

Diversity Report



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Foreword

A note from our founders

Throughout history, sports have played a critical role in uniting people. Sports have the power to bridge divides and help society progress in the fight for justice and equality by providing an opportunity to level the playing field. They provide a site where athletes and fans alike can cast aside notions of what separates us and rally behind the shared sense of community that athletic competition creates.

The same ethos underpins our company values and inspires the type of workplace we strive to create. We talk a lot about our 2025 vision to "Capture and bring value to every moment in sports." For us, this is an inspiring and energizing vision for the coming years.

We know that thriving at that level of scale and global complexity requires diverse leaders, employees and teams. Until now, we haven't focused that vision's lens on ourselves. What does 2025 look like for future employees and for our organization, *internally*? What qualities and quantities define success?

To us, it looks like:

- 1. Global employee **gender diversity** is at least **40%**—up from 28.8% as of this writing.
- 2. Global employee **racial/ethnic diversity index** is at least **45**%. Our global race/ethnicity diversity index is 22.6% as of this writing.
- Global employee gender diversity and racial/ethnic diversity index at the leadership level (Director+) is at least on par with total company metrics.
- Our performance management framework includes a well-defined set of inclusive behaviors on top of the bedrock of Hudl's core values.

By making all the necessary changes to reach these goals, we will help talent everywhere thrive—inside and outside of Hudl.

On the following pages, our stats show big gaps to close. With the right game plan, we'll close them. It's time to make the sports community more equitable, because the world doesn't change on its own—people change it.

- Brian, David & John

A note from our Vice Presidents of People Operations

When we presented our People Ops vision at the December 2019 company retreat, we highlighted building a truly **global and diverse** workforce as a key pillar. Near the end of this report you'll see the specific commitments we're making for the next 18 months to realize this vision.

We need every hiring manager at Hudl to hold themselves accountable and make our teams more diverse. But diversity alone isn't the endgame. When we succeed in getting different people in the door and *up* through the organization, we need to ensure our behaviors make everyone feel **included** so they stay, grow and thrive.

This cultural shift requires active participation across the organization. Every Hudlie has a role to play, not just People Operations. We can't simply cross our fingers and hope our recruiters magically make our talent pipelines less white and male. Nor can we expect women and people of color to carry the burden of continuing the difficult conversations we all need to have. These initiatives mean little if they don't result in a culture where *everyone* takes the initiative.

Before we moved into our roles co-leading People Ops, we, too, were guilty of thinking to ourselves, "This is important. I hope someone is working on it." As a leader or manager reading this report, we urge you to channel any discomfort into action. Do not be passive. Talk to your manager. Broaden your network. Source talent from outside your bubble. Overcome your fear of speaking about race and gender in the workplace.

You can count on us to seize this moment and evolve Hudl for the better. We've got a lot of work to do.

- Jasmine & Kyle

Diversity Matters

Most executives are familiar with the business case for diversity: Diverse companies are more likely to outperform less diverse peers on profitability. The latest analysis by McKinsey¹ shows a strengthening business case for both gender and ethnic/cultural diversity in corporate leadership. Their 2019 data show that companies in the top quartile for gender diversity on executive teams were 25% more likely to have above-average profitability than companies in the fourth quartile—up from 21% in 2017 and 15% in 2014.

While this business case continues to be relevant and compelling, we should not hold it out as the primary driver for diversity, equity and inclusion (DE&I) initiatives. To do so reinforces the expectation that (overwhelmingly white and male) boardrooms and executive leadership teams are unable or unwilling to recognize the importance of DE&I beyond the bottom line. It is, in fact, a strategic imperative in 2020. DE&I enables both individual and organizational health, which in turn drives business performance.² Put simply—our ability to attract, engage and retain top talent depends on it.

