

TXI Annual DEIB Report 2023

Prepared for TXI by Ethos:

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About TXI's Annual DEIB Report

TXI is a digital product innovation firm that creates engaging experiences and custom software for companies ranging from startups to Fortune 100s. TXI conducts extensive research first to understand what end-users really want from digital products, then helps clients embrace a culture of innovation that emphasizes pragmatic thinking, continuous discovery and delivery.

Why Is DEIB Important to Us?

At TXI our product is our people. To deliver the best solutions, we need positive, inclusive environments with as much diversity in the room as possible. We need to be able to learn from each other. We also believe that to be seen for who you are — and to have the opportunity to feel a sense of belonging — is a universal human need. We believe it is our responsibility and duty to create the conditions for belonging for every team member and a space where they can bring their authentic selves to work. That's why we're working to create an environment that is inclusive for everyone.

2022 Highlights

The focus of DEIB at TXI in 2022 was "Intersectionality and Activism". We explored Intersectionality, a critical framework that acknowledges the interconnectedness of various social identities and experiences, and Activism in our 2022 DEIB efforts refers to the intentional pursuit of positive change aimed at dismantling systemic inequalities and promoting fairness and inclusivity for all individuals. Review our DEIB reflections further at TXI DEIB History.

TXI's ESOP Status

At the beginning of 2023, TXI transitioned to 100% employee-owned through an employee stock ownership plan (ESOP). The transition from private ownership to ESOP allowed TXI to retain its organizational culture and core values of diversity, equity, inclusion, and belonging. TXI will continue to grant additional shares to employees annually, a practice that has been shown to reduce wealth inequality.

Assessment Methods

In partnership with Ethos, we invited TXI employees to share their experiences about diversity, equity, inclusion, and belonging through a voluntary and anonymous survey. Insights from the 2023 survey are the basis of this report, and we also draw from previous surveys to understand trends over time.

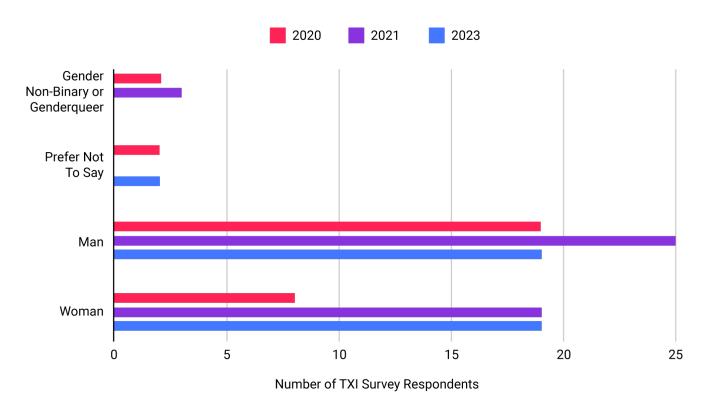
The survey consisted of multiple-choice, open-ended, and self-identification questions. Ethos conducted the survey analysis to maintain employee confidentiality.

Results, Trends, and Benchmarks

In this section, we show diversity results from the 2023 DEIB survey that Ethos conducted on our behalf, in which 63% of TXI staff submitted responses. We show results from the 2020 and 2021 surveys, where available, to compare trends over time. TXI aims to gather diversity data at least once every one to two years to stay informed of trends and changing demographics among staff.

