity and representation. Inclusion centers around understanding and respect with the objective of creating an environment where all employees from all different backgrounds feel valued, respected, accepted, and encouraged to fully participate in the organization.

- Greater than 80% of GLF members view inclusion as a strategic priority, due to its positive impact on business performance and talent retention.

- 70% of GLF members have both increased their focus on inclusion and progressed their level of inclusivity over the last 12 months, primarily attributed to the effects of COVID-19 on the workplace.

- However, a majority of GLF members remain moderately inclusive, citing barriers such as achieving management focus with so many other competing business priorities and lack of effective inclusivity measurement tools.

- GLF members have found incorporating KPIs into leadership's performance target, with the same level of importance as financial and customer experience targets, has assisted in aligning management focus.

- Due to the focus on inclusiveness, more than 80% of GLF members have undertaken initiatives to improve inclusiveness. These include (1) leaders playing an active role in activities and communicating the importance and company values regarding inclusion, (2) trainings, tools and communications aimed at creating a respectful environment, (3) exploratory initiatives to understand the level of inclusiveness and barriers, (4) structural changes and bespoke groups / programs for different employee groups and, lastly (5) introducing inclusivity KPIs for leadership and the rest of the organization.

Diversity deep dives

- Gender diversity remains the strongest focus diversity dimension for Cohort A with an average score of 4.7 out of 5.0, a slight increase from the previous year's average score of 4.6.

  Cohort B have a significantly lower focus on gender with an average focus of 4.0, related to the fact that there is lower recognition of the commercial benefits of gender balance and higher perceived implementation complexity.

- GLF members believe there are both inherent organization barriers for women in the workplace resulting from historic biases, and "self-imposed" barriers as women tend to be less inclined to be assertive in the workplace, push for promotions and apply for senior positions.

- Both cohorts cite challenges regarding availability of women, particularly within technical spheres, to meet gender targets; and difficulties in implementing a representative interview panel, due to low level of senior female leaders.

- 100% of Cohort A feel they have seen gender progress over the last 12 months, which has resulted in a +27pp increase in the number of gender diverse and gender highly diverse companies. We are seeing gender representation numbers returning to 2020 levels, after a steep drop in 2021. Progress here has been attributed to an increased level of tracking of gender representation levels and linking these to leaderships remuneration targets and bonuses, women mentoring and management programmes, and female focused recruitment strategies.

- Cohort B has shown significantly less progress, partially because the gender focus is not considered a priority for several of these members (as shown in Part 1 of this report); and secondly, the diversity journeys are a lot newer for these GLF members when compared to Cohort A with a lot fewer gender initiatives implemented.

- The focus on racial diversity has declined from an average score of 4.0 out of 5.0 in 2021 to 3.8 in 2022. The evolution of this focus has been impacted by the geography of our respondents. We see our North American centric GLF members increasing their focus, whereas our European members appear to have a lower focus.

- Although focus may have declined, there has been significant progress in the perceived state of racial diversity. Greater than 38% of members across both Cohort A and Cohort B believe they are fully racially diverse, a greater than +12pp uplift from the 2021.

- Gender remains more progressive than race, primarily due to the higher levels of focus, the ability to measure gender progress and significantly more gender initiatives than racial diversity initiatives.

- Respondents that perceive experiencing significant progress in racial diversity, attribute this to a set of impactful initiatives implemented, for example leadership development programs, mentorship, and coaching, best in class Employee Research Group strategies with strong leadership buy-in and sponsorship, and focused hiring.

LIST OF EXHIBITS

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MANY THANKS TO THE COMPANIES WHO CONTRIBUTED TO THE MAKING OF THIS REPORT

Organizations that responded to the survey or were interviewed

A1 Telekom Austria Group

AT&T

axiata

bics

BT

中国电信 CHINA TELECOM

colt

consoleconnect by PCCW Global

T

iBASIS POWERED BY TOFANE

IDT global

LUMEN

MTN GlobalConnect

NTT

orange

SPARKLE

symbio

TATA COMMUNICATIONS

Telefónica

Telin by Telkom Indonesia

TELSTRA

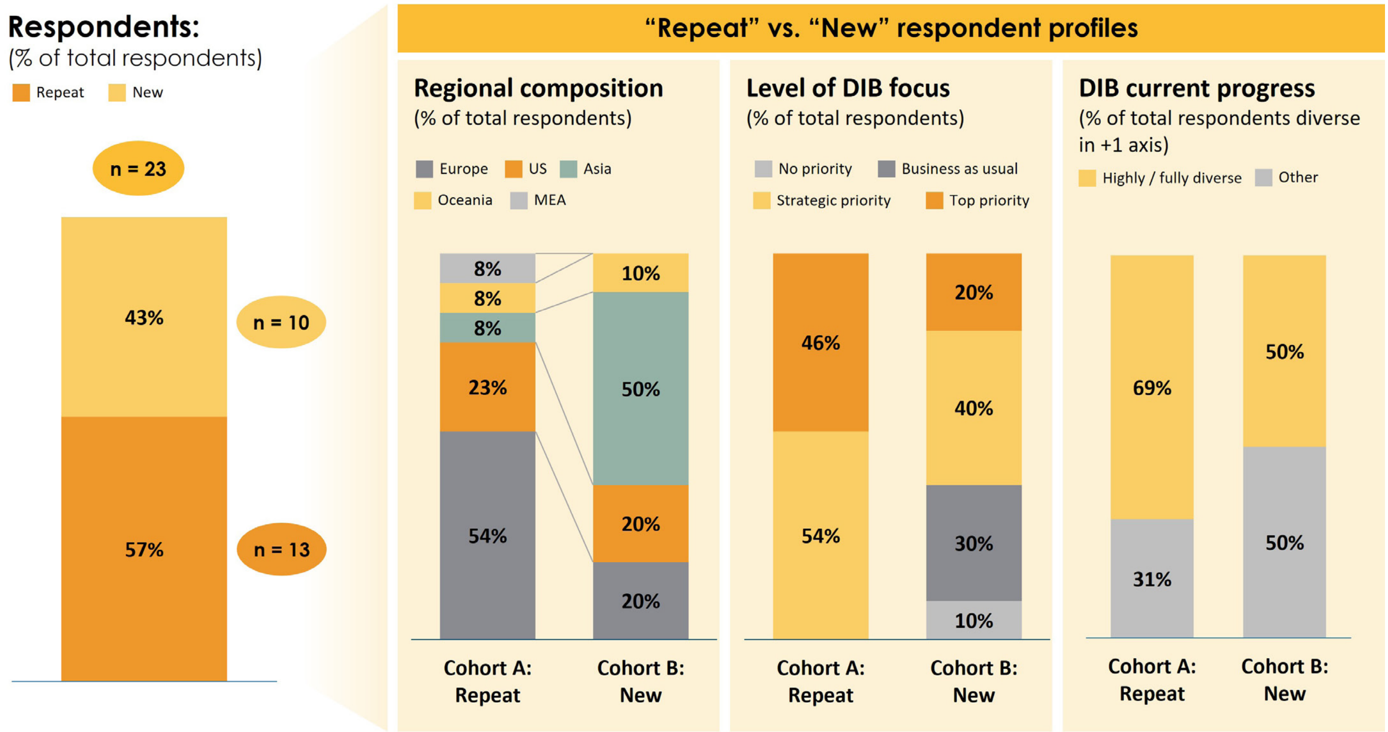
verizon

vodafone

1. INTRODUCTION

For this year's report, the GLF respondents have been divided into two cohorts: (A) "repeat respondents", referring to GLF members who participated in both 2021 and 2022 surveys, making up 57% of total respondents, and (B) "new respondents", referring to GLF members that did not participate in the 2021 survey, making up 43% of the respondents. The rationale for splitting the respondents is the Diversity, Inclusion and Belonging ("DIB") focus and progress profiles of these two groups differ considerably, as shown in Exhibit 1 below:

EXHIBIT 1: 2022 RESPONDENT BREAKDOWN



Source: GLF Survey n = 23

Cohort A, the repeat GLF respondents, have typically had greater focus and progressed further in their DIB journeys when compared to Cohort B, the new respondents. We saw this is reflect in how the Cohort A and Cohort B responded differently to the survey responses. By dividing the respondents into the two groups, we have been able to compare the thinking and progress between the different DIB profiles.

PART 1

MEASURING THE INDUSTRY'S PROGRESS ON DIVERSITY, INCLUSION AND BELONGING

1

The 2022 respondents have been divided into two cohorts: (A) "repeat respondents", referring to GLF members who participated in both 2021 and 2022 surveys, and (B) "new respondents", referring to GLF members participating in this survey for the first time. The rationale for the division is that Cohort A typically have greater Diversity, Inclusion and Belonging (DIB) focus and progress versus Cohort B; therefore, by dividing the respondents into the two groups, we can compare the different DIB profiles.

2

The notion that Diversity, Inclusion and Belonging is strategically important is 100% subscribed to by Cohort A GLF members, showing a +14pp increase from 2021. Comparatively, only 60% of Cohort B recognize the strategic importance of DIB - significantly lower than both the 2021 respondents and the repeat GLF respondents.

3

46% of Cohort A have an inherent belief in DIB without being able to articulate its specific benefits. The remaining 54% consider DIB a differentiator in driving individual performance improvement, attracting, and retaining talent, enhancing innovation and richness of thinking, and enabling a closer customer relationship. In comparison, 20% of Cohort B do not see any benefits associated with DIB or consider it as part of business-as-usual; 30% believe it is the just "right thing to do"; with the remaining 50% articulating further benefits, similar to those provided by Cohort A.

4

The level of focus on DIB has remained consistent for Cohort A. However, we have seen a a change in perspective on the level of focus as these members delve deeper into addressing DIB. This has resulted in an increasing awareness that (1) much more needs to be done to truly drive DIB; and (2) the nature of DIB is constantly changing and hence requires constant attention and focus.

5

Intersectionality is another topic receiving increased attention from Cohort A, with recognition that individuals cannot be defined by a single DIB axis, and therefore focusing on one dimension or multiple dimensions in an isolated fashion limits potential impact. As a result, GLF members are deliberately broadening their DIB focus areas to incorporate more diversity dimensions and intersectionality.
The GLF members within Cohort B show much lower focus across all diversity axes, except race. Three reasons for this were provided: (1) businesses consider themselves "naturally diverse" and therefore do not believe focus is required, (2) DIB is considered complex and varying by geography and therefore needs to be treated subtly to ensure respect and sensitivities are recognized for all perspectives and (3) many of these members are just starting their DIB journeys, and only have capacity to focus on one or two diversity categories.

6

Cohort A's sustained focus has translated into significant progress from 2021. 69% of Cohort A believe they are diverse in at least one axis versus 43% in 2021. Additionally, 31% now believe they are diverse in both race and gender, a +14pp uplift from 2021. In comparison, 50% of Cohort B believe they are diverse in one axis, but none believe they are diverse in both gender and race.

7

Three factors are consistent across GLF members experiencing strong DIB tractions and progress:

1. Leadership sponsorship – results continue to show organizations with CEO-led DIB strategies have more focused and impactful DIB strategies than those where responsibility lies at a lower level.
2. Formal structures in place - DIB traction it is often because of new formal structures/units in place. There is an evolution where over time it comes onto the CEO agenda, the CEO pushes it personally, and then formal structures are put in place.
3. A holistic set of KPIs linked to leadership remuneration targets - Previously KPIs were primarily focused on gender and race representation, this has expanded to track areas such as age, sexual orientation, and disabilities. In addition, many GLF members have started setting KPIs with qualitative targets and ambitions; linking these to leadership performance remuneration and bonuses.

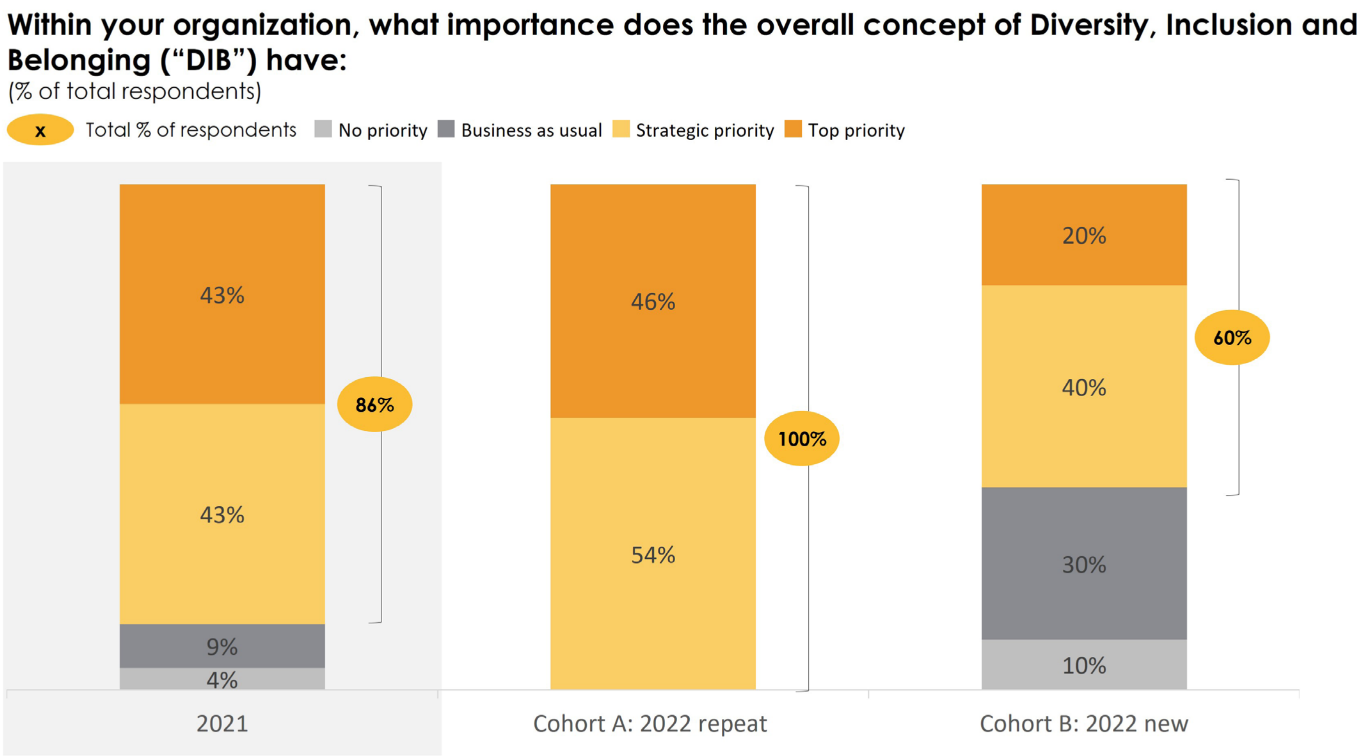
1. ARE WE SUSTAINING THE FOCUS, AND MAKING PROGRESS?

"Diverse and inclusive cultures are providing companies with a competitive edge over their peers."
– The Wall Street Journal

Multiple sources of external research have shown DIB is of strategic importance to organizations in the 21st century. This is summarized by the Harvard Business Review in their report, Why Diverse Teams are Smarter released in 2016, "Enhancing the performance of organizations requires intentional efforts to promote greater diversity in their workforce". This notion is fully subscribed to by the GLF members that have been on the DIB journey for some time, with all of Cohort A considering DIB strategically important, a +14pp increase from 2021. Example quotes provided from interviews with these GLF respondents strongly express these sentiments, (1) "The business gets it, and understands it is a strategic imperative now" and (2) "DIB is a major strategic focus, not something nice to have." In fact, many GLF members see diversity as a core value, strength, and differentiator, reflected in several comments provided by GLF respondents, "Diversity is considered a core value – one of four" and "Diversity is a strength". Several GLF members went as far as stating that DIB is critical for the future sustainability of the industry, as per an example quotation from one GLF member, "Companies that are not focusing on diversity and inclusion won't be relevant or sustainable in the next 10 years."

Comparatively, out of the new respondents, Cohort B, only 60% recognize the strategic importance of DIB. This is significantly lower than both the 2021 respondents and the repeat GLF respondents. An interviewed GLF member who considers DIB as business-as-usual believes that the business is "naturally diverse" and therefore does not require focus.

EXHIBIT 1: STRATEGIC IMPORTANCE OF DIB TO GLF MEMBERS

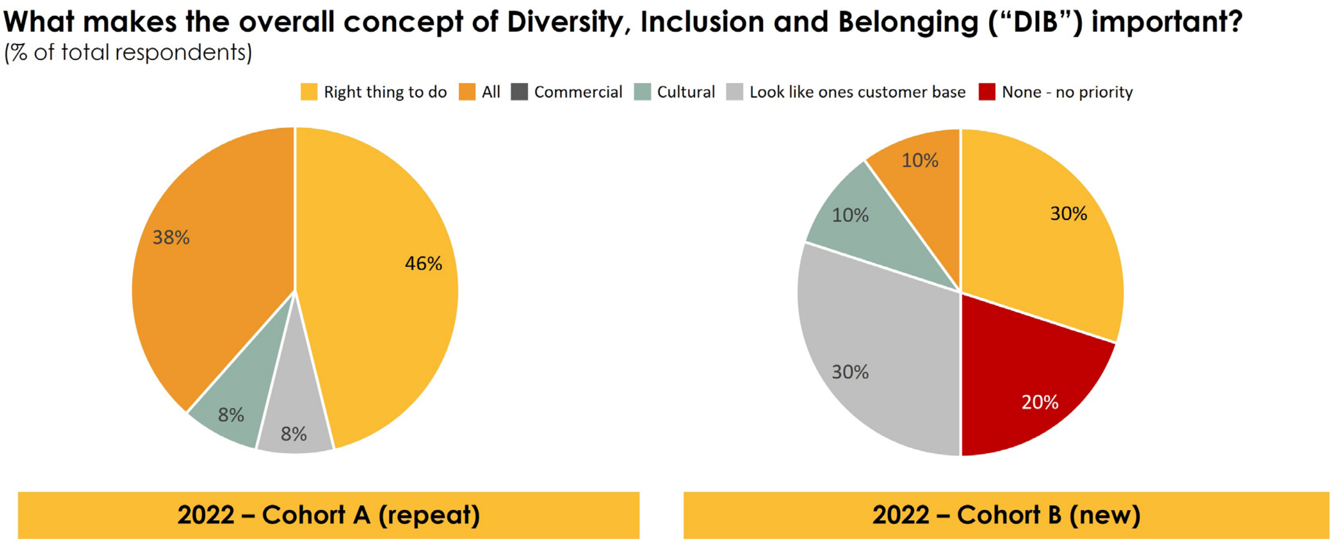


Source: GLF Survey 2021 & 2022; Note: due to rounding, sums may not add up

DIB is evidenced by external sources to have significant advantages beyond just being "the right thing to do". DIB is strongly correlated to improved business performance, innovation, creativity, and governance. As summarized by IBM in their report, *Accelerating the Journey to HR 3.0* released in 2020, "Building a workforce that is diverse and inclusive involves bringing together individuals with different skills, talents and ideas and giving them room to innovate. Inclusivity also means providing flexibility in work location—especially in times of disruption from weather events or disease outbreak—while making sure employees have full access to all the tools they need to be productive."