This moment—and the next generation of leaders—demand that we hold ourselves to a higher standard, one that is unequivocally anchored in our values. In the COVID-19 era of working from home and videoconferencing, the boundaries between work and home life continue to blur. At the same time, society is in a profound moment of reckoning with the persistence of systemic racism and racial injustice. Social demonstrations are sweeping the nation and the globe, triggering an unprecedented response from the corporate community. Many businesses, including Hudl, have jettisoned past reluctance to wade into what were previously seen as controversial social matters.

No longer will we "stick to sports." Hudl is taking a stand.

More than a strategic business move, we're making a statement about what's right. This is something to lean into and to celebrate. It's more important than ever that we center our values on our incredibly talented and thoughtful family of Hudlies and the customers we serve. We'll back up our words with concrete action and take meaningful steps towards becoming a more diverse, equitable and inclusive company.

¹ McKinsey & Company, *Diversity wins: How inclusion matters*, May 19, 2020

² McKinsey & Company, *Diversity still matters*, May 19, 2020

People Operations

Since the publication of our last Diversity Report in October 2018, we've been focused on building foundational processes and policies upon which we can continue to expand. For example, we rolled out a leveling framework and standardized levels and titles across the company, providing more clarity on the requirements for advancement in the organization. We also implemented new tools to benchmark compensation and better understand where we are situated in the market and where we have gaps internally.

With the release of a new employee handbook on our company intranet (Hudl Sync), we officially codified our anti-harassment and anti-discrimination policies and held out clear expectations for how Hudlies are to treat one another. We launched our Integrity Training program in October 2018. Hudlies (both full-time and interns) complete the training each year and new hires finish the program during their first 30 days. The program covers discrimination, sexual harassment, bystander intervention and DE&I. Specific requirements vary depending where the Hudlie is located and whether they're a manager. The training also educates Hudlies on how to use our anonymous reporting form to report any behavior that goes against our policies.

While these improvements don't directly impact diversity at Hudl, they lay the necessary groundwork for understanding gaps as we take more proactive steps towards driving equity across the organization.

Hudl Together

Hudl Together is an employee task force that's mission is to promote inclusion and diversity in how we work and play. This group has championed initiatives like gender representation and globalization. Hudl Together works closely with People Ops to further Hudl's understanding of DE&I and find ways to improve it at Hudl.

Co-created and co-defined values are necessary for fostering a culture of belonging. Definitional alignment is fundamental to this work and helps us operate with shared understanding. We currently define diversity as: We encourage and celebrate the many differences between our unique employees. We define inclusion as: We create and facilitate a network of communities for our diverse employees. This work is ongoing and dynamic. We're committed to continuing to adapt and refine these definitions as we make progress toward including and amplifying more underrepresented voices at Hudl.

Hudl Today

Overview

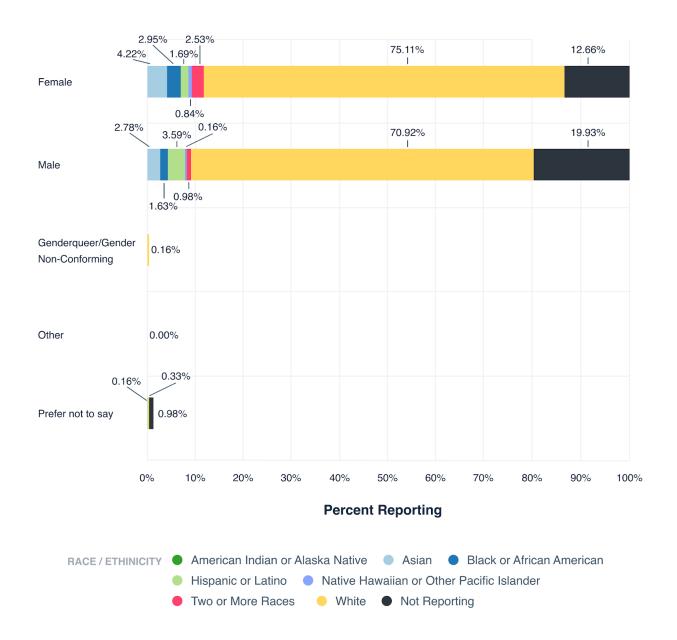
Our last Diversity Report was published in October 2018. Much has changed at Hudl since then. We acquired four companies, two of which added significant headcount. Our headcount has continued to grow organically, but the acquisition of Wyscout in Italy alone resulted in a net addition of more than 90 employees.