Gender Identity

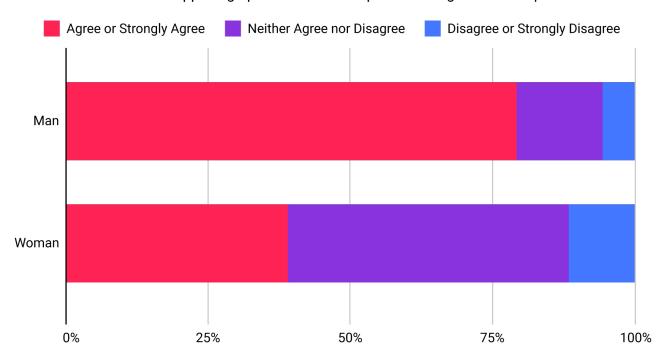
Change Over Time

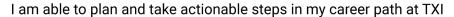


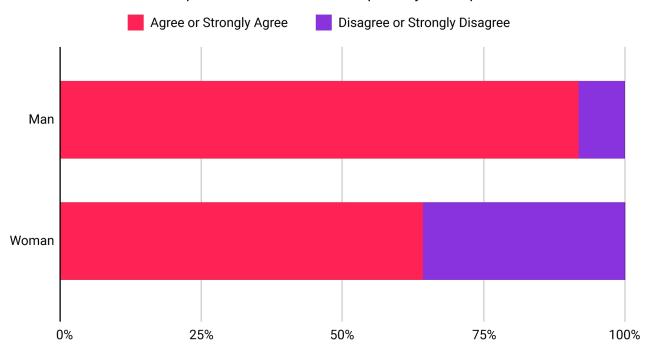
» In 2023, TXI saw parity between respondents identifying as men and women, with men and women making up 44% of survey respondents. Surveys in 2020 and 2021 showed that employees were more likely to identify as men than women and other gender identities. In 2020 and 2021, employees identifying as non-binary or genderqueer represent a smaller share of TXI staff (approximately 6% of respondents) than men and women. In 2023, no employees self-reported identifying as non-binary or genderqueer.

2023 Results

I can voice an opposing opinion to leadership without negative consequences



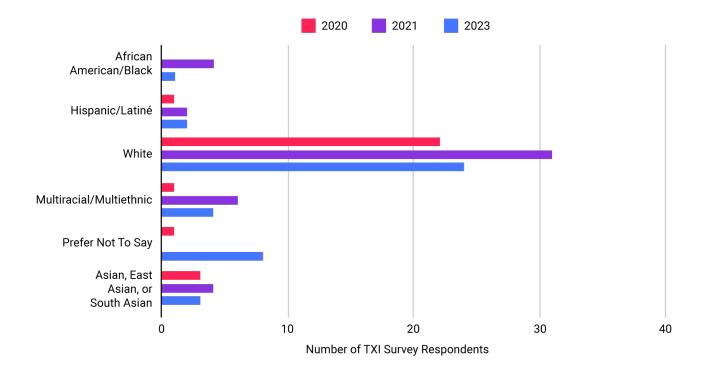




» Responses in the 2023 DEIB survey show that women are less likely than men to agree that they feel comfortable voicing an opposing opinion to leadership (36.8% and 79%, respectively). Women also report feeling less confident about their career path at TXI than men.

Racial/Ethnic Identity

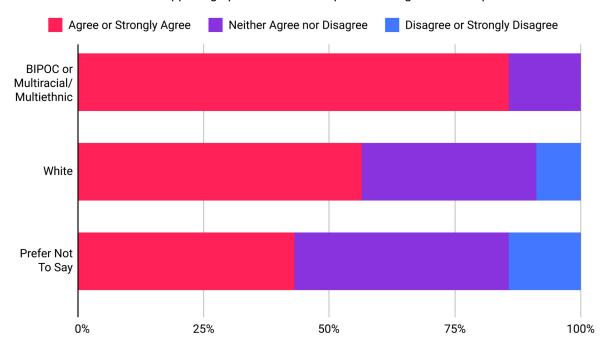
Change Over Time



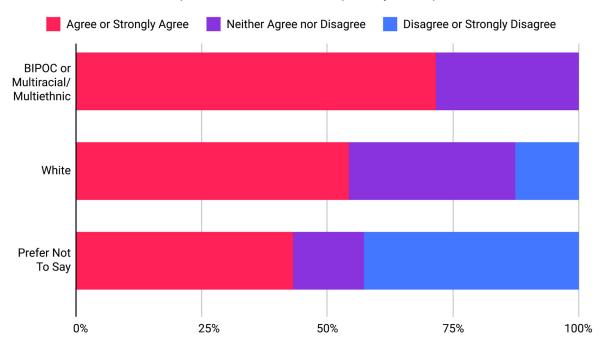
» In 2023, employees who identify as White remain the highest proportion of staff (55.8%). The share of employees identifying as Black, Indigenous, and People of Color (BIPOC) decreased from 34% in 2021 to 25.6% in 2023. Compared to 2020 and 2021 surveys, there was an increase in employees choosing not to disclose their race/ethnicity, representing 18.6% of TXI staff in 2023.