However, when we consider the responses from GLF members, only 54% of Cohort A and 50% of Cohort B articulate benefits beyond DIB being the "right thing to do". For Cohort B part of this is due to 20% of these members do not believe DIB provide any benefits or believe it is part of business-as-usual with no strategic importance.

EXHIBIT 2: IMPORTANCE OF DIVERSITY, INCLUSION AND BELONGING



Source: GLF Survey n = 23

The strategic importance and value of DIB, acknowledged by approximately 50% of GLF members, is captured in the following two statements from interviewed GLF respondents, "DIB is no longer just a metric to achieve, but an integral, long-term business imperative", and "Diversity management is a key element of our global strategy, as we know that fostering diversity in our teams and promoting an inclusive leadership style is not only necessary for social justice, but also offers important advantages for the business."

Deep diving further *why diversity and inclusion is considered so strategically important*, the following perspectives were shared by GLF members:

- **Moral belief that it is the right thing to do:** This remains the number one reason GLF members believe DIB is important. The view that DIB is the "right thing to do" is shared by approximately 80% of GLF members.

- **Individual performance improvement:** Simply put by one of the GLF interviewed respondents, resonating the sentiment of many, "DIB brings out the best in our people". There is a strong agreement amongst GLF members that focusing on DIB will enhance workforce engagement, which ultimately drives individual performance. As stated by one interviewed respondent "[we are] putting diversity into action to help customers, employees

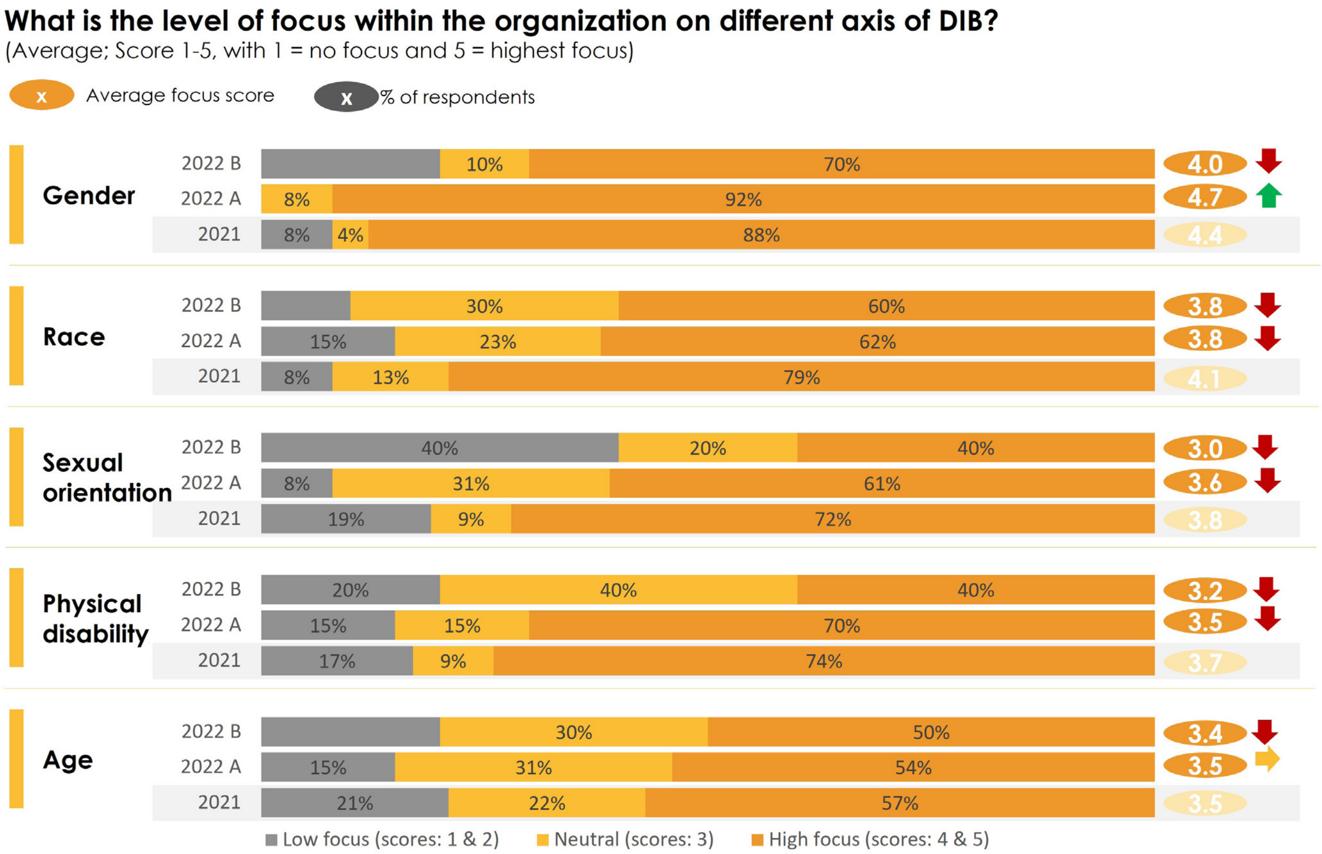
1. Changeboard is a global organization that supports business leaders navigate the changing world of work

and communities to thrive". This thinking is corroborated by numerous external studies, for example, research performed by Changeboard[1] shows that employees satisfied with their organizations efforts on DIB are twice as engaged, work 12% harder, and collaborate 57% more effectively with peers.

- **Attracting and retaining talent:** GLF members highlighted the importance of DIB as a tool to drive talent attraction and retention in an increasingly competitive talent market, especially with younger generations. As stated by one respondent "focusing on DIB is a way to become more attractive to young [potential employees]". There is strong acknowledgement that the war for talent is more competitive now than ever. Importantly, the Telecoms industry is finding it increasingly difficult to attract technical talent because of new competition from both large technology companies and traditional industries with a greater level of focus on digitalization. Two interviewed respondents, sharing the views of many, articulated, "We feel we have lost our attraction to young people" and "The war for technical talent is greater than ever. The Telecoms industry is no longer the most attractive industry for this. We are now competing against the likes of exciting technology companies such as Google, Twilio and Amazon".

- **Drives innovation and richness of thinking:** GLF members believe DIB drives innovation, creativity, and as stated by an interviewed respondent, "Diverseness brings a richness in thinking". GLF members attribute this to DIB bringing together employees with diverse backgrounds culminating in a diverse set of perspectives, ideas and experiences driving more resilient and effective organizations.

EXHIBIT 3: PERCEIVED LEVEL OF FOCUS, COMPARISON ACROSS DIVERSITY AXES

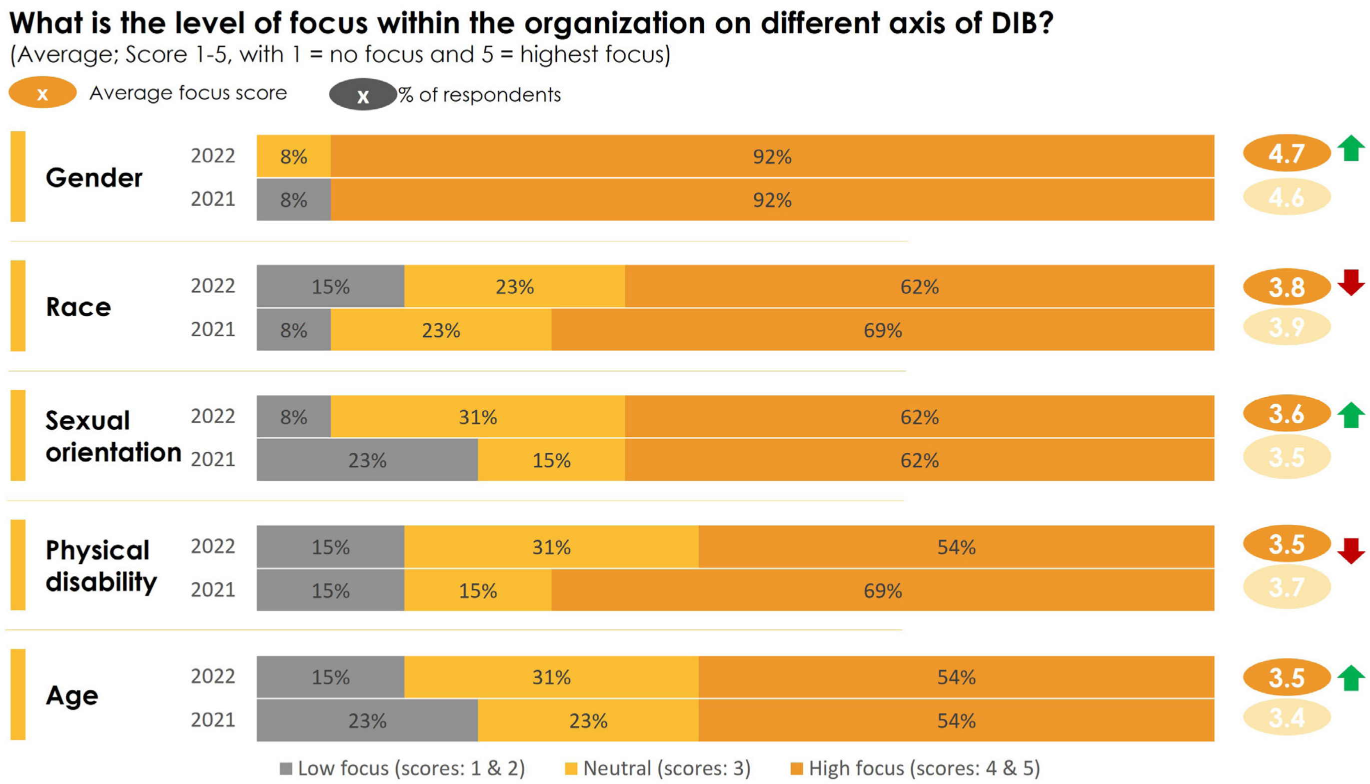


Source: GLF Survey n = 23

- **We need to look like our customers:** Harvard Business Review reported diverse teams are better positioned to address market segments with demographics similar to some of the team members. This sentiment is shared by the GLF members who believe teams are more effective when they are representative of the customer base they serve. There are cases where this has been the modus operandi for some time, as one interviewed respondent stated, "Our customers are international, we have always taken the approach that with local teams, local language, local knowledge, local expertise, local culture, we can get closer to our customers and understand their needs. We have always been quite naturally diverse within our international team." Several other respondents supported this belief, with statements such as, "We need an engaged workforce reflective of our customer-base", "[Diversity] helps us position ourselves in the long-term in the industry with our customers", and "If you've not got a diverse group of employees building that diversity of thought and perspective within your own business, how can you expect to build successful products and services for everybody."

When comparing the 2021 and 2022 responses, it appears there has been an overall decline in focus on DIB by GLF members, except for gender for Cohort A, which has increased from a score of 4.4 to 4.7 out of 5. However, comments from Cohort A during interviews strongly suggest that DIB is receiving greater focus and ownership at the highest level than in the past. As stated in the interviews, "It has the attention of the Group Board of Directors, executive team and major guidelines and attention to get focus across all operating units", and "in the last 12 months sponsorship has gone higher-up in the organization". COVID-19 is also thought to have increased focus on DIB, as one GLF respondent raised, "The pandemic showed inequities globally – people have taken a step backwards and realized not only is it the right thing to do, but it is a strategic imperative."

EXHIBIT 4: PERCEIVED CURRENT PROGRESS, COMPARISON ACROSS DIVERSITY AXES – 2021 VS 2022 OF COHORT A



Source: GLF Survey n = 23

To get a greater understanding of the results in Exhibit 5, we compared survey responses of Cohort A directly to their 2021 responses. The direct comparison better reflects the comments highlighted in the interviews; showing that focus levels have remained fairly consistent across the categories with slight increases across gender, age and sexual orientation and a slight decline in race and physical disability.

Historically, the focus of Cohort A GLF respondents has primarily been gender and race. These continue to receive the highest focus with scores of 4.7 and 3.8, in comparison to 4.6 and 3.9 in 2021 respectively. GLF members are typically resource constrained and would prefer to get momentum in one or two diversity dimensions before broadening focus.

In saying this, we are beginning to see the importance of intersectionality expressed by several GLF members from Cohort A. There is a recognition that individuals cannot be defined by a single DIB axis and therefore focusing on one dimension or multiple dimensions in an isolated fashion limits potential impact. As stated by interviewed members, "One cannot put people into small boxes. If you're just focusing on gender, then you are missing out on the rest of who she or he is" and "Intersectionality is important as we don't all fall into an exact box". As a result, GLF members are deliberately broadening their DIB focus areas to incorporate more diversity dimensions and intersectionality's, as provided by one GLF member, "We have evolved away from just being gender focused. We are now considering a lot of intersectionality, including gender fluidity, age, neurodiversity". An example provided by one interviewed respondent regarding how they are pushing intersectionality is, "Our network groups have all been asked to collaborate on at least two joint initiatives this year."

The slight decline in certain focus level scores was accounted by GLF member interviewed to be a result of the evolving perspective of DIB focus required as members delve deeper into addressing DIB. As quoted by one GLF member, "As we get more granular and deeper into our DIB journeys, the more we realize more needs to be done to truly drive DIB" – this sentiment was resonated across several interviews. In addition, as focus has increased, so has reporting and tracking, which has provided a measure for GLF members to calibrate their focus differently, as one respondent said with reference to the reduction in focus score give to race, "Looking at numbers, and seeing there is still room for improvement". An important perspective was raised by one of the members whose considers DIB of highest business priority is that DIB is constantly evolving and thus requires constant attention – "this is not something one can just tick a box and move on".

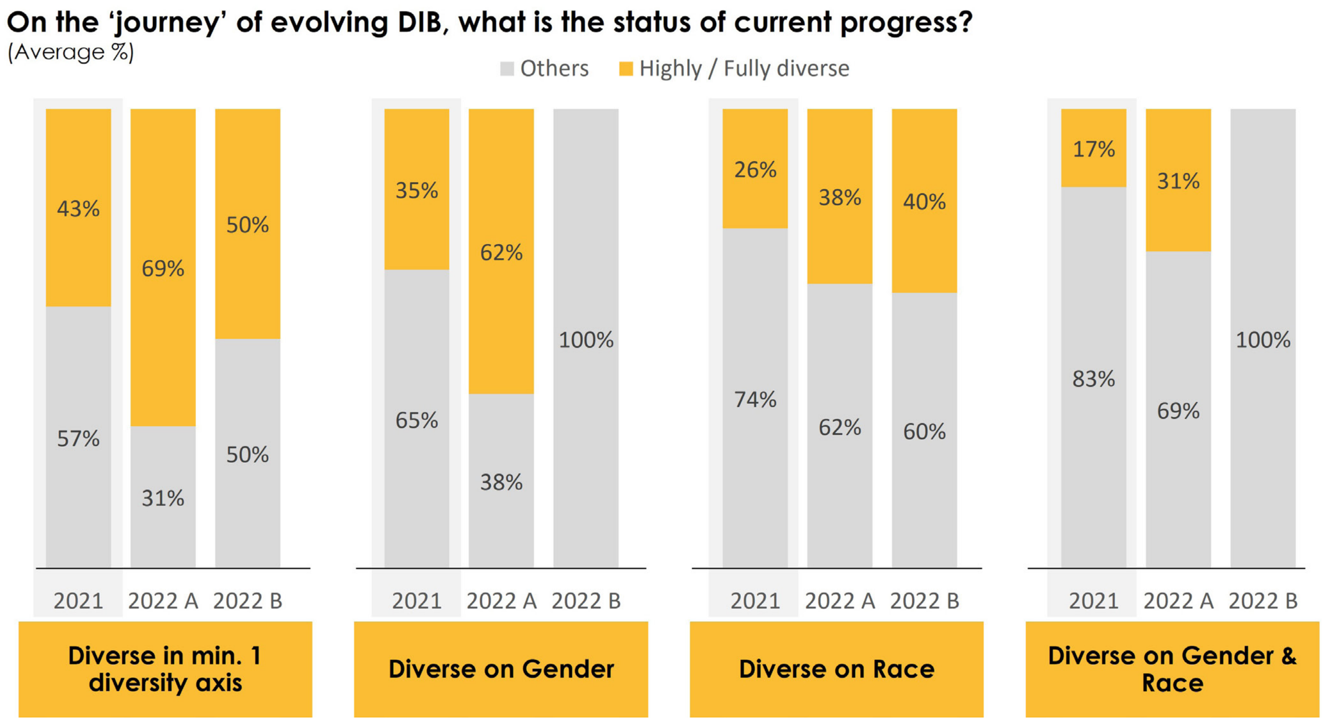
The GLF members part of Cohort B show much lower focus across all diversity axes, except race, when compared to Cohort A. This trend can be broken into two groups, those that consider DIB business-as-usual and those that are just beginning their DIB journeys:

- For GLF members that consider DIB as part of business-as-usual, the sentiment highlighted was two-fold:
    - Businesses are thought to be **"naturally diverse"**, and "a fundamental business requirement, and as such has **been the foundation of the business from the beginning"**, therefore do not require focus.
    - DIB in global organizations is **incredibly complex.** The definition and sensitivities associated with the different dimensions vary dramatically from one geography to another - as stated by an interviewed respondent," Different environments might have very different perspectives on what diversity is and its objectives". DIB therefore needs to be **treated cautiously to ensure respect is given to all** cultural and geography-specific perspectives. As quoted by an interviewed GLF respondent, "Some things need to be brought about with subtlety" and "Different companies who manage large cultures need to be respectful of the spectrum of what is diversity".