Even as our team has grown significantly, the present data show that when it comes to diversity and representation, the company has tremendous opportunity for improvement across all levels and departments. Hudl is currently just about 71% male and 89% white. Though we have much work to do, it's also important to reflect on the progress we've made, celebrate wins, and sustain the momentum we get from confronting this data head-on.

You'll see that the wins called out in the sections to follow relate primarily to initiatives around gender diversity and inclusion since the time of the 2018 report, but show little progress when it comes to race/ethnicity. This is not surprising, as the 2018 report included specific goals on gender diversity, even while it leaned into excuses, like the geographical location of our HQ, to explain our gap on racial/ethnic diversity.

This time, we are changing our tune and dispensing with excuses. The concrete actions we'll take based on current data will reflect a more balanced focus on all types of diversity. You'll also see more focus on diversifying our leadership. As mentioned previously, the business case for diversity looks specifically at the mix of executive teams. Increasing diversity in our leadership ranks requires special attention, as it is a critical driver of diversity across the organization.

Global Gender & Race/Ethnicity Metrics



The data for this report is accurate as of 3 August 2020. We evaluated 860 responses from full-time employees who had the option to self-identify in both race/ethnicity and gender categories. For U.S. Hudlies, 11 did not report race/ethnicity while 591 did. For Hudlies outside the U.S., 287 did not report race/ethnicity, while 111 did. Splitting the 18.5% total who did not report, 1.3% are U.S. Hudlies while 17.2% are based outside the U.S. where self-identifying race/ethnicity is less common.

	American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	Two or More Races	White	Not Reporting
Female	0.00%	4.22%	2.95%	1.69%	0.84%	2.53%	75.11%	12.66%
Male	0.00%	2.78%	1.63%	3.59%	0.16%	0.98%	70.92%	19.93%
Genderqueer/Gender Non-Conforming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prefer not to say	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.33%	0.98%

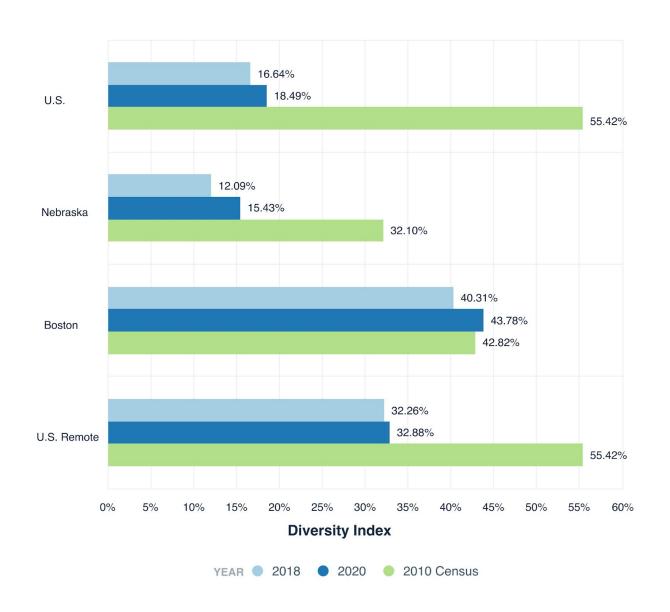
Diversity Index

We track the racial/ethnic diversity of Hudlies as a whole using a single metric: the **diversity index**. This metric was designed to capture two key elements of diversity: (1) *richness* (the number of different groups represented) and (2) *evenness* (the degree of spread across those groups). In the context of tracking the racial/ethnic diversity of Hudlies, the diversity index measures the probability that any two individuals selected from a population at random are of different races/ethnicities.