2023 Results





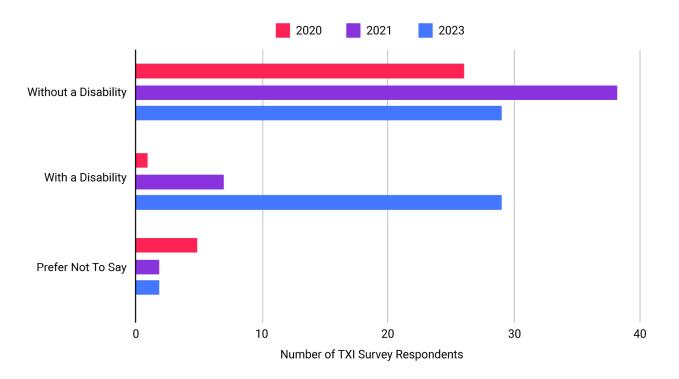
I am able to plan and take actionable steps in my career path at TXI



» Responses in the 2023 survey show that employees who prefer not to disclose their race/ethnicity disagree that they can take actionable steps in their career path at TXI (37.5%) at higher rates than employees who self-identify as White (12.5%) or BIPOC, Multiracical, or Multiethnic (14.3%).

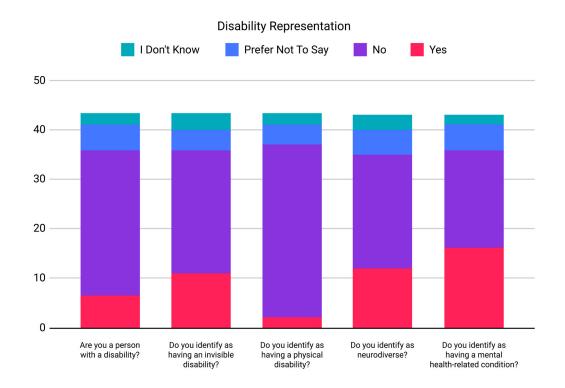
Disability

Change Over Time

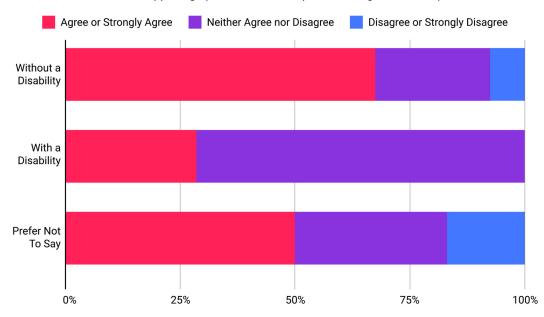


» In 2023, employees who identify as having a disability represent 16% of TXI staff, which is aligned with <u>U.S.</u> and <u>global estimates</u> of people with disabilities.

2023 Results



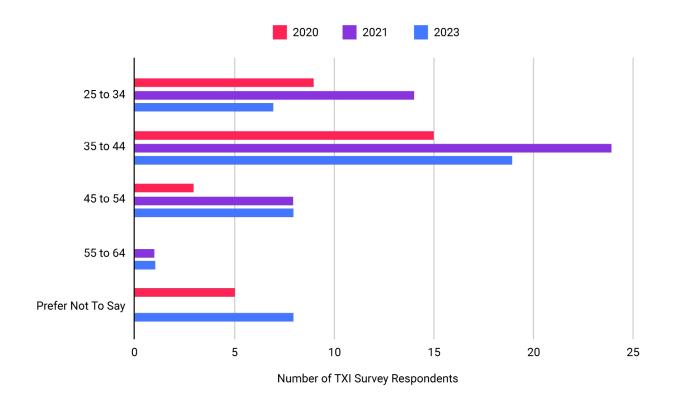




- » Beginning in 2023, TXI asked employees to self-report identification with types of disability. While 16% of employees identify as disabled, 37% report having a mental health-related condition, and 30% identify as neurodivergent.
- Respondents to the 2023 DEIB survey who identify as disabled are less likely to agree that they can express an opposing opinion to TXI leadership without negative consequences compared to TXI staff who do not identify as disabled.