- For GLF members just **starting their DIB journeys**, only one or two diversity categories are typically focused on as a starting point, similar to Cohort A GLF members at the beginning of their journeys a few years ago. In agreement with this sentiment, respondents interviewed said that only two axes had been focused on to date – millennials and gender, and that physical disability was the next focus on their horizon.

The focus of the different cohorts is reflected in the progress experienced. When we consider Cohort A, there has been significant positive progress from 2021, with 69% of respondents now believing they are diverse in at least one axis, a +26pp improvement versus the 43% in 2021. As reported by a respondent that considers themselves highly diverse across almost all diversity categories, "DIB is reflecting more and more into our culture, policies, practices, [it is] major element in reporting and KPIs". In addition, the number of respondents that believe they are diverse in the two most focused on dimensions, race and gender, has increased to 31% from 17%, a +14pp uplift – indicating the high-levels of focus are realizing results, and should continue.

EXHIBIT 5: CURRENT LEVEL OF PROGRESS ACROSS SELECTED DIVERSITY AXES

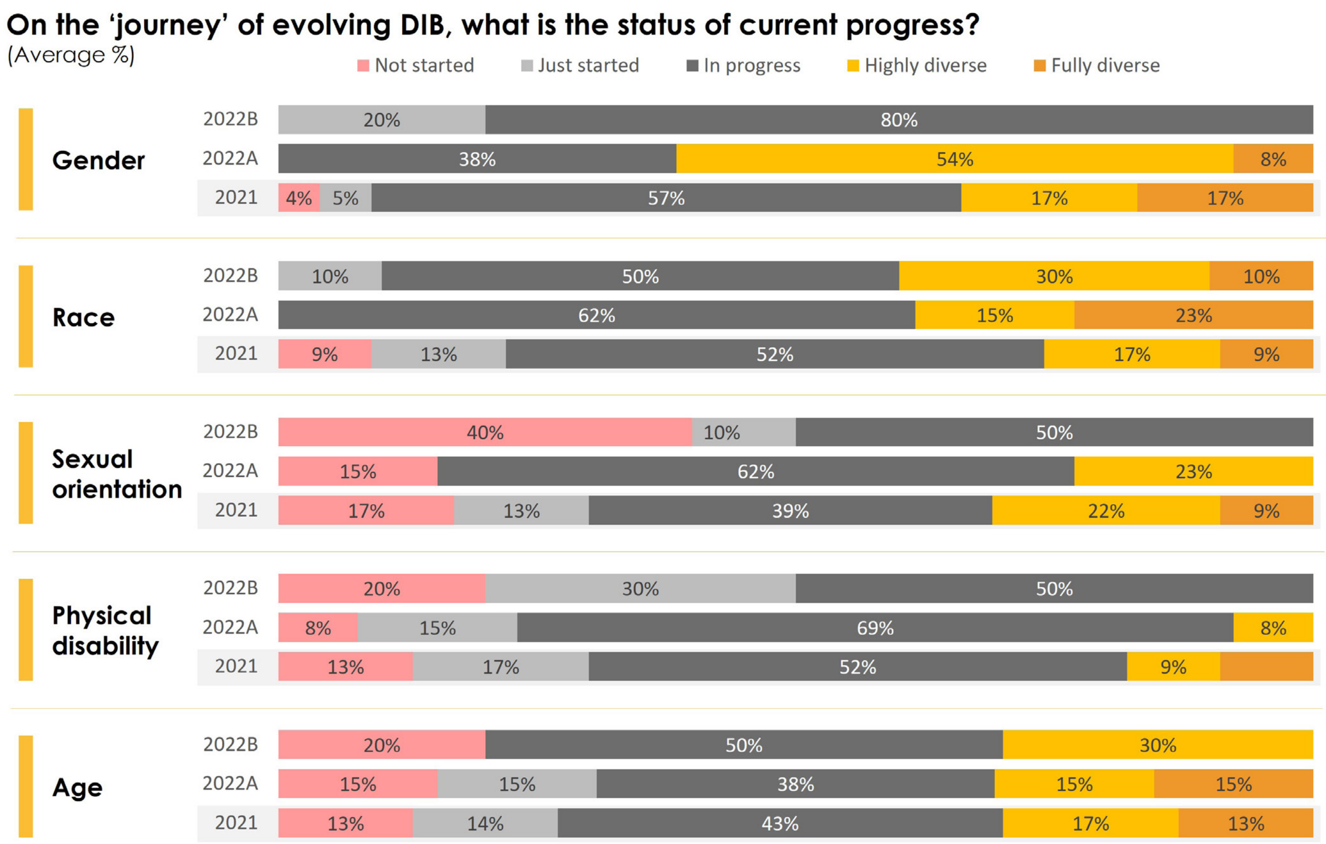


Source: GLF Survey n = 23

50% of Cohort B believe they are diverse in one axis – this is better than the average of 2021 respondents; but none believe they are diverse in both gender and race. The positive takeaway here is where there is focus, i.e., race, there has been strong progress. However, the fact that none of Cohort B believe they are diverse in both race and gender, indicates increasing levels of focus are required across a wider broader number of diversity axes.

For Cohort A, gender remains the most diverse of the categories, and diversity has accelerated over the last 12 months with a +27pp uplift from 2021. GLF members interviewed attributed this to the consistent focus on gender diversity as well as initiatives executed over the last few years now really starting to take effect. Race has also experienced significant progress over the last 12 months with a +12pp uplift in highly/fully diverse respondents. This was largely attributed to racial diversity becoming a major focus in 2021, with the Black Lives Matter movement highlighting the deeply entrenched racism that racial minorities are facing in numerous societies. This focus and the supporting initiatives now appear to be yielding positive results on racial diversity.

EXHIBIT 6: PERCEIVED CURRENT PROGRESS, COMPARISON ACROSS DIVERSITY AXES

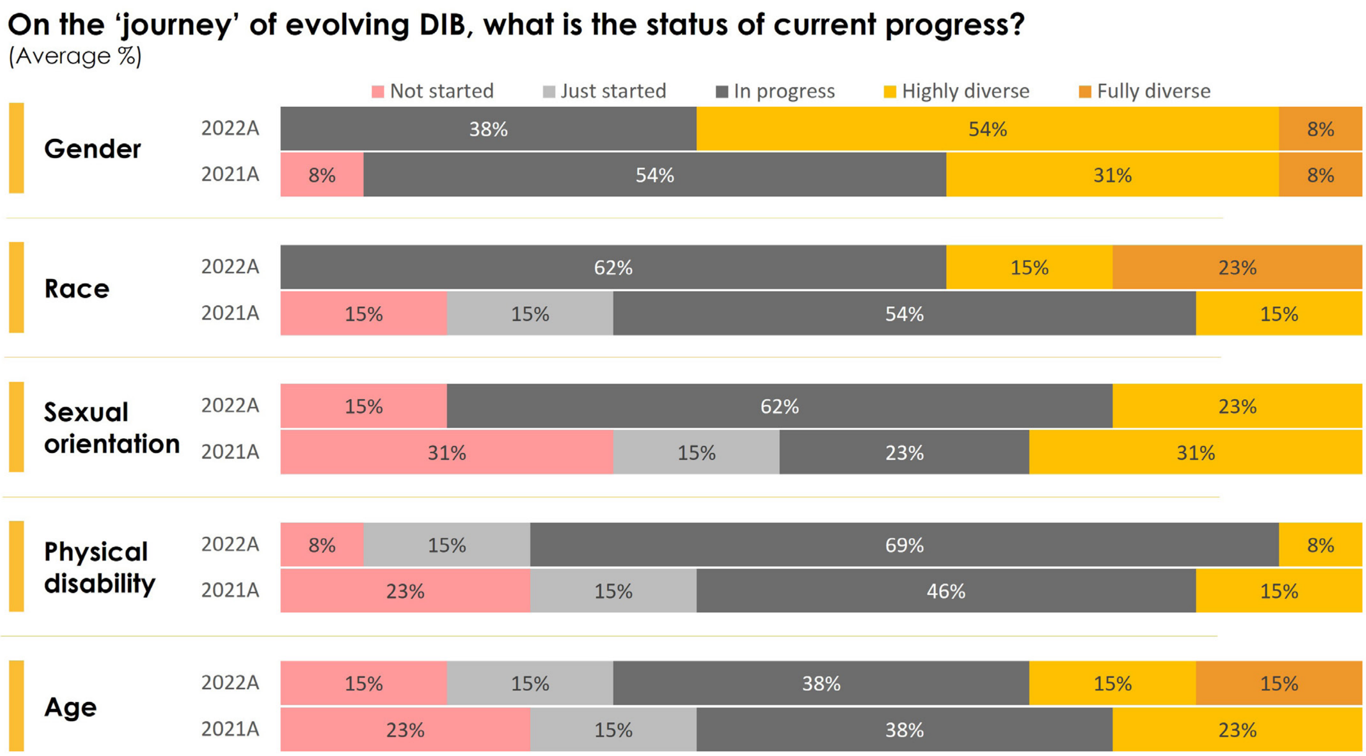


Source: GLF Survey n = 23

The progress is even more pronounced when a direct comparison is done between Cohort A's 2021 and 2022 progress responses – both race and gender show a +23pp uplift, and age a +7pp.

We see a decline in progress in sexual orientation and physical disability. As described above by interviewed respondents, increased reporting and tracking has provided more data points to assess the progress of each diversity axis. On axes such as race and gender this has provided the positive evidence of diversity; however, on other axes, this has resulted in recalibration of progress; as expressed by one interviewed respondent, "Looking at numbers, and seeing there is still room for improvement".

EXHIBIT 7: CURRENT LEVEL OF PROGRESS ACROSS SELECTED DIVERSITY AXES - 2021 VS 2022 OF COHORT A



Source: GLF Survey n = 23

2. EVOLVING ORGANIZATIONAL APPROACHES TO DRIVING DIVERSITY, INCLUSION AND BELONGING

There are three consistent factors we are seeing in GLF members experiencing strong DIB traction and progress: (1) leadership sponsorship, (2) formal structures in place and (3) a holistic set of KPIs linked to leadership remuneration targets.

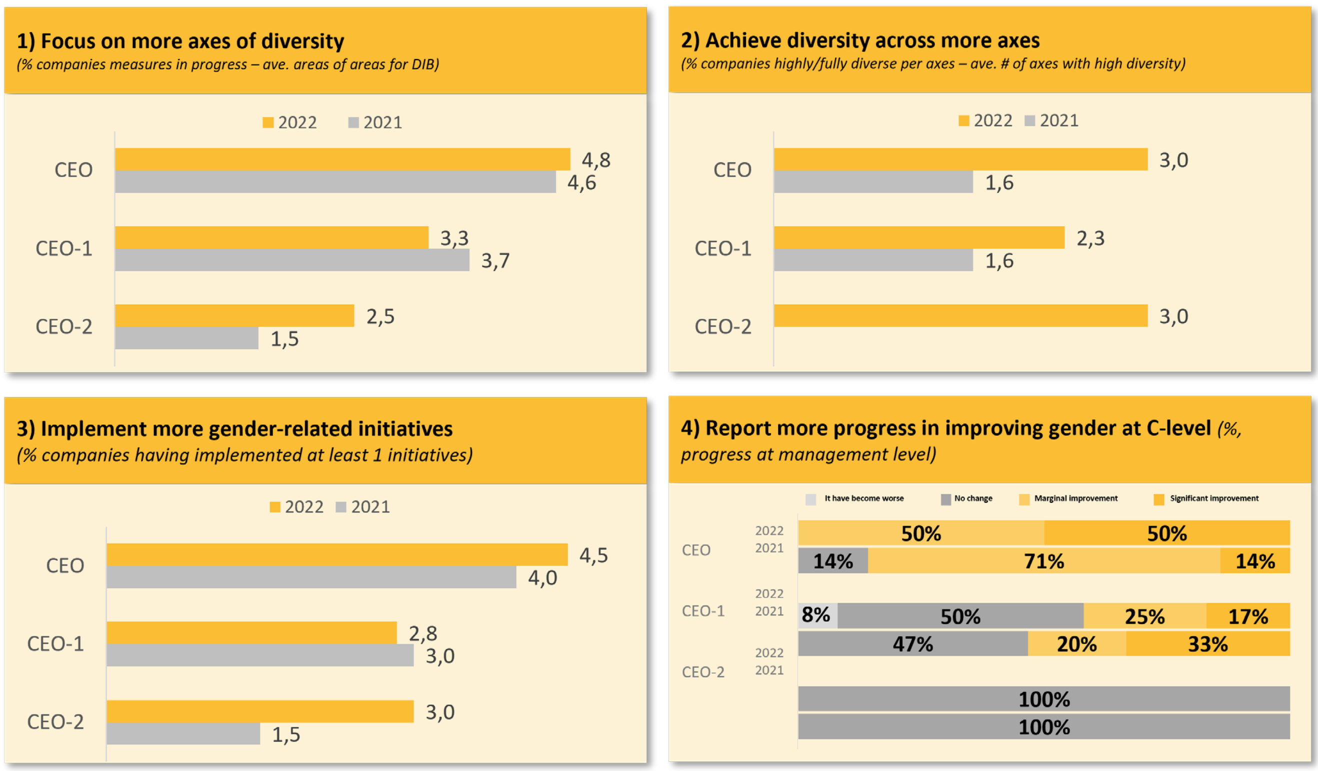
Leadership sponsorship:

Cohort A recognizes that the DIB agenda needs to be driven by top-leadership to properly gain traction. As stated by a GLF member, "Top-down engagement makes this a reality". We see the more focus and attention DIB receives within Cohort A member organizations, the higher the level of sponsorship it has received. As described by one interviewed respondent, "Guidelines now come directly from the Group CEO, and all the leadership teams are mandated to make sure that DIB is reflected in their practices within hiring, succession planning, and everything else [they] do". In these cases, CEOs play a fundamental role in driving DIB and cascading it through the organizations. This includes communicating the importance of DIB, setting guidelines, open discussions, deep driving relevant topics, holding their teams accountable for DIB and leading and sponsoring DIB initiatives.

DIB CEO-led organizations have a more focused and impactful DIB strategy than those led by a CEO-1 or CEO-2. Respondents from companies that reported direct responsibility falling to the CEO focus on more diversity axes, have on average 1.5 additional gender-related categories implemented, and impressively, 100% report improvement in improving gender representation at C-level.

EXHIBIT 8: CEO-LED DIB COMPANIES' ACHIEVEMENTS

CEO-led DIB companies:



Source: GLF Survey 2021 & 2022 n = 23; Note: due to rounding, sums may not add up

Although stronger results have been achieved when the DIB responsibility lies directly with the CEO, there has been progress from CEO-1 and CEO-2 led DIB organizations. CEO-2 led-organizations have seen an increase in focus on diversity axes by 67%. The number of axes considered highly diverse have increased from 0 to 3, and the number of implemented gender-related initiatives have doubled. Although the CEO-2 led organizations' gender initiatives have not yet translated into gender representation at C-level, when compared to the strong representation progress experienced by CEO and CEO-1 DIB-led organizations with consistently high numbers of initiatives, progress has been seen.

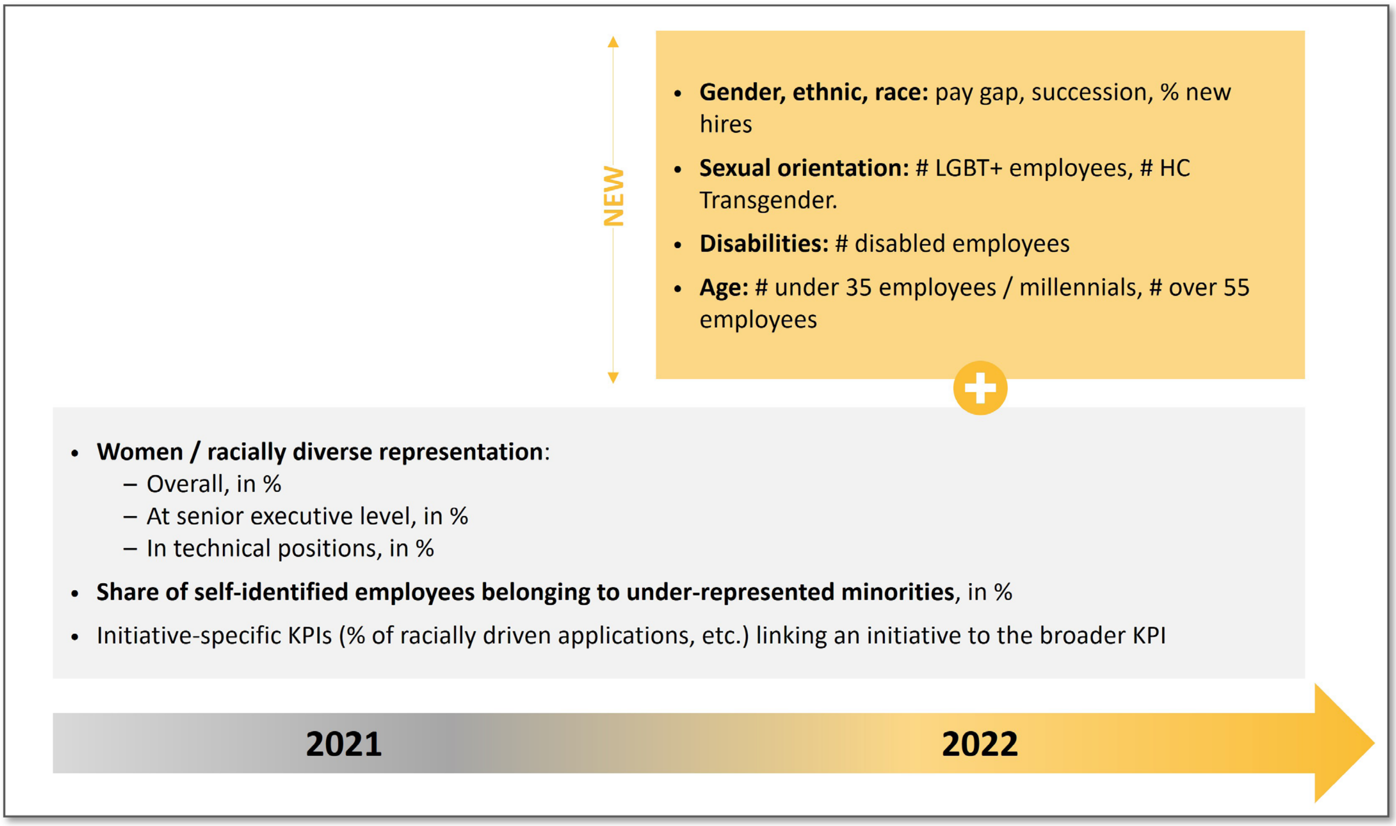
Formal structures:

Where there has been DIB traction it is often because there are now formal structures/units in place. We are seeing an evolution where over time it comes onto the CEO agenda, the CEO pushes it personally, and then there is a formal structure in place. An example provided by one interviewed GLF respondent was "A standalone corporate affairs executive was recently appointed with DIB being one of the major focuses of this executive". Another example was provided by a GLF member whose HR function has historically been the owner of DIB, a senior executive has now been allocated to drive this in coordination with Group HR, to accelerate traction. Several GLF members highlighted that they have either set-up dedicated DIB-committees or have short term plans to do so.