Why do we use the diversity index? Setting goals and measuring progress towards improved racial/ethnic diversity gets complicated quickly due to the number of variables to track for cross-sections of the company. Tracking racial/ethnic diversity across a global workforce is further complicated by differing norms and standards around collecting, tracking and categorizing racial/ethnic data from country to country. We are more global than our size in number of employees may suggest. Additionally, we frequently acquire companies in new parts of the world. By focusing on the criteria of *richness* and *evenness*, the diversity index metric allows us to adjust our tactics and make appropriate changes to the way we classify and define different racial/ethnic groups, while still keeping our eyes on increasing the overall quantitative representation of minority groups at Hudl. It tells us whether shifts in the representation of various groups actually increase or decrease diversity.

There are downsides to this approach. It's not common in other corporate diversity and inclusion reports. And it's easy to misinterpret the diversity index percentage as the percentage of people of color, which it's not. The number is *not* intended to make ourselves look better. We recognize the need to address specific inequities and underrepresented groups. You will still see us <u>set goals and report on progress against specific targets.</u>

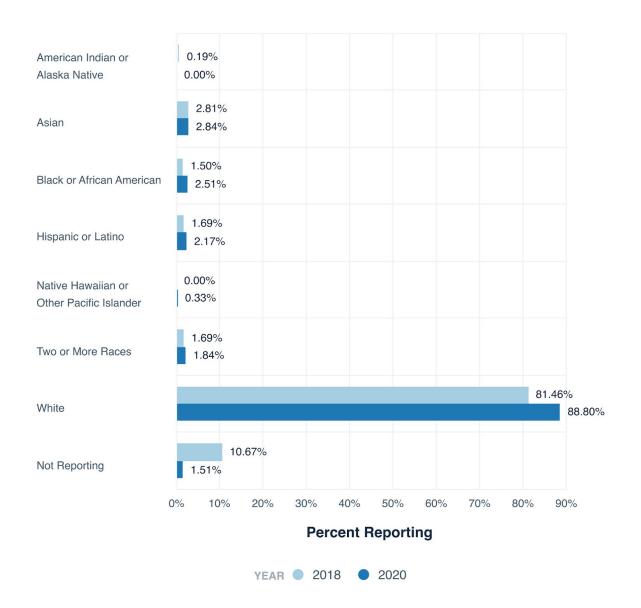
Diversity Index 2018-2020 Comparison to U.S. Census



Race/Ethnicity

The majority of our U.S.-based workforce is located in Nebraska, home to our world headquarters in Lincoln and a satellite office in Omaha. The 2010 Census shows that Nebraska, including the Lincoln and Omaha metros, is less diverse than the U.S. in aggregate. Our Nebraska workforce is even less diverse than the cities in which they operate, underperforming the state's diversity index by 16.67%. The same is true of our remote workforce (it underperforms overall U.S. 2010 Census data by 22.54%), while our satellite office in Boston, performs slightly ahead of local 2010 Census benchmark data.

U.S. Race/Ethnicity Representation 2018-2020 Comparison



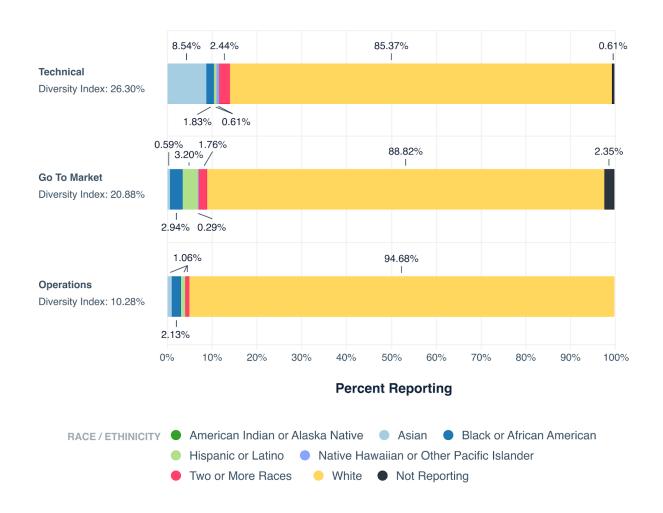
In the U.S. representation of Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races and White employees has increased over the past two years, while Asian representation remained steady and American Indian or Alaska Native representation decreased. Some of this growth can be attributed to a significant drop in our "Not Reporting" response rate. However, our headcount has grown by over 200 since our last report, meaning we have made only modest improvements to overall diversity with our new hires. Our U.S. diversity index was sitting at 18.49% at the time of publication of this report, up 1.85% since our 2018 Diversity Report.

