

	<p><b>Basic</b></p> <p>Companies have an ad hoc, reactive approach, little strategic planning and efforts generally limited to employee resource group (ERG) activities and compliance with regulations.</p>	<p><b>Foundational</b></p> <p>Companies recognize the value of D&amp;I, understand the broader definition, and include D&amp;I in strategic planning. Most efforts remain ad hoc and limited scope with a focus is on diversity and not inclusion.</p>	<p><b>Advanced</b></p> <p>Companies recognize the value of D&amp;I in achieving superior business results. D&amp;I is integrated into the overall business strategy and the business case is communicated by leadership. D&amp;I metrics and targets are shared with top executives. Focus is on both diversity and inclusion.</p>	<p><b>Leading</b></p> <p>D&amp;I strategy aligns to overall business strategy and is incorporated into all facets of the organization. The business case is communicated by all employees. D&amp;I metrics and results are shared internally and publicly.</p>
<p><b>THE BUSINESS CASE FOR DIVERSITY &amp; INCLUSION</b></p> <p>This section covers an organization’s understanding of D&amp;I and how it impacts the business through risk and performance, as well as the involvement of leadership.</p>				
<p><b>Business Case –</b> Understanding of D&amp;I and recognition of the impacts on the organization.</p>	<ul style="list-style-type: none"> <li>May include D&amp;I principles as part of mission statement or core values of organization</li> <li>Organizational definition for D&amp;I has little strategic alignment to the business and is not considered in planning or decision making</li> </ul>	<ul style="list-style-type: none"> <li>The business case for D&amp;I is focused on “talent” (e.g., recruiting, representation, and retention)</li> <li>D&amp;I stakeholders are primarily considered around talent needs and not a broader business assessment</li> <li>D&amp;I metrics are limited to recruiting and retention</li> <li>A D&amp;I framework is established to build a comprehensive D&amp;I Strategy</li> </ul>	<ul style="list-style-type: none"> <li>In addition to “talent,” the impact of D&amp;I on other business areas is recognized (e.g. beginning to listen to the consumer voice)</li> <li>Efforts are made to understand and communicate the impacts of a broader range of D&amp;I stakeholders on the business including associates, consumers, community, and shareholders</li> <li>D&amp;I metrics are leveraged to identify demand for specific products and services</li> </ul>	<ul style="list-style-type: none"> <li>D&amp;I is considered critical to the success of the business and essential to be included in strategic planning and decision-making</li> <li>Information on changing stakeholder preferences and the impact on sales, profits and losses is gathered and used in strategic planning and decision making</li> <li>Experience-led, consumer demographics drive decision-making</li> </ul>
<p><b>Ownership –</b> Business areas with responsibility for incorporating D&amp;I in the organization and the knowledge of employees of their role in D&amp;I.</p>	<ul style="list-style-type: none"> <li>Ownership of D&amp;I is not managed centrally and unclear</li> <li>Responsibility may lie with one executive who may or may not explicitly be a D&amp;I practitioner Individual does not have accountability for D&amp;I goals</li> <li>Responsibility may lie with one executive who does not have accountability for D&amp;I Goals</li> </ul>	<ul style="list-style-type: none"> <li>Ownership of D&amp;I is formally structured and led by a dedicated D&amp;I practitioner</li> <li>There may be an established I&amp;D Committee including HR, Legal and C Suite with responsibility for D&amp;I outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Ownership of D&amp;I is formally structured with dedicated D&amp;I Practitioners/resource and governed by D&amp;I Council to provide guidance</li> <li>There is Leadership accountability where priorities are cascaded to teams for support in implementing D&amp;I talent and product strategies</li> <li>All management levels are responsible for understanding and implementing D&amp;I strategies in day to day operations</li> </ul>	<ul style="list-style-type: none"> <li>Ownership of D&amp;I is formally structured with a dedicated D&amp;I team and governed by D&amp;I Council with supporting committees and funding to execute on plan</li> <li>All employees are responsible for understanding and implementing D&amp;I strategies in day to day operations</li> <li>Accountability for evaluating and implementing D&amp;I goals is explicitly integrated into corporate and business unit strategies, product and process</li> <li>Process in place to ensure that individuals in the organization understand their</li> </ul>