KPIs:

There has been a shift in how DIB is tracked and measured amongst many of the GLF members. Firstly, we are seeing a **more holistic set of KPIs being tracked**. As one interviewed respondent highlighted, "We have introduced a more holistic set of KPIs to drive increased progress across all diversity dimensions." The evolution of KPIs measured by GLF members is shown in Exhibit 10:

EXHIBIT 9: CURRENT LEVEL OF PROGRESS ACROSS SELECTED DIVERSITY AXES - 2021 VS 2022 OF COHORT A



Source: GLF Survey n = 23

One interviewed respondent raised the point that in certain markets, there are sensitivities in broaching subjects outside of gender - "Apart from gender we are very restricted in what we can ask and track".

Secondly, **hard targets are being set across the different diversity categories** i.e., KPIs with qualitative targets and ambitions. One GLF interviewed respondent explains the evolution of target setting for DIB, "Previously we had process goals in place i.e., tracking things we put in place, which we thought would drive DIB – e.g., all people in my organization have performance plans. Now have set aspirational goals with targets specific to women and race". Another respondent stated, "For the first time DIB has been embedded in measured framework."

And thirdly, and possibly most importantly, leadership is being held accountable by **linking DIB targets to their remuneration and bonus targets**. As expressed by an interviewed GLF respondent, "Compensation drives behavior", "We as leadership are held accountable for all things DIB, as much as we get held accountable for financials and customer experience" and achieving these targets are seen as "simply non-negotiable".

PART 2

BUILDING A CULTURE OF INCLUSION IN THE TELECOMS INDUSTRY

1

Inclusion is the crucial enabler to a meaningful and sustainable change in diversity and representation. Inclusion centers around understanding and respect with the objective of creating an environment where all employees from all different backgrounds feel valued, respected, accepted, and encouraged to fully participate in the organization.

2

Greater than 80% of GLF members view inclusion as a strategic priority, due to its positive impact on business performance and talent retention.

3

70% of GLF members have both increased their focus on inclusion and progressed their level of inclusivity over the last 12 months, primarily attributed to the effects of COVID-19 on the workplace.

4

However, a majority of GLF members remain moderately inclusive, citing barriers such as achieving management focus with so many other competing business priorities and lack of effective inclusivity measurement tools.

5

GLF members have found incorporating KPIs into leadership's performance target, with the same level of importance as financial and customer experience targets, has assisted in aligning management focus.

6

Due to the focus on inclusiveness, more than 80% of GLF members have undertaken initiatives to improve inclusiveness. These include (1) leaders playing an active role in activities and communicating the importance and company values regarding inclusion, (2) trainings, tools and communications aimed at creating a respectful environment, (3) exploratory initiatives to understand the level of inclusiveness and barriers, (4) structural changes and bespoke groups /programs for different employee groups and, lastly (5) introducing inclusivity KPIs for leadership and the rest of the organization.

1. WHY INCLUSION MATTERS

"Diversity is being invited to the party; inclusion is being asked to dance," Verna Myers, VP of inclusion strategy at Netflix

Research shows the impact of diversity without inclusion is significantly less – diversity + inclusion = better business[1]. Although "Diversity and Inclusion" are often considered one and the same, inclusion is a standalone concept[2]. Diversity refers to the traits and characteristics that make people unique, whereas inclusion refers to the behaviors and social norms that make people feel welcome and a sense of belonging[3]. Simply put diversity is about the "what" and inclusion is about the "how". Inclusion in the workplace is centered around understanding and respect with the objective of creating an environment where all employees from all different backgrounds feel valued, respected, accepted, and encouraged to fully participate in the organization[4]. The characteristics which drive an inclusive environment are set out in Exhibit 1:

EXHIBIT 1: CHARACTERISTICS OF AN INCLUSIVE WORKPLACE

When you experience an inclusive workplace, you are:

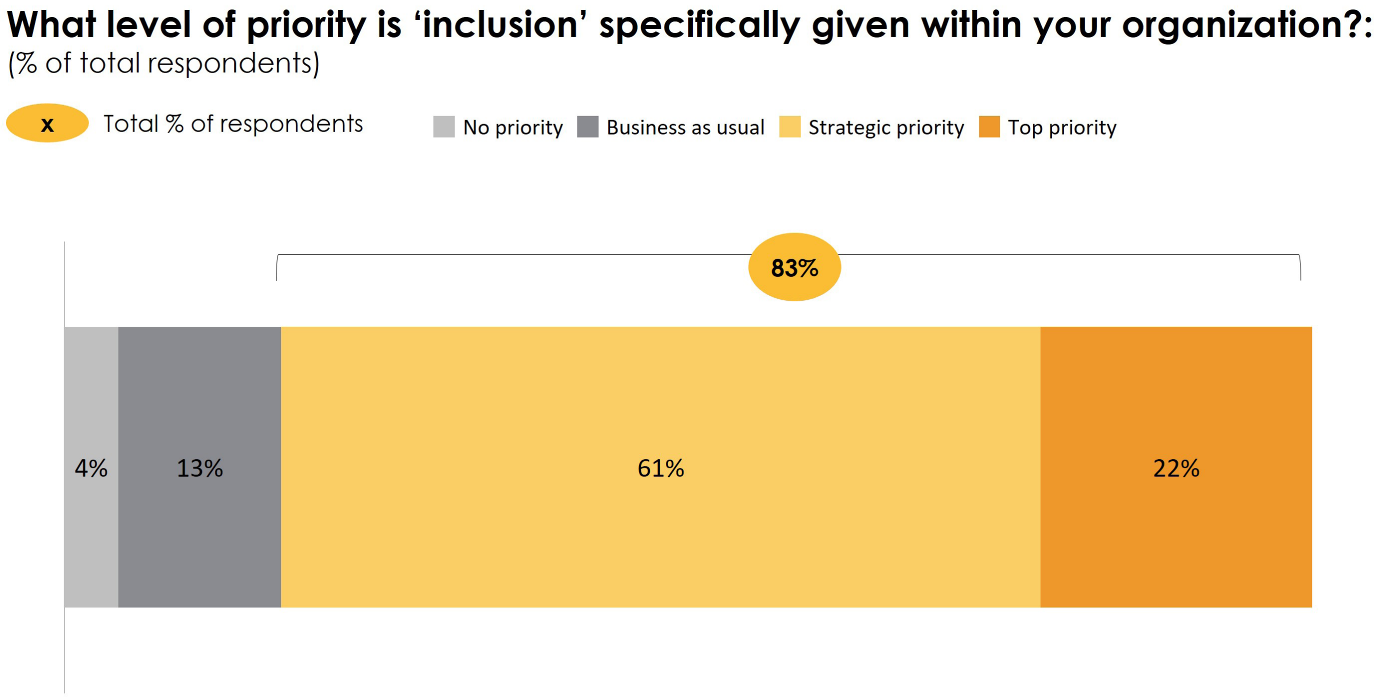
Valued	Trusted	Authentic	Psychologically safe: latitude	Psychologically safe: risk taking
You are appreciated and respected for your unique perspectives and talents	You make meaningful contributions and are influential in decision-making	You can bring your full self to work and express aspects of yourself that may be different from your peers	You feel free to hold differing views and make mistakes without being penalized	You feel secure enough to address tough issues or take risks

Source: Catalyst[5] research report "Getting real about inclusive leadership"

It is important to acknowledge that diversity does not always imply inclusion i.e., enhancing organization diversity does not necessarily lead to individuals feeling included or valued. Inclusion is the crucial enabler to a meaningful and sustainable change in diversity and representation. An HBR article concluded, "In the context of the workplace, diversity equals representation. Without inclusion, however, the crucial connections that attract diverse talent, encourage their participation, foster innovation, and lead to business growth won't happen". Reflecting this sentiment, when posed with the question why inclusion, GLF members responded, "What is the point of being diverse if we are not inclusive?", "Diversity and inclusion work together – they are symbiotic", and another expressed, "We see inclusion as more important than diversity, because if you're not inclusive, you won't keep diversity".

1. Deloitte - 2. Harvard Business Review - 3. Forbes - 4. Gallup -
5. Catalyst is a global non-profit focused on helping build workplaces that work for women

EXHIBIT 2: STRATEGIC IMPORTANCE OF INCLUSION FOR GLF MEMBERS



Source: GLF Survey n = 23

From the GLF respondents, it is positive to see greater than 80% view inclusion as a strategic priority and a topic of increasing focus. GLF respondents believe inclusivity is a key strategic differentiator, as reflected in several statements made by interviewed GLF members, such as, "We are a family, and that's what sets us apart" and one respondent went as far as stating, "It is our vision to be the most inclusive and successful organization in the regions we operate."

The motivators for inclusion focus for GLF members is three-fold: (1) improves business performance, (2) increases talent retention and (3) drives connection with customers. On the first point, GLF leadership believe inclusion is a key element of **driving business impact and success**. As stated by interviewed GLF respondents, "Our team of senior leaders agree being inclusive is necessary for driving our success as a business" and "Inclusion is considered one of three strategic success enablers, which we believe will drive results". GLF members are strongly of the opinion that:

1. An individual's performance improves when they feel included - as commented by an interviewed GLF participant, "Employees that can bring their whole selves perform significantly better"; and

2. An engaged and comfortable workforce increases engagement, collaboration, and innovation – supported by several comments made by interviewed respondents in line with "an inclusive culture drives valued and unique insights".

This belief is supported by numerous external studies, for example, research by Deloitte found that organizations with inclusive cultures significantly outperform organizations lacking inclusive cultures, on multiple levels. This is shown in Exhibit 3:

EXHIBIT 3: IMPACT ON INCLUSION ON ORGANIZATION PERFORMANCE

ORGANIZATIONS WITH INCLUSIVE CULTURES ARE			
2X as likely to meet or exceed financial targets	**3X** as likely to be high-performing	**6X** more likely to be innovative and agile	**8X** more likely to achieve better business outcomes

Source: Deloitte report - The diversity and inclusion revolution: Eight powerful truths

This is further supported by a Harvard Business Review study's finding that an increase in an individual's feeling of inclusiveness translates into a perceived increase of 17% in team performance, 20% in quality of decision-making and 29% in collaborative behavior[6].

The second reason for the focus on inclusivity is **talent retention in an increasingly competitive market**. GLF members mentioned four contributing factors correlating inclusion to talent retention - the views of many were summarized by one interviewed GLF respondent, "We know if people can bring their whole selves to work, if they feel like their voices are heard, if they feel respected and their insights are valued, they are going to feel included and they are going to feel a sense of belonging". Breaking these views down slightly further:

1. An inclusive environment builds trust, a sense of community and connection with the organization and its teams and leader which all directly impacts retention. As highlighted by GLF respondents "The sense of community is one of the strongest reasons people stay at our company." and "From external research and our own, we have found the key reason for not retaining people is the lack of understanding or lack of relationship with their managers and/or teams."

2. Millennials and Generation Z employees are expecting their employers to show that they are genuinely inclusive, as a GLF respondent stated, "Millennials and Generation Z want to be able to make an impact and part of this includes working for a company that has impact and recognizes the importance of society and environment. So, companies that do not that track diversity and inclusion are not going to attract that talent, let alone retain it."

3. An inclusive environment contributes to employees feeling appreciated and valued. As summed up by one of the GLF respondents: "There is a war on talent! We are losing talent. Other organizations are losing talent. It is now about people feeling included and valued for the unique insights they bring"; and simply put by another respondent "The more valued an employee feels, the less likely they are to leave."

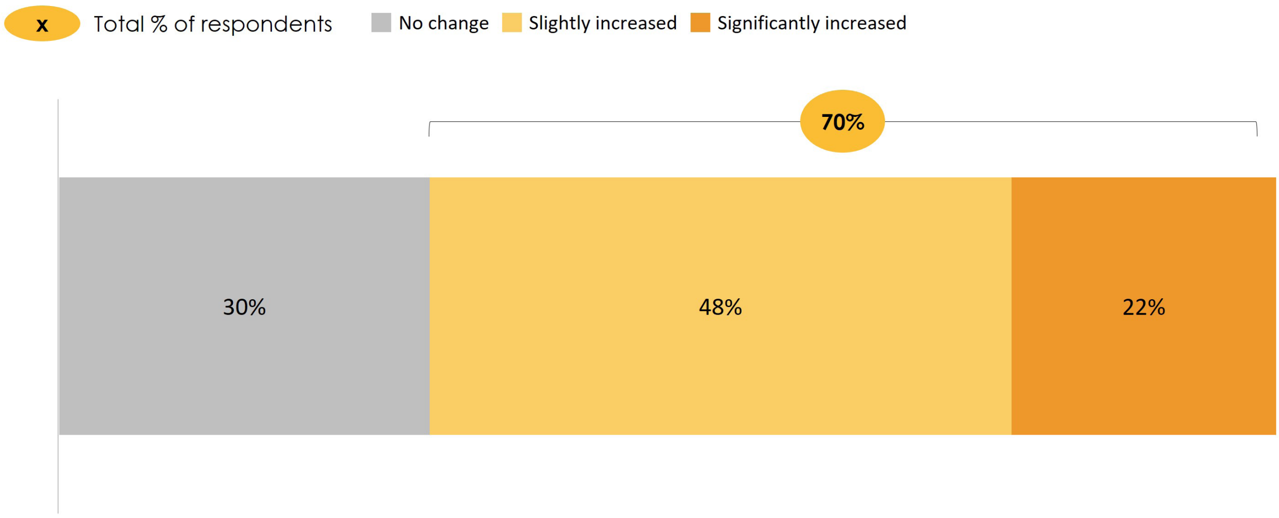
4. An inclusive culture results in employees feeling more comfortable in their own skins at work, and this increases the chance of retaining individuals, "Employees who feel they can bring their whole selves are less likely to leave" as stated by interviewed GLF respondents.

Again, this sentiment is supported extensively by external research. For example, a study by

6. HBR article - Why Inclusive Leaders Are Good for Organizations, and How to Become One
7. The study by Catalyst was based on responses by 2,164 employees from 15 global companies
8. Deloitte University & BJKLI Report – Unleashing the Power of Inclusio

EXHIBIT 4: INCLUSIVITY PRIORITIZATION EVOLUTION

How has the level of prioritisation given to 'inclusion' changed in the last 12 months?:
(% of total respondents)



Source: GLF Survey n = 23

Catalyst[7] indicates inclusion plays a critical role in driving workforce engagement and employee intent to stay – inclusion was measured to contribute 35% and 20% to these actions respectively. External research shows inclusion does not only drive retention, but has become a major contributor to attracting talent, especially millennials. Deloitte research[8] found "If you take millennials, 80% see inclusion as a very important factor when choosing an employer and 39% of them will leave if it is not inclusive."

The third reason for the importance of inclusion is **connection with our customers**. As stated by members, "Inclusion is critically to unlock the connection with our clients and customers".

70% of GLF respondents have increased their focus on inclusion over the last 12 months. This has primarily been attributed to the impact of COVID-19, which has driven attention on inclusivity at a global level – as one GLF member noted "this is now an international agenda".

The new work-from-home/hybrid working environment resulting from COVID-19 presented several challenges to employers and employees:

- GLF members were forced to explore new ways of engaging and connecting, as meeting in person was no longer an option – one GLF respondent interviewed highlighted, "Even as an international company with a pre-pandemic culture of connecting over our own technologies, over time we had to find new ways to tackle engagement differently." This challenge was exacerbated when bringing new people onboard, and organizations had to solve "how do we get new people into the organization and help them feel included."
- Remote work has made the challenges with competing priorities, i.e., personal and work, increasingly more visible. This in some ways has "levelled the playing field across organizations", as quoted by one interviewed respondent. In many cases this has united employees (from the most junior to the most senior), with the feeling that everyone is struggling together with balancing personal and work responsibilities. For example, there has been a normalization of mental health challenges as these became increasingly prevalent and visible across all levels. This has resulted in more open discussions across organizations, which has served to "humanize leadership", as quoted by one GLF member.