Race/Ethnicity & Gender - Role Analysis

Each role at Hudl carries its own department or industry-specific baggage when evaluating diversity. We evaluate **technical**, **go-to-market** and **operations** roles separately to account for differences in the systemic issues that impact various divisions and lead to lower overall representation of women and people of color. Casting a role-based lens on the analysis allows us to develop and execute on more targeted strategies for increasing diversity and representation. We acknowledge that our approach for technical roles, for example, may need to be different than that for operations roles. The categories are:

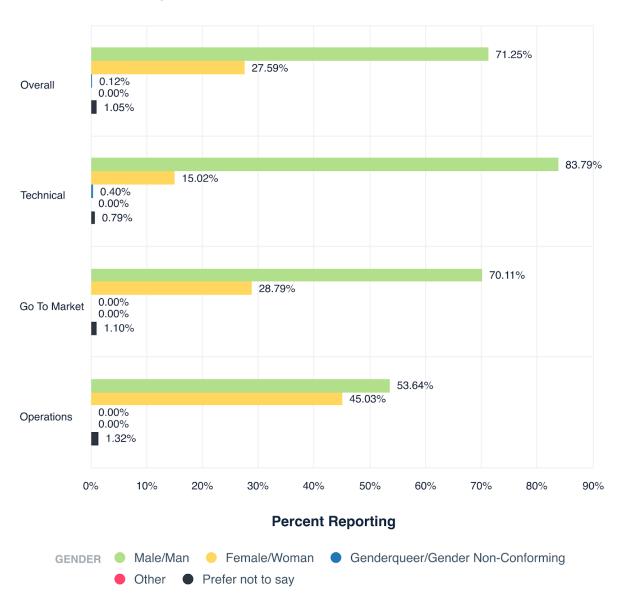
Technical	Go-To-Market	Operations
Engineering	Sales	People Ops
Quality Assurance	Customer Support	Workplace Ops
Decision Science	Customer Success	Finance
IT	Marketing	Legal
Design	Implementation & Education	Corporate Communications
Product Management		Assist Ops
Scrum Masters		Hudl Studios

2020 U.S. Race/Ethnicity by Role



	Technical	Go To Market	Operations
American Indian or Alaska Native	0.00%	0.00%	0.00%
Asian	8.54%	0.59%	1.06%
Black or African American	1.83%	2.94%	2.13%
Hispanic or Latino	0.61%	3.24%	1.06%
Native Hawaiian or Other Pacific Islander	0.61%	0.29%	0.00%
Two or More Races	2.44%	1.76%	1.06%
White	85.37%	88.82%	94.68%
Not Reporting	0.61%	2.35%	0.00%