Age

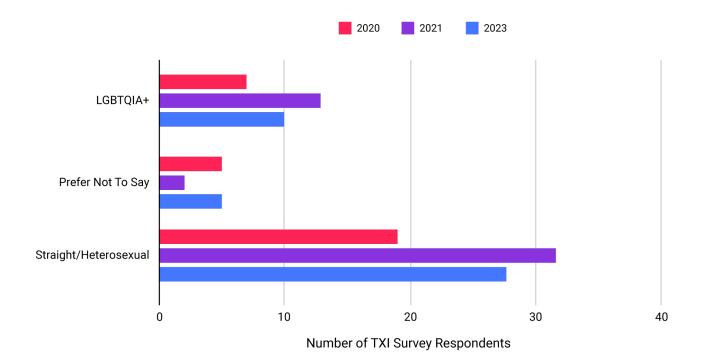
Change Over Time



» Ages 35 to 44 represent the largest proportion of TXI survey respondents in 2023 (44.2% of respondents), which is consistent with surveys from 2020 and 2021 and 2021. Employees aged 25 to 34, the second-largest group in 2020 and 2021 (approximately 28% - 29% of respondents), decreased in 2023 (16.3%). The 2023 DEIB survey also showed an increase in employees choosing not to share their age.

Sexual Orientation

Change Over Time



In 2023, employees identifying as straight/heterosexual remain the largest proportion of staff, consistent with <u>surveys from 2021 and 2020</u>. There was a slight decrease in employees identifying as LGBTQIA+ (23.3% of survey respondents in 2023) compared to respondents in 2021 (27.7%). This is above <u>the national average of 5.9%</u>. Additionally, there was a slight increase in employees preferring not to share their sexual orientation compared to 2021.

Closing and Next Steps

This annual report is a point-in-time snapshot of our organization. We aim to publish this report each year to track our progress and keep us accountable. As we consider the progress we have made since we first published our annual DEIB report in 2021, we make the following reflections for continuing our commitments, using the now, next, later framework to represent our capacity to address the items we'd like to get to:

1. Correcting for Overrepresentation

In 2020, we published our first annual Diversity Report and established some 3-year goals to correct for over-representation. This year will continue that work in year 3 of 3 as we continue to apply an equity lens to recruiting and promotion.

- » Now Publish Annual Diversity Report
- » Later
 - Evaluate our representation goals for the next 3 years.
 - Evaluate and prioritize changes to the career grid for 2024.

2. Career growth

We are committed to supporting all employees in their career growth at TXI and providing competitive total compensation that aligns with employee performance.

- » Now Continue to provide professional development funding support to all TXIers
- » Later Evaluate and prioritize changes to the career grid for 2024.

3. Gender equity

We intend to take a more constructive look at internal and external barriers that contribute to women-identifying employees feeling lower confidence in their career opportunities at TXI (e.g., examining the effects of invisible gendered labor that may influence advancement outcomes).

» Now - Gather, analyze, and glean insights from qualitative and quantitative data about the experiences of people of different genders at TXI.

- » Next Women's Employee Resource Group will share out findings and recommendations based on qualitative and quantitative data.
- » Later Leadership will prioritize and execute initiatives based on recommendations.

4. DEIB Strategy

We are proud that TXI employees are passionate and committed to diversity, equity, inclusion, and belonging and that we have built an organizational culture that weaves these values into our work.

- » Now Focus DEIB discussion topics on current activism arc.
- » Next Make continuing DEIB education content self-service.
- » Later Align DEIB yearly focus and quarterly themes with organizational yearly priorities.

5. Culture of feedback

We see opportunities to provide greater clarity in TXI's staff roles, team responsibilities, and communication channels, with an aim to continue to foster a culture of psychological safety.

» Now

- Explore how to support timely and actionable ad hoc feedback in the work.
- Roll out manager support needs feedback.
- » Later Re-think anonymity in review feedback.