2. HOW INCLUSIVE ARE WE?

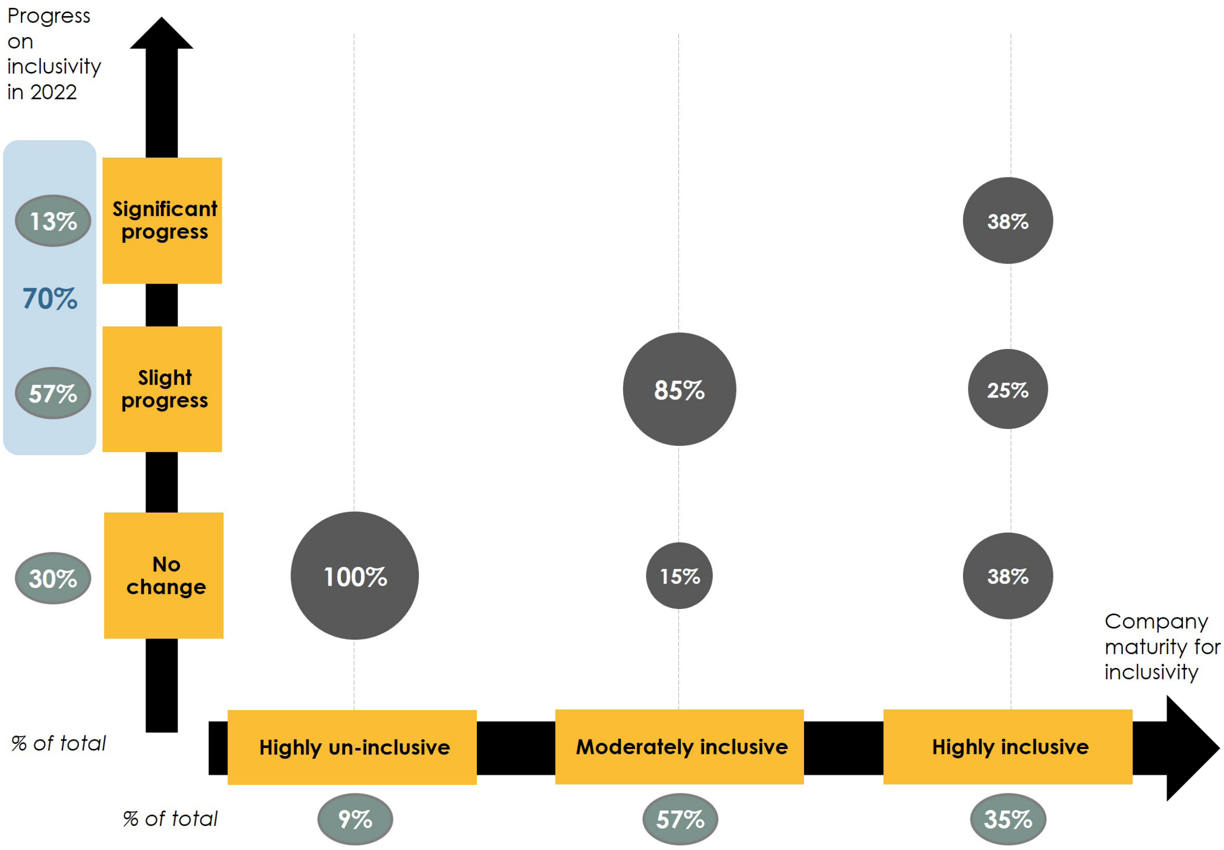
70% of companies have progressed their levels of inclusivity, but overall, we are still at 57% only considered "moderately inclusive", which is good progress but still indicates a long way to go.

An interesting point of view expressed by a respondent in explaining why they had rated themselves *moderately inclusive* versus *highly inclusive* even though inclusivity is a major focus and is strongly supported through deliberate initiatives in their organization, "Inclusivity is an evolving living thing, so from our perspective there is always something to be done". It was further highlighted that even when progress is evident, there is more to be done, as we live in a dynamic, evolving environment, "For as long as we have an organization, we have to be mindful of inclusion and what it brings to the organization, as our people change all the time; our customers change all the time; and technology changes all the time."

Another frequent response by GLF members to the question on *moderate level of inclusivity* was a lack of tracking/measurement of inclusiveness. As one respondent stated, "How can I say we are highly inclusive, if we don't really know how people are feeling." From the survey, we see that 57% of participants do not measure inclusivity, the key reason identified for this is uncertainty on how to effectively measure and track inclusivity.

EXHIBIT 5: PROGRESS PERCEIVED ON INCLUSIVITY VS. DECLARED LEVEL OF INCLUSION

On the 'journey' of driving inclusivity, how far did you progress in 2022?
(Inclusivity, % of respondents split by company self-assessed maturity for inclusivity)

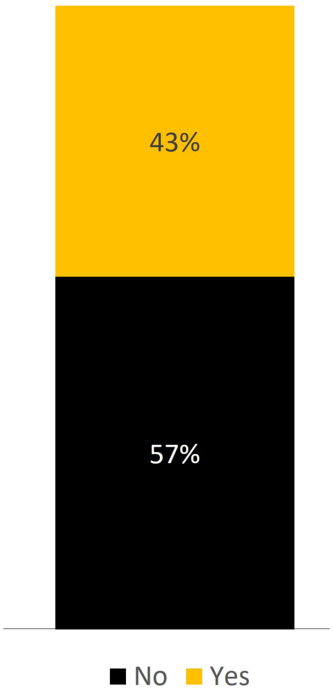


Source: GLF Survey n = 23

Tracking and measuring inclusivity is a common challenge amongst organizations globally - most understand inclusion is what unlocks the potential of a diverse workforce; but many struggled to find an effective approach to measure and track. Nonetheless, measurement and tracking are critical drivers of inclusivity progress. As shown in a Gartner study, organizations that confidently measure DIB, create accountability, and embed inclusion into talent decisions and processes report up to 20% more organizational inclusion compared to their peers without these approaches.

EXHIBIT 6: LEVEL OF INCLUSIVENESS MEASUREMENT

Do you measure level of company inclusiveness?
(% of total respondents)



Source: GLF Survey n = 23

The 43% of GLF respondents that do track inclusivity, do so using internal employee engagement surveys, NPS results and culture audits to assess areas such as: well-being, perception of the positive impact of the business, how comfortable individual's feel about being themselves at work, level of feedback and support received. The frequency of these varies from monthly or quarterly to annually. Interview and survey respondents provided several examples:

- "A survey, every two months with direct questions related to diversity and the way our behavior reflects DIB – this is a dimension we need to make sure; this is a KPI we are always improving".
- "Annually conduct a cultural audit survey and benchmark global norms, Telecoms companies against us".
- "We have included a question in our employment survey asking. 'Are you satisfied on the efforts done on D&I?'".
- "Qualitatively, we get a measure of our effectiveness at creating an inclusive company culture from the feedback we receive from our Employee Resource Groups and Employee Networks, who readily present their members' sentiments to Business Unit leaders and our DE&I team."

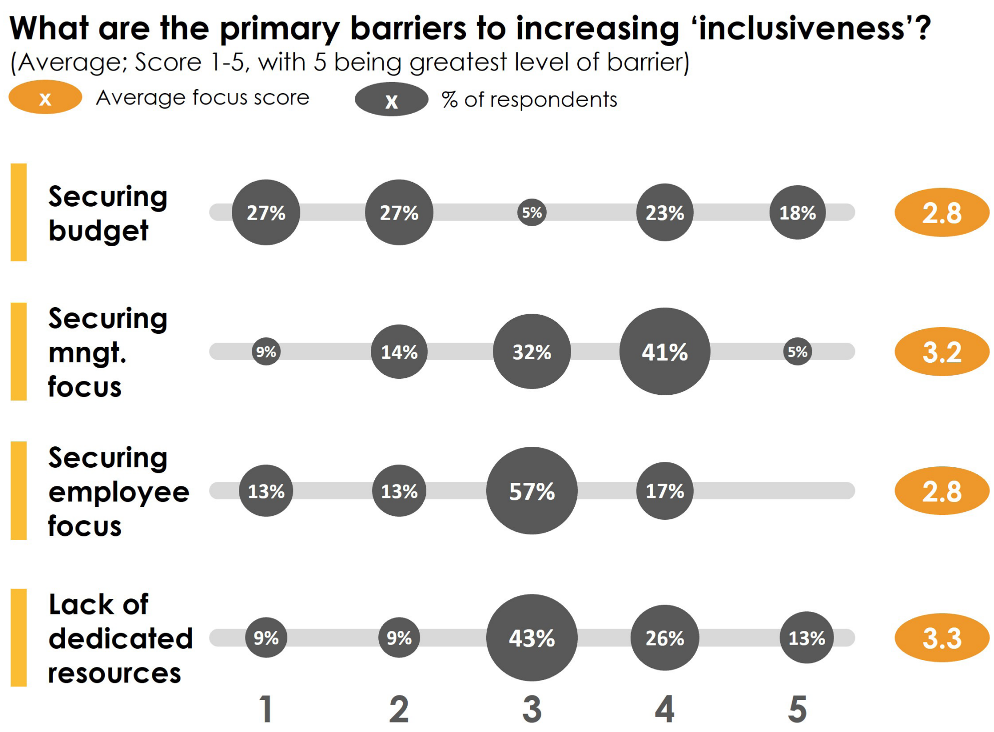
The difficulty for organizations is determining the best metrics and how to phrase the right questions to draw true conclusions on an organization's level of inclusiveness. As an interviewed GLF member highlighted, "We do capture an inclusion score – but we are not sure we are asking the right questions, as the scores do not reflect what we are seeing from a churn perspective in the business." Several GLF members use external companies, such as Gallup, providing tried and tested best practice approaches and these provide the additional benefit of enabling organizations to benchmark inclusiveness versus other organizations (global, local and within the Telecoms sector).

GLF members who do track inclusivity find that it is a "source of real value of knowledge, providing the visibility we need to understand how our employees are feeling." Particular value was placed on the text verbatims – as quoted by a GLF respondent "Verbatims are so powerful – great opportunity to hear from our employees". An observation by a GLF member, who has run quarterly pulse surveys for several years, was that recently employees have become more open, trusting and comfortable in the way they answer the survey, "It started with minimal verbatims in the free text section, and now people are writing paragraphs – and these are the real nuggets/ real insights on what is inclusive and what is not".

TM Forum would like to see accelerated progress across the industry, and as many of the GLF members have alluded to, they believe establishing a standard measurement metric is a vital enabler. As stated by the TM Forum "you cannot make real change unless you actually measure it". The TM Forum has embarked on an initiative to define a scoring system for the industry, known as the Inclusion and Diversity Score (IDS). The objective of creating a standardized diversity and inclusion measurement tool to enable organizations to consistently (1) track organization progress against themselves and the broader industry and (2) provide a set of recommended interventions specific to each organizations needs to support and drive change.

The IDS metric will measure both diversity and inclusion. Diversity will be measured using organization demographics and HR systems; and inclusion will be gauged leveraging employee surveys with three to five questions designed to

EXHIBIT 7: INCLUSION BARRIERS



Source: GLF Survey n = 23

get to the "heart of the human sentiment". As of May 2022, IDS has previously completed its alpha trial and is currently in the process of running the beta trial. Following the conclusion of this trial in July 2022, 20 global 'pain points' benchmarks will be established from the collected data and intervention best practices laid out. Several participants have signed up for the upcoming TM Forum inclusivity benchmarking exercise to be able to better measure and benchmark inclusivity.

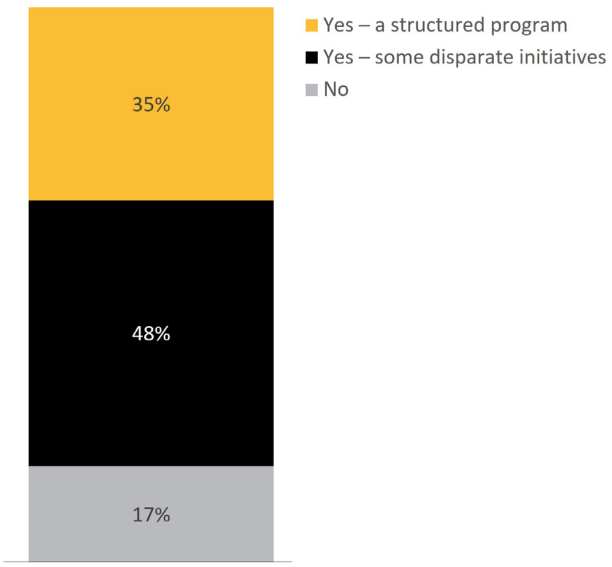
Additional barriers to inclusiveness identified by GLF members were (1) securing management focus and (2) identifying dedicated resources. When speaking to GLF members with a significant focus on inclusivity, they have driven management focus by introducing hard KPIs and giving these the same level of importance as financial and customer experience targets. This is because it was found in the past that "people naturally prioritize serving their customers, how to engage customer and how to meet targets, over something they are not measured on." GLF respondents noted improvements in management focus because of KPIs, "Since inclusion has become a measured strategic priority, treated like profits, management engagement has been less of a struggle."

3. BUILDING A MORE INCLUSIVE ORGANIZATION

Due to the focus on inclusivity, more than 80% of GLF members have undertaken initiatives to improve organization inclusivity. We have grouped the GLF member initiatives into five categories (1) leading from the top, (2) creating a respectful environment, (3) exploratory – i.e., initiatives to understand the level of inclusiveness and barriers, (4) more structural changes and programs and (5) KPIs.

EXHIBIT 8: TYPE OF INCLUSION INITIATIVES

Do you have specific activities in your organization tasked with improving 'inclusiveness'?



Source: GLF Survey n = 23

1. Leading from the top

Research has shown that inclusive leadership behaviors is one of the most effective approaches to driving inclusiveness. As quoted in a Harvard Business School article "leadership behaviors have a far greater impact on culture than written policies. A truly inclusive culture will manifest through leadership at every level."

As one interviewed articulated "The cultural transformation journey is always led by the leadership team. The leadership team has to own it, otherwise you will never get there." Through the initiatives presented by the different GLF respondents, it is clear GLF senior leaders are playing a leading role in driving inclusion, by leading various group-wide initiatives, for example:

- Senior leaders are showing and pledging their commitment to DIB by **participating in company-wide events and discussions to promote inclusion**. For example, an interviewed respondent recently highlighted that, "the Group CEO, Group HR executive and some senior executives spoke at a live He4She session about the importance of DIB and treating everyone as equals."
- Increasing numbers of leaders are becoming more vulnerable and **sharing their journeys and experiences in open forums**. "Senior leaders have begun openly sharing their struggles and challenges, this has trickled down to the rest of the organization."
- **Strong employee networks supported at a senior level.** In many of the GLF organizations, senior leadership serve as both advisors to and members of the different ERGs – and

it has been noted leadership focus and involvement has accelerated engagement and effectiveness of these different groups. As stated by one respondent "We were seeing pockets that were engaged, we are now seeing pockets which are uber engaged, resulting in more people seeing the value-add."

2. Creating awareness and educating for a respectful environment

Creating an inclusive and respectful environment often starts with awareness and education regarding different backgrounds. Due to the nature of the carrier business, the GLF members have offices across the world, employing many different nationalities, ethnicities, and genders. This means driving awareness and education surrounding different backgrounds is crucially important – as one interview respondent noted "I have a team with 26 different nationalities, different values and different backgrounds. We are trying to make all [employees] feel included."

And how does one drive this awareness and education? According to one GLF respondents with high levels of inclusivity, focus and progress believe it comes down to "Consistent awareness of all the programming" – this programming comes in typically five forms:

Training and tools: Many GLF respondents have dedicated employee training and workshops to support the understanding of how cultural differences can impact how people work and interact at work. In some cases, this has been included in the existing learning and development areas. This, in some cases, involves providing employees with a "constant stream of articles, thought leadership, videos, interviews and TED talks - giving employees a whole myriad of tools to educate themselves, inform what they can do individually and with their teams." Content ranges from "wellbeing and mental health awareness" to "leadership development and talent management programs to emphasize the need for managers at all levels to be inclusive leaders to maximize the effectiveness of their diverse teams".

Defined clear guiding and toolkits principles: In addition to training, GLF respondents have put together toolkits and guiding principles to support employees in creating a more inclusive environment, such as approaches on how to effectively engage in open conversations on race, gender, sexual orientation etc. For example, in an interview it was revealed that one of the carriers "wanting to remove the stigma which could be associated with going through a gender transition – so a person does not feel 'othered' while going through a transition" put together a "gender transition handbook" to support (1) the employee transitioning, and (2) the employee's leaders, managers and colleague's by providing clarity on the process, what to expect, how to broach the subject, what questions to ask and not to ask etc.

Inclusive language initiatives: Several respondents have highlighted their commitment to drive inclusive language. For example, one respondent stated, "We have a drive to degenderize names. The struggle here is our legacy documentation and media releases. We are also implementing both written and conversational inclusive language training to support our employees in getting this right."

Courageous conversations: Interviews revealed that transparent leadership means employees are increasingly comfortable and open to "courageous" discussions on inclusion (and diversity). This is being further encouraged and driven through internal and external communications and through structured, planned discussion on relevant inclusion topics.

Celebrating the diversity of employees and customers: Another approach GLF members have taken is to create role models and inspire employees and the industry by sharing individual success stories from different employee groups and highlighting activities in communities around the world to show the good the organization is doing. This has been achieved by featuring success stories in the company newsletters, industry magazines, company videos and external and internal social media.

Support of religious and cultural holidays: GLF members are building awareness, acknowledgement, and support of religious and cultural holidays - this is typically done via messaging, emails, social media campaigns and office events. As one interview respondent mentioned "We make sure we reflect special occasions of all the different backgrounds of our colleagues - we celebrate Diwali for our Indian colleagues, Easter for our Christian colleagues, Ramadan for our Islamic colleagues etc." and "Whenever there are global campaigns or events such as Women's Day, Mother's Day, the HeForShe campaign, we are one of the leading employers that always participates". To ensure respect of colleagues observing Ramadan, one respondent interviewed described how company policies and "ways of working" were adjusted, "We changed our working hours to accommodate our colleagues celebrating Ramadan, and out of respect for our colleagues, we do not offer tea and coffee in our offices during this period."

3. Exploratory

GLF respondents are exploring approaches to better understand the level of inclusiveness within their organization and how they compare to their industry and others. The most common approach by GLF members is to leverage employment engagement pulse surveys to track inclusivity progress, identify underlying issues and develop action plans.

Several GLF respondents highlighted the more employees included in the conversation and the more transparent employees were in the process, the more effective the action plans and results. This is because "complete transparency fosters trust." The process was described by one respondent as follows: "Leaders present back the survey results. Feedback is then encouraged on the areas that have declined. The question is then asked, 'What do you need from us to make this better for you?' The team then holistically develops a plan, which is not based on leadership assumptions, but rather employees' experiences." The execution and impact of these action plans are then tracked and reported back to employees.

In addition, as mentioned above, several participants have signed up for the upcoming TM Forum inclusivity benchmarking exercise to be able to better measure and benchmark inclusivity.

GLF members are also conducting one-on-one interviews with specific employee groups and leveraging ERGs to get a deeper understanding at an individual level as well as recommendations on how to improve the working environment for different employee groups.