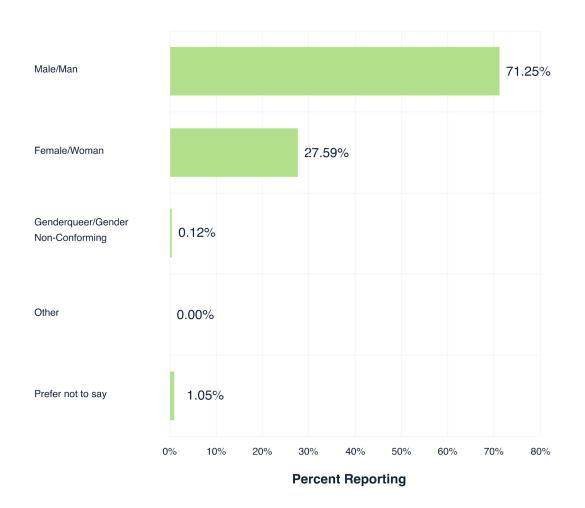
2020 Global Gender by Role



Gender

Representation of women in Hudl's global workforce has increased nominally since our last report in 2018, when 26.7% identified as female, compared to 27.6% today. In the past, our HR information system (HRIS) only allowed employees to identify as male or female, or to abstain from reporting gender. We have since updated our HRIS with custom fields to allow for more inclusive and accurate gender identity reporting options. Employees still have the choice to abstain from reporting.

2020 Global Gender Representation



Gender Representation Win: Competitive Sales Hiring

Our Competitive Sales team's internal hiring efforts in Q4 FY19-20 outpaced other parts of the company, providing an opportunity to increase the diversity of our leadership. With the promotion of two women to director-level roles on the Competitive Sales team in the last 12 months, there are now two women and two men serving as Competitive Sales Directors. Additionally, 22% (4 of 18) of Sales Manager roles and 31% (25 of 80) of Account Executive roles are now held by women, relative to 10% and 17%, respectively, a year ago.

Gender Representation Win: BreakThrough Summit

In December 2019, Hudl partnered with WeCOACH to present the first-ever BreakThrough Summit, a digital event for women in sports.



Background

WeCOACH is a nonprofit that supports women coaches at every level of sport.

By partnering with WeCOACH for the event, we wanted to bring awareness to the challenges faced by women in sports, while increasing our brand awareness and affinity among women coaches and athletic directors.

Results

With the help of WeCOACH, we secured top names in women's sports, including Jill Ellis, Jen Welter, LaChina Robinson and Layshia Clarendon.

We had almost 4,000 viewers the day of the event, with additional requests to watch the session recordings. 77% of these viewers were new to Hudl's ecosystem.

We saw a high average percentage of the total content viewed (65% over a six-hour period), indicating that the content was engaging. We received overwhelmingly positive feedback from viewers on social media, attendees at the National Athletic Director Conference watch party, and our post-event survey. 76% of respondents rated the event overall as "Excellent"!

Internal engagement with the event was inspiring. New and tenured employees alike shared their appreciation to work for a company driving positive change in the industry.



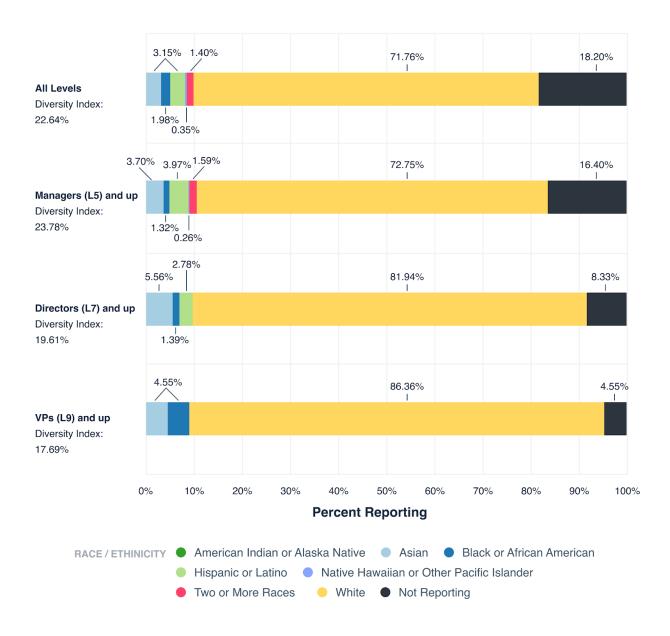




Breakthrough Summit speakers (left to right) Layshia Clarendon, LaChina Robinson, Jill Ellis and Kelly Inouye-Perez.