Another interesting approach raised by a GLF respondent was the introduction of "reverse mentoring", where a member of an employee group – this specific example was millennials – mentors a leader on the specific needs of that employee groups.

4. Structural

To ensure support and focus, GLF members have **set-up forums and structures** to drive, own, support and cross-pollinate inclusivity across the organization group. For instance, several GLF members report that there has been **appointment of diversity councils**, typically composed of top management and diversity champions, in charge of diversity across the organization.

Employee Research Groups (ERG) were consistently emphasized by GLF members as a key support to specific employee groups. One respondent noted they now have 10 ERGs, an additional two more than in 2021 – this was to meet the needs of their employees. These forums create a safe and inclusive space for employees to share experiences, support each other, educate, grow, and develop talent. Several of the GLF respondents highlighted the growing level of engagement, important and momentum ERGs are experiencing – "Memberships are very active, and more people are getting involved". One of the ways this engagement has been driven is through creating awareness, for example, one respondent shared that, "Teams have done ERG roadshows, where representatives from each ERG shared their mission, the activities they host and events they run." Another important point raised by GLF members was the best practice of encouraging "allyship" to these ERGs to increase inclusion i.e., encourage non-members of the ERG demographic to participate and support ERGs; in fact, one organization made it a policy that all employee groups and networks must be open to all employees.

Maintaining a flexible working environment was another initiative GLF candidates mentioned to drive inclusivity and is seen as significant draw factor to attract top talent, by increasing alignment to employee needs. There are several elements considered here:

- **Continuation of a hybrid work-from-home approach:** one of the largest consequences of the COVID-19 pandemic and subsequent lockdowns has been the acceleration of a hybrid work from home approach. Many of the GLF members expressed how their employees appreciate the flexibility of hybrid work. A survey conducted by Deloitte shows that 90% of employees value flexibility while 82% have taken advantage of work flexibility options. There are numerous benefits to work flexibility for employees including (1) improved mental health, (2) better work-life integration, (3) increased job satisfaction/morale and (4) increased productivity/efficiency at work.
- **Supporting and creating relocation opportunities**: GLF members interviewed highlighted the importance providing opportunities to work outside their home offices, as this is becoming an increasing request. As highlighted by several GLF members interviewed, “Employees are looking for opportunities outside their home office – we are now creating those opportunities” and “As long as you are doing your job, we support you”.
- **Flexibility in roles and career paths:** GLF members are recognizing that not everyone is suited for management roles and not everyone is suited to technical roles, although both critical for success. To ensure both employee groups feel recognized and valued, career paths are defined for both. As stated by one GLF member interviewed, “Some people are made for leading others, and others are better at being specialists, sharing technical paths – so for us it is saying all pathways are accepted”.

5. KPIs

As mentioned in the above section, including KPIs in performance is tool used by organizations strongly focused on inclusion to drive progress. This is sometimes at a senior level, as one respondent highlighted, “KPIs are a major part of driving change for us – it is nice to talk about, but needs to be driven in an objective manner, these need to be reflected in senior leadership KPIs impacting salary and bonus”. Several GLF members reported as inclusion has become a greater area of focus this inclusion metric has cascaded down the organization, and it is now part of every level of the organization’s performance evaluation.

1. “Diverse” means that a respondent has replied that it is either highly or fully diverse across at least one of the axes of diversity

PART 3

DIVERSITY DEEP DIVES

1

Gender diversity remains the strongest focus diversity dimension for Cohort A with an average score of 4.7 out of 5.0, a slight increase from the previous year's average score of 4.6.

Cohort B have a significantly lower focus on gender with an average focus of 4.0, related to the fact that there is lower recognition of the commercial benefits of gender balance and higher perceived implementation complexity.

2

GLF members believe there are both inherent organization barriers for women in the workplace resulting from historic biases, and "self-imposed" barriers as women tend to be less inclined to be assertive in the workplace, push for promotions and apply for senior positions.

3

Both cohorts cite challenges regarding availability of women, particularly within technical spheres, to meet gender targets; and difficulties in implementing a representative interview panel, due to low level of senior female leaders.

4

100% of Cohort A feel they have seen gender progress over the last 12 months, which has resulted in a +27pp increase in the number of gender diverse and gender highly diverse companies. We are seeing gender representation numbers returning to 2020 levels, after a steep drop in 2021. Progress here has been attributed to an increased level of tracking of gender representation levels and linking these to leaderships remuneration targets and bonuses, women mentoring and management programmes, and female focused recruitment strategies.

5

Cohort B has shown significantly less progress, partially because the gender focus is not considered a priority for several of these members (as shown in Part 1 of this report); and secondly, the diversity journeys are a lot newer for these GLF members when compared to Cohort A with a lot fewer gender initiatives implemented.

6

The focus on racial diversity has declined from an average score of 4.0 out of 5.0 in 2021 to 3.8 in 2022. The evolution of this focus has been impacted by the geography of our respondents. We see our North American centric GLF members increasing their focus, whereas our European members appear to have a lower focus.

7

Although focus may have declined, there has been significant progress in the perceived state of racial diversity. Greater than 38% of members across both Cohort A and Cohort B believe they are fully racially diverse, a greater than +12pp uplift from the 2021.

8

Gender remains more progressive than race, primarily due to the higher levels of focus, the ability to measure gender progress and significantly more gender initiatives than racial diversity initiatives.

9

Respondents that perceive experiencing significant progress in racial diversity, attribute this to a set of impactful initiatives implemented, for example leadership development programs, mentorship, and coaching, best in class Employee Research Group strategies with strong leadership buy-in and sponsorship, and focused hiring.

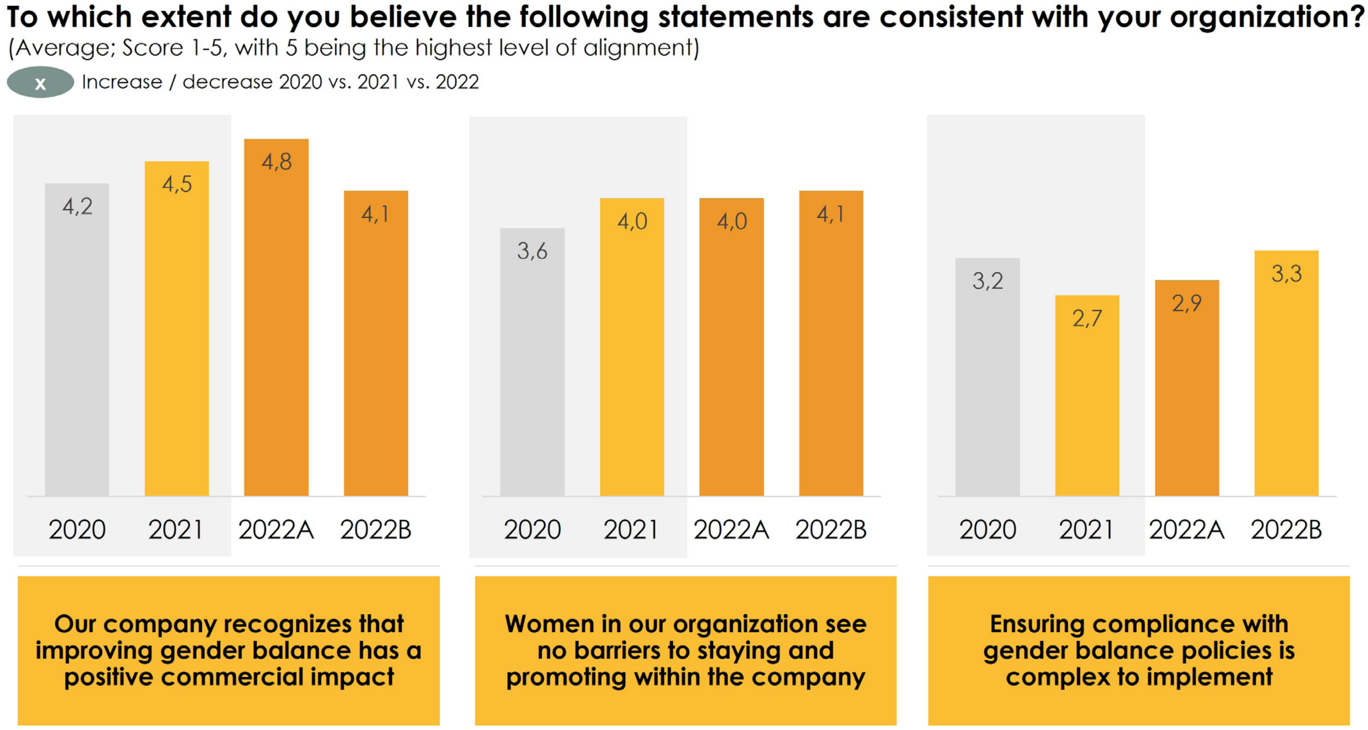
1. GENDER DIVERSITY

"Fellow males, get onboard. The closer that America comes to fully employing the talents of all its citizens, the greater its output of goods and services will be." - Warren Buffett, Chairman and CEO, Berkshire Hathaway

It is encouraging to see that gender diversity continues to be a strong focus for Cohort A, repeat GLF respondent. Part A of this report showed the focus on gender diversity for these respondents received an average score of 4.7 out of 5.0, a slight increase from the previous year's average score of 4.6. As described by one Cohort A GLF member, representing the comments of many, "I think that gender is most advanced, because we have been focused on gender for longer and it is easier to report on". In contrast, Cohort B scored the focus on gender diversity at an average score of 4.0, much lower than both Cohort A and the 4.4 average from the 2021 survey respondents.

This discrepancy in focus is reflected in the responses by the different cohorts to questions on both the perception of the benefits of improving gender-balance and the complexity in implementing gender balance policies. It is interesting to note that Cohort B, who are typically newer in their DIB journeys, scores are similar to the 2020 respondents (of which most of Cohort A were participants) on these axes. This indicates that as one progresses in the DIB journey, perceptions on gender-balance improve positively.

EXHIBIT 1: PERCEPTION OF BENEFITS AND DIFFICULTIES IN SUPPORTING WOMEN-RELATED PROGRAMS



Source: GLF Survey n = 23

The sentiments in Exhibit 1 were unpacked further in interviews with GLF respondents:

Perception of commercial benefit: According to research performed by McKinsey, organizations with more gender diversity are 21% more likely to experience above-average profitability. The average score on the statement *our company recognizes that improving gender balance has a* *positive commercial impact* for repeat respondents, Cohort A, has consistently increased from 4.2 in 2020 to 4.5 in 2021 and to 4.8 in 2022. This indicates the positive commercial impact of gender diversity sentiment consistently grows as GLF members move further into their DIB journeys.

In contrast, Cohort B's average score on the commercial benefits is 4.1, 0.7 points lower than Cohort A and 0.4 points lower than 2021 respondents' scores. These scores are a result of Cohort B's drivers of the strategic importance of gender diversity (if any) and DIB as a whole:

- Part 1 of this document showed that 40% of Cohort B consider DIB, and hence gender diversity, business-as-usual or not a priority at all.
- Several respondents indicated the focus on gender diversity has primarily been driven by new targets imposed by governments, rather than an inherent drive from within their organization. As one interviewed GLF member stated, "Government has recently started pushing gender representations and accommodating millennials".

Perception that women see no barrier to staying and promoting within the company: The results on the perception that women see no barriers to staying and promoting have largely remained the same – averaging a score of approximately 4.0 out of 5.0. Respondents believe there are inherent barriers due to the nature of the industry which will need time to correct. As one interviewed respondent stated, "This remains a male world, and will take time to transform", and another, "Our workplace has been designed by men for men". There are deliberate efforts by respondents, especially in Cohort A, to remove these barriers. An example, highlighted by one interviewed respondent on their gender (and race) related recruitment strategy, "We are making sure we provide a diverse slate of interview candidates, however, there is still work to be done from diverse candidates being a part of the process, to actually getting the job". In this case, the barriers/root causes of woman not "actually getting the job" are under investigation; the team suspects this is a mix of (1) an unconscious bias from the interview panel and (2) women not presenting themselves as confidently as their male counterparts. Both points 1 and 2 were sentiments mentioned by several interviewed GLF candidates.

Another view shared by many of the interviewed GLF members across cohorts is that there are barriers "self-imposed" by women on themselves. This is in reference to observations by GLF members that women tend to be less inclined to be assertive in the workplace, push for promotions and apply for senior positions – these characteristics are thought to be a result of specific cultures and upbringings. This sentiment is reflected in a quote provided by one of the interviewed Asian-based respondents, "In the east, women do not naturally take the lead", and one shared by a European-based GLF respondent, "Women tend not to be as aggressive in pushing themselves". Many of these GLF members have implemented mentoring, coaching, and training initiatives to support women in developing "male" characteristics, such as an example provided by a respondent in Asia "We are giving awards to women that step up and take the lead to encourage women to be more assertive". Other initiatives will be discussed below.

Perception that ensuring compliance with gender balance is complex to implement: Both Cohorts A and B see increased complexities in implementing gender-balance policies in comparison to 2021 perceptions, although less so in Cohort A. Both cohorts cite challenges regarding availability of women, particularly within technical spheres, to meet gender targets. As described by respondents, "Gender in the Telecoms industry is a struggle from university level, where the engineering classes are still predominantly male" and "We see plenty of women outside of the technical roles, such as finance and HR".

Similar to the shortage of women available for recruitment, respondents also note that policies around diverse interview panels, put in place to lessen the impact of unconscious bias, are challenging to implement due to a limited number of senior female leaders available. As stated by one GLF respondent, expressing the views of many, "For recruitment, the policy says, where possible, have a diverse interview panel; however, the size of our organization and the amount of work everyone has, makes this difficult to implement."

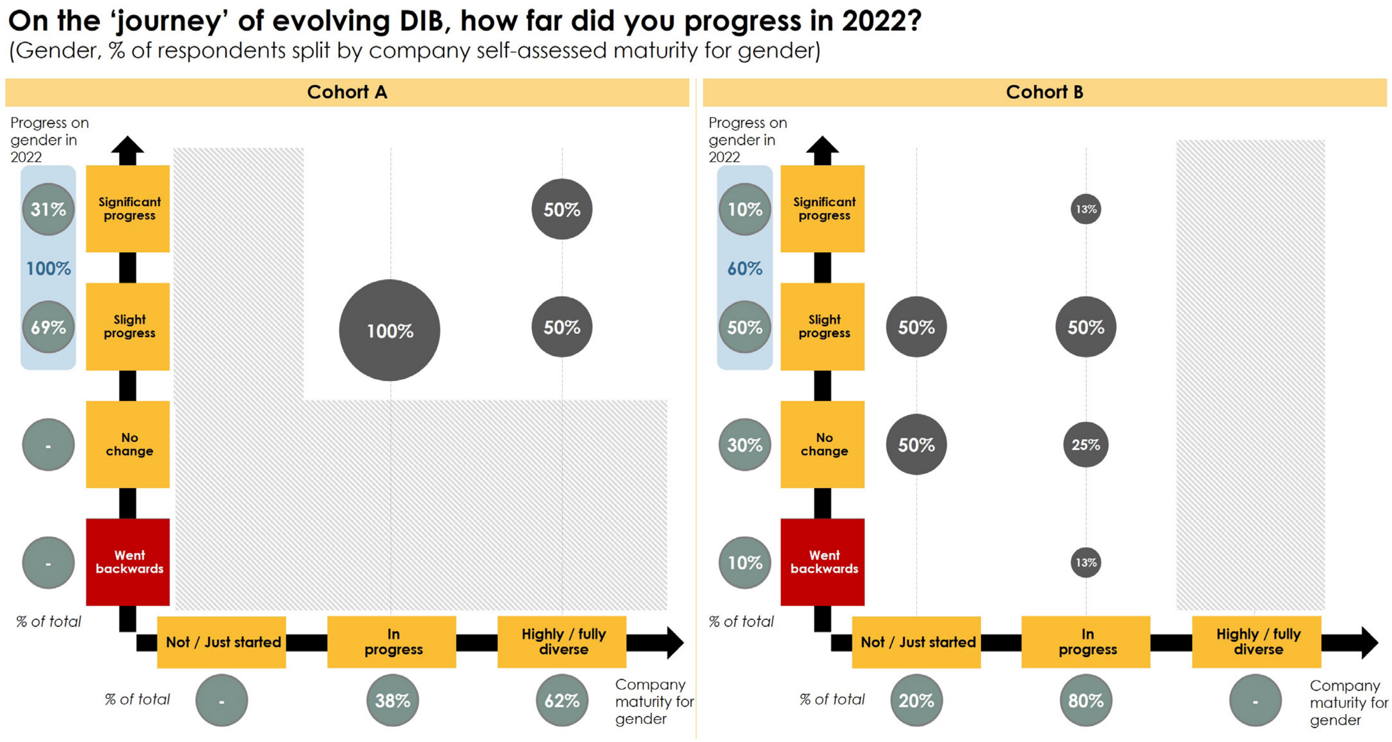
Another perspective shared by several Cohort A respondents is that, although the policies have not changed, the seriousness in the execution of these has grown, thereby introducing additional implementation complexities. This view was expressed by several interviewed respondents, "Executing on policies has not changed, it is pretty much business-as-usual now, however, for the first time it has been embedded in measured framework, and that has introduced complexities, as we now need ways to consistently measure and consistently communicate" and another GLF respondent stated, "[Our] policy perspective has not become any more complex, but rather broadening the intersectionality, so from that perspective there is more to think about and more to execute upon".

100% of Cohort A feel they have seen gender progress over the last 12 months, which has resulted in a +27pp increase in the number of gender diverse and gender highly diverse companies within the cohort:

- For the members that consider themselves highly/fully diverse, the strong level of sustained progress is believed to be due to positive momentum from previous years and a step-up in leadership support.
- Members that consider themselves still in progress from a maturity perspective, do not appear to have the same momentum, and hence experience more incremental changes.

This is reflected in the gender representation numbers returning to similar levels experienced in 2020 – see Exhibit 5 below

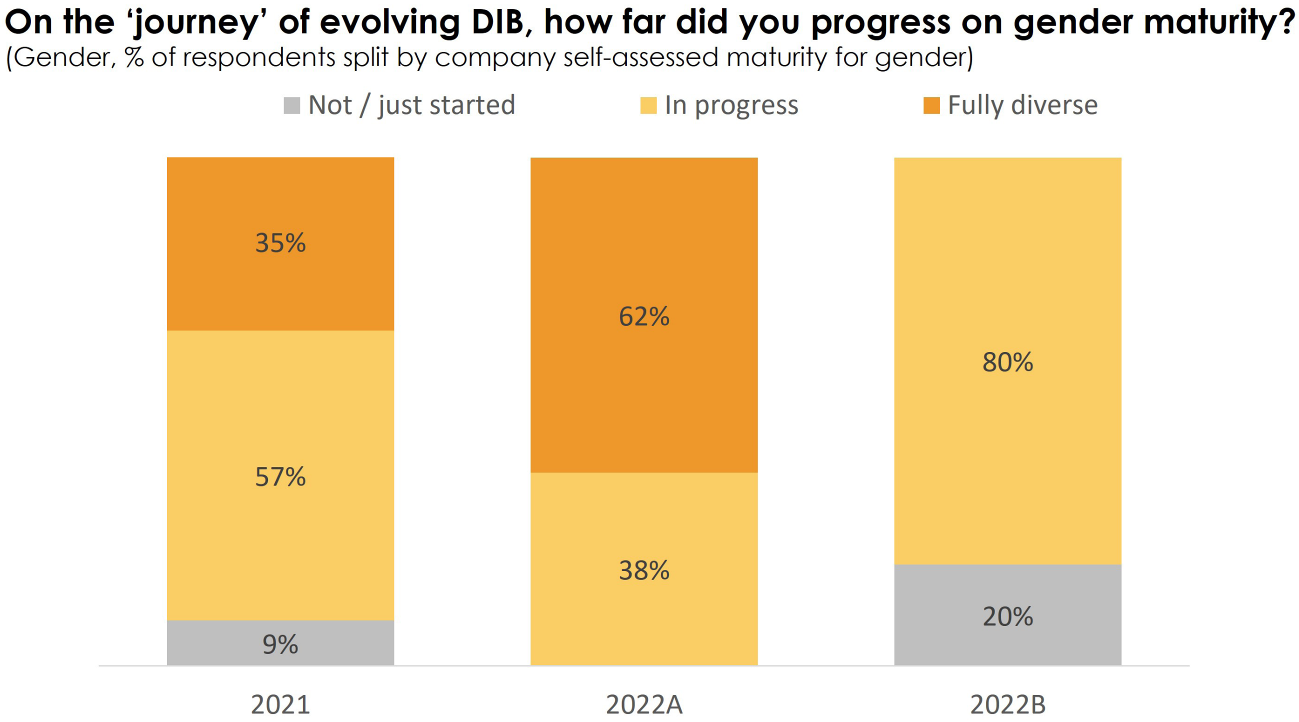
EXHIBIT 2: PROGRESS PERCEIVED ON GENDER-RELATED ISSUES VS. DECLARED LEVEL OF GENDER DIVERSITY



Source: GLF Survey n = 23

Cohort B, on the other hand, has shown a lot less progress, and in a few cases have gone backwards. This is partially because the gender focus is not considered a priority for several of these members (as shown in Part 1 of this report); and secondly, the diversity journey is a lot newer for these GLF members when compared to Cohort A. The members earlier in their journeys believe their efforts to drive gender diversity have not yet yielded results, as stated by one interviewed respondent, "[You] do not change organizations overnight". Another respondent highlighted, "We have seen some impact, but one year is not enough. The real impact has not been felt yet, it will take 2-3 years for it to be systemic."

EXHIBIT 3: GENDER MATURITY EVOLUTION



Source: GLF Survey n = 23

As concluded in Part 1 of this report, a key reason for gender diversity traction across Cohort A is the increasing level of tracking of gender representation levels as well as linking these to leaderships remuneration targets and bonuses. As described by one interviewed GLF member, expressing the case of several members, "for the first time, we have set aspirational goals with targets specific to women and race; rather than just tracking processes".

The other key driver of perceived progress across both cohorts has been attributed to execution of gender specific initiatives. The main sustained initiatives which appear to have the greatest level of focus are:

- **Mentoring:** 85% of Cohort A and 70% of Cohort B use mentoring as a mechanism to support woman's growth, development, and promotion – this often entails providing females employees access to top management and coaches for support and guidance.
- **Management programmes:** 69% of Cohort A and only 50% of Cohort B provide targeted management training programmes for women in their organizations – this is lower than the 74% from 2021. These programmes are designed to again support women and provide them with the tools to succeed. Organizations implementing these initiatives have seen several benefits and success stories:

- The first being improvement in female staff performance, an example of this was provided by an interviewed respondent, "One leader described his experience of women coming out of their global women's initiatives program – 'they are better prepared, they have a strategy in place, and they are ultimately out-interviewing male candidates'."
- The second, less expected, benefit has been the transformative impact the programmes have had on male leaders who have been involved in implementing these initiatives. As stated by one interviewed respondent, "These programmes have not only provided women the tools to succeed, but they have served changing the minds of male

leaders". An example was provided by an interviewed candidate on the experience one of their male colleagues had, "I was one of 10 men in a room full of women, and as the day progressed, I noticed I became quieter and more reserved. It dawned on me that this is the way that women feel everyday". This experience fundamentally changed his views of gender diversity.

- **Female focused recruitment strategies:** The perceived representation progress in 2020 versus 2021 decreased across representation categories, which was attributed to the effects of the COVID-19 crisis, offering less opportunities for recruitment. To reverse this effect, members across Cohort A have tried to better align their recruitment process to their gender targets with 92% of Cohort A having focused female hiring initiatives, a +31pp uplift from 2021. These initiatives tend to focus on adjusting both the hiring process and policies to drive impact:
    - **Hiring process:** ensuring where possible that there are a good number of female candidates in recruitment processes. This is achieved in various ways, such as targeted advertising i.e., placing adverts on prominent women-focused hiring sites, always being on the look-out for strong female talent and individually approaching appropriate female candidates to apply for positions.
    - **Hiring policies:** ensuring that women are given an equal and/or better chance of success moving through recruitment processes. Examples of this, provided by interviewed Cohort A GLF members, were "To force women to be considered for roles, we ensure that if there is availability, that at least one woman is put through to the last 3 to 4 candidates – then the most competent candidate is selected for the position", and "When we have a male and a female candidate with the same qualifications, we always hire the female candidate."

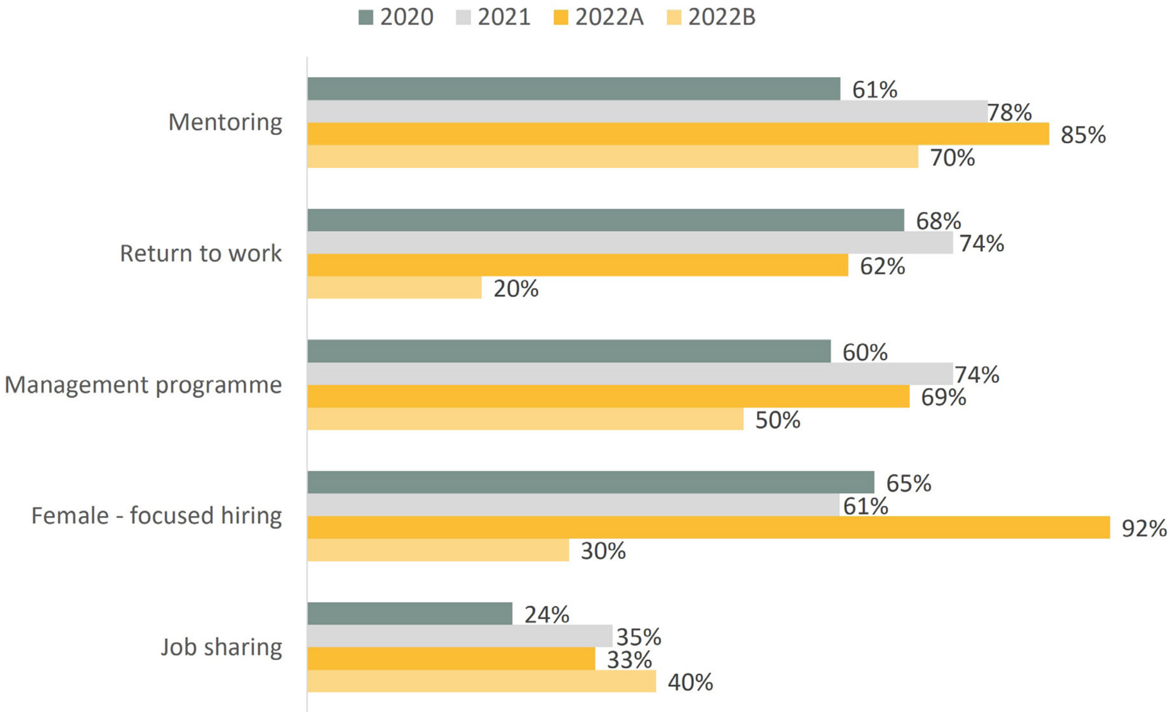
A key point was raised by several interviewed respondents, that it is important to drive gender representation, but not at the expense of individuals; meaning, one should only hire or promote female candidates if they are ready to take on the role. Hiring or promoting candidates just to reach gender targets can backfire with candidates being put in positions where they fail. The impact of this is two-fold: (1) likely the loss of a high potential candidate and (2) instead of inspiring other females within the organization, this can result in discouragement.

Focused female hiring is a lot less prevalent in Cohort B with only 30% of these members implementing this type of initiative.

- In addition to the initiatives reflected in Exhibit 4, several interviewed GLF respondents highlighted that they are trying to create awareness and role models within in their organizations and the broader industry by drawing attention to their successful women. For example, several members sponsor industry magazines and events and feature their top women.

EXHIBIT 4: INITIATIVES IMPLEMENTED ACROSS MORE GENDER DIVERSITY CATEGORIES

Does your company currently have any initiatives to hire and retain female colleagues?
(%)



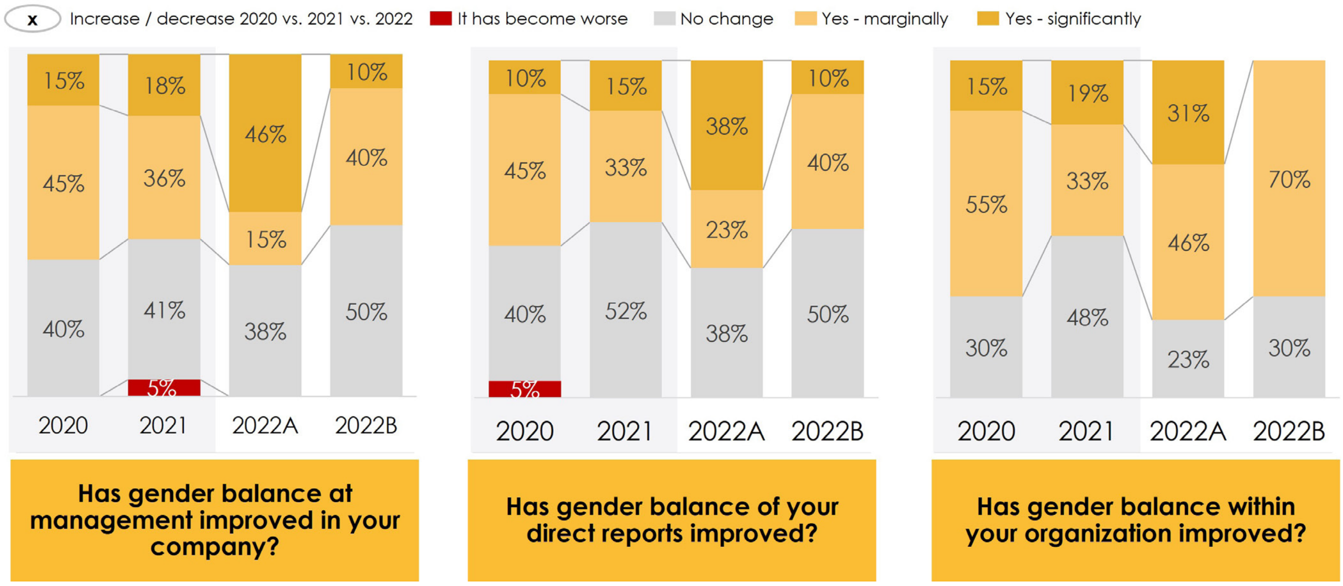
Source: GLF Survey n = 23

The initiatives described above have been successful in driving improvements in gender representation across the organization for Cohort A – with levels of representation returning to levels better than in 2020. It was noted by several of GLF Cohort A respondents that it is the first time that they have had female respondents appointed as CEO. As described by one respondent, “Our first two female CEOs have been selected in the last few months.” These appointments have come from both external hires and internal promotions, indicating that both the targeted recruitment and internal mentoring and coaching have had a positive impact.

Cohort B, on the other hand, with significantly fewer initiatives and lower levels of focus, have not seen the same perceived gender representation. This suggests that additional focus should be applied to gender initiatives to start realizing increased progress.

EXHIBIT 5: PERCEIVED REPRESENTATION PROGRESS

Has gender balance at management level / within your company / within your organization improved in the last 12 months?
(Gender, %)



Source: GLF Survey n = 23

2. RACIAL DIVERSITY

The 2022 focus on racial diversity for both Cohort A and Cohort B is lower than what it was for 2021, each scoring an average of 3.8 out of 5 versus the 4.0 scored in 2021. The focus and evolution of this focus has been impacted by the predominant geography our respondents operate in, due to unique regional demographics and history/politics.

This is evident in our GLF respondents historic and present focus levels, for example:

- For our US/North American-centric GLF members (23% and 20% of Cohort A and Cohort B respectively) there has been an increased level of racial diversity focus; largely due to the sustained impact of the murder of George Floyd and the subsequent Black Lives Matter movement in 2021, which highlighted the deeply entrenched racism racial minorities still face in numerous societies.
- For our European members (54% of Cohort A and 20% of Cohort B) interviews highlighted that in many cases they do not feel there is a need to focus on race – as one interviewed GLF member stated, "Race is a non-issue for us, it does not feature in conversations."
- Conversely, respondents from the Middle East and Africa consistently consider race and ethnicity a key focus area because of their demographics, and complex social and political histories specific to certain countries. For example, a country like South Africa has a complex social history of implemented systemic racial discrimination, referred to as Apartheid, and to attempt to correct for the past, race has been a pivotal focus across organizations operating in South Africa.

EXHIBIT 6: 2022 GLF RESPONDENTS' GEOGRAPHIC BREAKDOWN

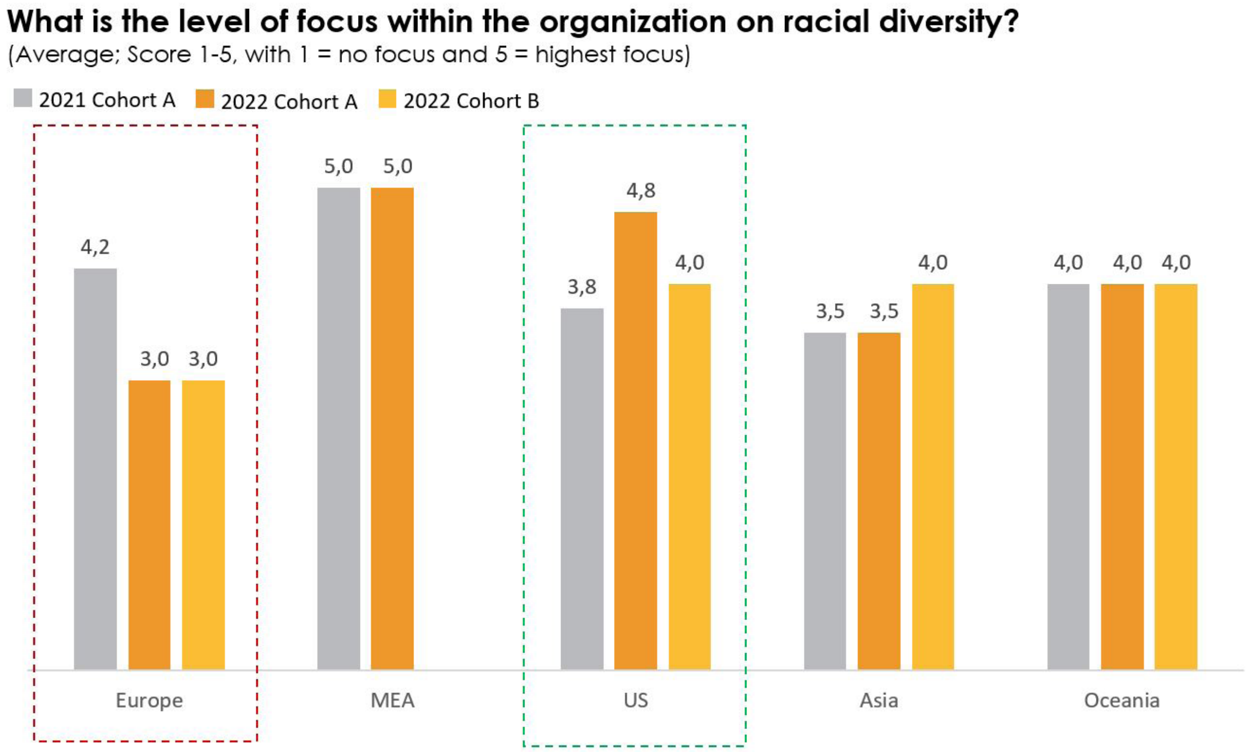
	Cohort A	Cohort B
Asia	8%	50%
Europe	54%	20%
Middle East and Africa	8%	-
Oceania	8%	10%
North America (US)	23%	20%

Race is the only diversity dimension where Cohort B has the same level of focus as Cohort A; possibly due to the attention racial diversity received globally in 2021, highlighted above. This topic was, therefore, potentially flagged as key priority for GLF members early in their DIB journeys. This is evident in the difference in focus scores between race and gender for Cohort A and B:

- For Cohort A, gender has typically been the starting point of their DIB journeys, as such we have seen a significant differential in focus levels across these two dimensions ranging from 0.3-point (6%) to a 0.9-point (18%) difference
- For Cohort B, as a starting point, has only a 0.2% difference in focus levels, and as shown later in this chapter, the number of initiatives implemented across the different dimensions are similar.