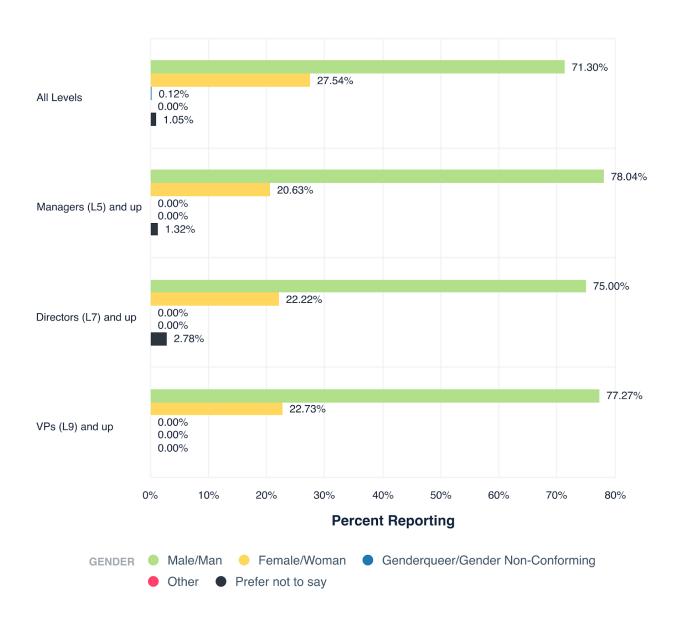
Leadership

2020 Global Employees Across Levels by Race/Ethnicity



	All Levels	Managers (L5) and up	Directors (L7) and up	VPs (L9) and up
American Indian or Alaska Native	0.00%	0.00%	0.00%	0.00%
Asian	3.15%	3.70%	5.56%	4.55%
Black or African American	1.98%	1.32%	1.39%	4.55%
Hispanic or Latino	3.15%	3.97%	2.78%	0.00%
Native Hawaiian or Other Pacific Islander	0.35%	0.26%	0.00%	0.00%
Two or More Races	1.40%	1.59%	0.00%	0.00%
White	71.76%	72.75%	81.94%	86.36%
Not Reporting	18.20%	16.40%	8.33%	4.55%

2020 Global Employees Across Levels by Gender



Board of Directors

The overall diversity of the company's Board of Directors has improved only modestly since the publication of the 2018 report. At that time, the company had five outside (non-founder) directors, all of whom were white and male. While the racial/ethnic composition of the Board has not changed, the company has added three additional outside directors, one of whom identifies as a woman.

Management

Although the C-Suite is and has remained entirely white and male, the company has made modest improvements in the overall gender diversity of our global leadership team. At the director+ level, overall representation of women currently sits at 25% compared to 28.7% company-wide.

Gender representation at the VP+ level has increased to 22.73%, up from 2018's 17.6%. While an improvement, this still falls short of the company-wide metric by about 6%. For additional context, at the time of the 2018 report there were 11 total VPs, three of whom identified as women. Since then, two additional women have joined the VP ranks, bringing the total count of VPs identifying as women to five. In this report, we show 17 total VPs, five of whom identify as women. It's important to note that although the net number of female VPs has increased by two, the percentage of female VPs relative to total VPs has remained effectively flat.

We also want to acknowledge the opportunity for improvement when it comes to the racial/ethnic diversity of our leadership. Diversity index at the director+ level currently underperforms the company-wide diversity index at 19.61% compared to 22.64%. This adjusts for individuals not reporting.

Hudl Tomorrow

Sports are a unifier. Our DE&I strategy, global presence and software platform will harness this fact to drive racial justice and social equity.

Our vision and strategy for people at Hudl has three pillars:

- Global Our business is growing rapidly outside of the U.S. Every Hudlie will be able to
 effectively interface and work with customers and employees anywhere in the world.
- Diverse, Equitable & Inclusive Leading the global sports industry will only be possible if our
 organization reflects the world we serve and we remain focused on fostering inclusivity for both
 our employees and customers.
- Deeply Partnered The psychological safety we create as a result of #1 and #2 positions us to build durable, trusting, high-performing teams that serve customers better than any of our competitors.