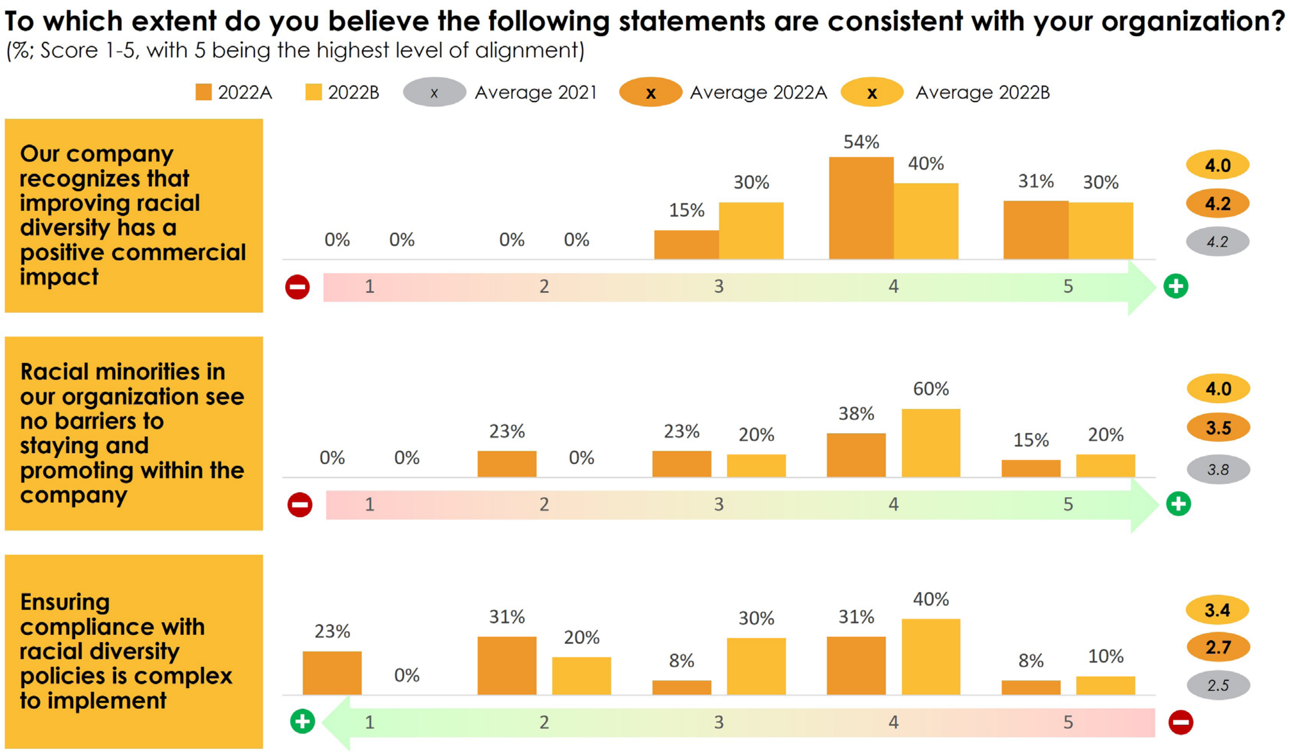
Perception of commercial benefit: The perceptions of the commercial impact of racial diversity have remained constant in 2022 when compared to 2021; however, it is acknowledged that there are more racial barriers than previously identified and compliance with racial policies is perceived to be more complex to implement.

EXHIBIT 7: LEVEL OF FOCUS ON RACIAL DIVERSITY BY COHORT A RESPONDENTS BY REGION



Source: GLF Survey n = 23

EXHIBIT 8: PERCEPTION OF BENEFITS AND DIFFICULTIES IN SUPPORTING RACIAL DIVERSITY-RELATED PROGRAMS



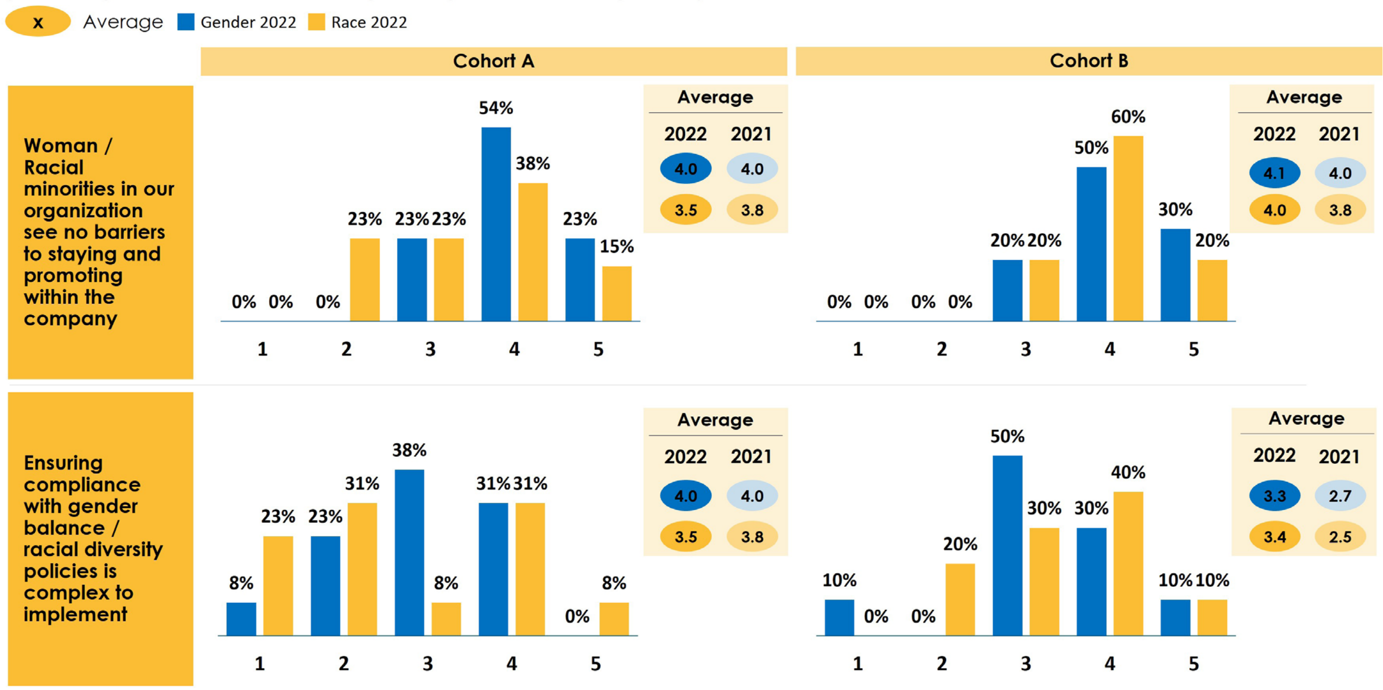
Source: GLF Survey n = 23

Compliance with racial diversity policies: Several respondents find racial diversity a complex topic which will take time and effort to rectify. As stated by one GLF respondent, "We don't have a great racial mix at executive levels. This is a complex topic and [we] will not solve this by just putting targets in place". In addition, in certain markets, there are sensitivities in what one can ask when it comes to race, which introduces complexities in targeted recruitment initiatives. For example, a respondent stated, "We are limited in the questions we can ask in interviews, so that we are deemed not to be discriminatory. Often this data needs to be volunteered or provided anonymously, which makes it a further complex issue to execute upon."

For Cohort A, as per gender, racial diversity has now been incorporated into organizations' measured frameworks, which has contributed to implementation complexities.

EXHIBIT 9: COMPARISON OF GENDER VS RACIAL DIVERSITY-RELATED PROGRAMS

To which extent do you believe the following statements are consistent with your organization?
(% Average; Score 1-5, with 5 being the highest level of alignment)



Source: GLF Survey n = 23

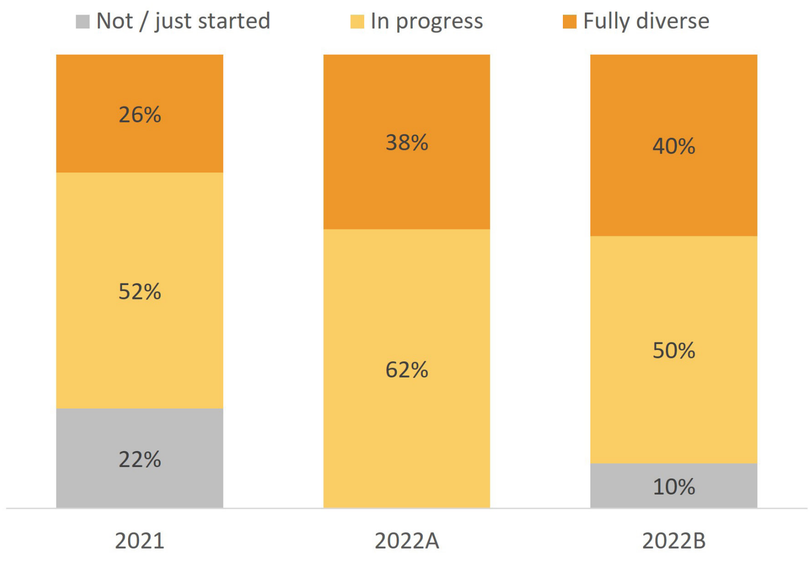
There has been significant progress in the perceived state of racial diversity. Greater than 38% across both Cohort A and Cohort B believe they are fully racially diverse, a greater than +12pp uplift from the 2021 – as one GLF member stated, representing sentiments of several other GLF members, "Race is now embedded in the culture – it is more BAU". GLF members attribute progress to:

1. The increasing efforts that have been undertaken to educate organizations. As raised by one GLF respondent, "We have had a huge focus on educating and increasing understanding around race and ethnicities," and

2. Tracking KPIs and racial diversity deep dives performed have provided more data points to better understand and evaluate racial diversity within organizations. The following example was provided by an interviewed GLF member, "We conducted one-on-one interviews to understand what we can do better for our people from different background, from these interviews we got confirmation, that our racial and ethnic diversity is really a strength."

EXHIBIT 10: PERCEIVED LEVELS OF RACIAL DIVERSITY

On the 'journey' of evolving DIB, how far did you progress?
(Race, % of respondents split by company self-assessed maturity for race)

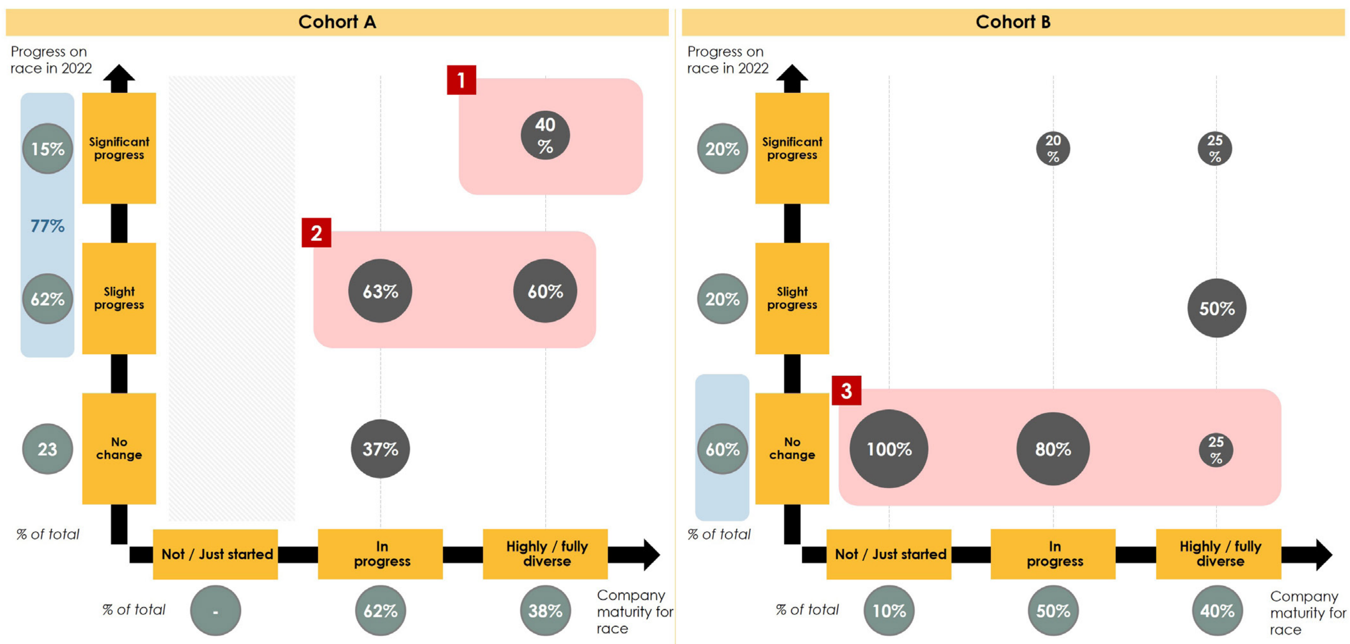


Source: GLF Survey n = 23

For Cohort A, the level of progress perceived over the last 12 months is significant, with greater than 77% of respondents experiencing progress. However, only 15% of these respondents believe they made significant progress, in comparison to the >30% significant progress experienced in gender diversity.

EXHIBIT 11: PROGRESS PERCEIVED ON RACIAL DIVERSITY-RELATED ISSUES VS. DECLARED LEVEL OF RACIAL DIVERSITY

On the 'journey' of evolving DIB, how far did you progress in 2022?
(Race, % of respondents split by company self-assessed maturity for race)



Source: GLF Survey n = 23

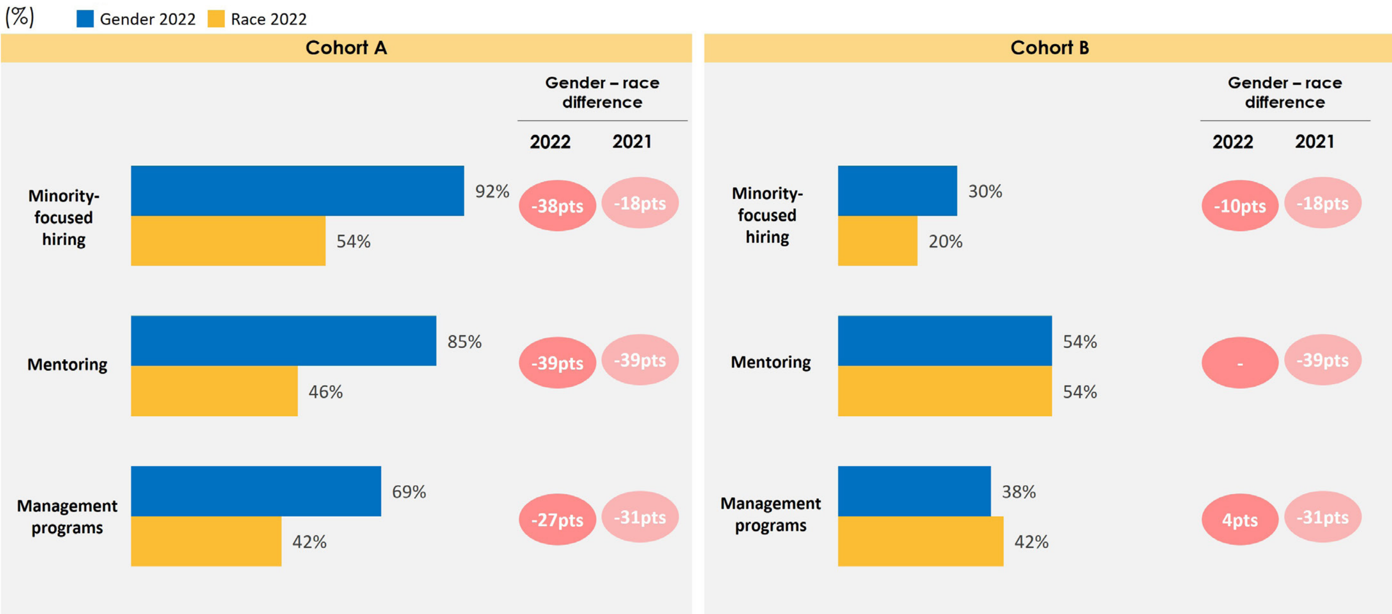
Respondents that believe they have experienced significant racial diversity progress have attributed this to be due to a set of impactful initiatives implemented across the organization. The following is an example of the holistic set of initiatives executed by a GLF respondent who has perceived their organization to have experienced significant progress:

- **Leadership development programmes:** "We have a black leadership development program which focuses on some leadership aspects, but more on the cultural elements and soft skills."
- **Mentorship and coaching:** Providing access to senior leadership from the same race/ethnicity groups, for example, "Our leadership development program includes having leaders of different race groups sharing with members of their race their stories, experiences and how they have leveraged their different strengths. The impact of seeing leaders of the same demographic sharing their stories has been huge."
- **Best in class ERG strategies with strong leadership buy-in and sponsorship:** "We have ERGs for the different minority demographic groups, each is assigned (1) a senior executive sponsor who is a senior leader within the organization, but not a member of the ERG demographic, to drive active engagement with senior leadership; and (2) an advisory board constituted of senior leaders from the representative of the ERG demographic to assist guide and support."
- **Focused hiring:** "We have an ambassador program with historically black colleges and universities, and through these collaborative partnerships we are able to provide internship and full-time opportunities to students from these colleges and universities."

One of the key drivers explaining the difference in progress between gender and race diversity is the major discrepancies between the number of gender-related and race-related initiatives implemented: 38pp more gender focused hiring initiatives, 39pp more gender mentoring initiatives, and 27pp more gender management programs.

EXHIBIT 12: PERCEIVED LEVELS OF RACIAL DIVERSITY

Does your company currently have any initiatives to hire and retain female colleagues / colleagues from racial minorities?



Source: GLF Survey n = 23

When we consider Cohort B, 40% of Cohort B perceive their organizations to be highly/fully diverse, however, 60% of the members of this cohort have experienced no change in the last 12 months when it comes to racial diversity. This results from the high number of these members either (1) not considering DIB a strategic priority or (2) considering it as business-as-usual. As stated by one interviewed GLF respondent, "Ethnicity is not a problem – we hire people from every single continent, we therefore have people from all different ethnicities, and this is one of our strong assets." Again, GLF members that have implemented initiatives have realized progress.

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