A highly-engaged and diverse team built on a foundation of inclusion and trust will sustain long-term company growth and profitability.

We will define **Diversity Game Plans** (DGPs) that encapsulate the objectives, key results³ and methods we'll use to realize our vision. DGPs may be quarterly, semi-annual or annual. Over the next 4–5 years, we will take different approaches to overcome impediments as we push toward our overall diversity index goal mentioned in the <u>foreword</u>. Actions may range from targeted recruitment, employee mentorship and sponsorship programs to continuing education initiatives, internal process overhauls or public outreach.

People Ops will advise and direct managers, directors and VPs of each department on the DGPs most relevant to their teams. These game plans aren't one-size-fits-all. Each DGP will be deliberate and strategic in how it helps address disparities in representation and retention, and tailored based on the skills, geography and size of our workforce.

³ "OKRs - Wikipedia." https://en.wikipedia.org/wiki/OKR. Accessed 17 June 2020.

DGP Process

Our People Ops leadership team will track performance monthly and report progress quarterly to Senior Management and Hudl's three leadership committees (People Strategy Committee, Business Strategy Committee and Finance Committee). We'll also report progress to our Board of Directors at least once per year.

- 1. People Ops will take a data-driven approach to identifying key areas of opportunity and impact for DGPs.
- HR Business Partners will work with leaders in these key departments to discuss and align on team-specific commitments. They'll then appoint an accountable person to be listed in Hudl Sync.
- 3. After the quarterly progress review, People Ops will schedule follow-ups with department leaders to review the past quarter and plan for the next.

As we mature in using this structure, we aspire to make one or more of these goals a company-wide Mountain Goal—upon which performance bonuses are based.

2020 DGPs

Here are the specific commitments for the next six to 12 months:

DGP #1 - Create a stable long-term foundation for DE&I investment.

Key Results:

- 1. Hudl Together and People Ops refine Hudl-specific definitions and language around *diversity* and *inclusion* by 31 December 2020.
- 2. Mandatory training for all Hudlies includes content on unconscious bias and creating a culture of belonging.
- 3. Before 1 April 2021, at least 250 full-time Hudlies voluntarily complete an additional course within one of Hudl's DE&I curriculum providers' learning paths (e.g. Udemy, LinkedIn, professional consultant, etc.) or participate in a facilitated roundtable discussion. *Note: Hudl's existing annual mandatory Integrity Training does not count toward this result.*
- 4. Leaders evolve our Core Values with an inclusive mindset by 31 August 2021.

DGP #2 - Overhaul our hiring processes to successfully recruit more diverse candidates.

Key Results:

- 1. All technical, go-to-market, and operations departments overhaul their hiring processes to follow standardized, structured interviewing and assessment best practices by Q4 20-21.
- 2. Those same departments also implement a threshold within each respective sourcing pipeline requiring representation from both women and underrepresented minorities by 31 December 2020.

DGP #3 - Embed inclusive programs and structures that position us to nurture and retain women and underrepresented minority Hudlies.

Key Results

- 1. An employee resource group (ERG) framework is formalized and operational by 31 December 2020.
- 2. Quarterly Performance Check-Ins include a prompt reflecting on employees' inclusive behaviors and actions supporting diversity by Q3 FY20–21 (December 2020 review cycle).
- 3. Managers are assessed on their inclusive behaviors and actions supporting diversity within their team(s) during the next fiscal year.
- 4. Retention of women and underrepresented minorities is no more than 1% below total retention.

Conclusion

Diversity Game Plans will only succeed with action by leaders and managers in every department.

While this strategy starts at the top, we must reiterate that every Hudlie has a role to play when it comes to creating a welcoming and <u>inclusive</u> work environment. It is incumbent on every member of our team to ensure that Hudl is a place where anyone can thrive—regardless of race, ethnicity, sexual orientation, gender or national origin. If you're interested in doing more, reach out to your department's Vice President, <u>Jasmine Kingsley</u>, <u>Kyle Murphy</u> or a member of Hudl Together.

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