				role in executing the D&I business strategy
<b>Risk &amp; Reputation</b> – Understanding of the potential risks associated with D&I including but not limited to consumer and employer brands	<ul style="list-style-type: none"> <li>Limited understanding or acknowledgement of risks associated with D&amp;I</li> <li>Reactive approach to risk</li> </ul>	<ul style="list-style-type: none"> <li>Defined risk associated with D&amp;I across different parts of the organization</li> <li>Overall approach remains reactive</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Reputation charter with clear routines and accountability</li> <li>Proactive sharing stories and support of D&amp;I both internally and externally to reduce potential risk</li> <li>Internal and external D&amp;I council to proactively assess company progress, identify potential challenges and anticipate future issues</li> </ul>	<ul style="list-style-type: none"> <li>Processes in place for escalation of issues, proactive risk mitigation and stakeholder engagement around D&amp;I issues</li> </ul>
<b>Executive Engagement</b> – understanding by executives from C-Suite to lower levels of upper management of the importance and value of D&I	<ul style="list-style-type: none"> <li>Executives understand D&amp;I issues but little to no direct involvement or engagement</li> </ul>	<ul style="list-style-type: none"> <li>Executives understand D&amp;I issues and communicate to their teams</li> <li>Senior Management incorporates D&amp;I in personal objectives, but limited measurements, accountability and enforcement</li> </ul>	<ul style="list-style-type: none"> <li>Senior Management incorporates D&amp;I in personal objectives and business priorities, and held accountable for driving D&amp;I results against goals</li> <li>Executives lead and reinforce the importance of D&amp;I in the business strategy</li> </ul>	<ul style="list-style-type: none"> <li>Senior Management communicates their vision of the importance of D&amp;I to the entire organization</li> <li>Visible commitment shared internally and externally</li> </ul>
<b>Talent Strategy</b> – Understanding of the use and value of D&I in talent management, recruiting and retention.	<ul style="list-style-type: none"> <li>D&amp;I incorporated in selective settings and key messages for recruitment and retention by top level executives with oversight on talent</li> <li>D&amp;I data in recruitment and retention is collected but not leveraged in talent planning</li> </ul>	<ul style="list-style-type: none"> <li>D&amp;I included in key organizational life cycle moments (annual kick off, major announcements, external engagements, etc.)</li> <li>D&amp;I data in recruitment, retention and promotion is collected and leveraged in talent planning</li> </ul>	<ul style="list-style-type: none"> <li>Organizational KPIs for talent management include D&amp;I with accountability by hiring managers and talent executives to meet goals</li> <li>Managers accountable for measuring talent strategy and business goals</li> </ul>	<ul style="list-style-type: none"> <li>Integrated strategy to attract, retain and develop a diverse workforce</li> <li>Broad range of metrics around D&amp;I are collected and used in leveraged to identify gaps, address challenges to attract, engage, develop and promote a diverse workforce</li> </ul>
<b>PARTICIPATION LEVEL</b> This Category covers the extent to which the organization involves management and staff in all functions and subunits with D&I issues and initiatives.				
<b>Business Case</b> – recognition of the value D&I across the organization, specifically as it relates to growing and changing employee demands for diversity and inclusion.	<ul style="list-style-type: none"> <li>Programs limited to legal operational policies (e.g. EEOC, COC, Workplace Policies; local and global, federal contractor compliance)</li> </ul>	<ul style="list-style-type: none"> <li>D&amp;I strategy linked to business strategy primarily around “talent”</li> <li>Limited internal awareness of D&amp;I Strategy across the organization</li> <li>Limited understanding of the business imperative</li> </ul>	<ul style="list-style-type: none"> <li>Equity in consumer voice emerging as an important element of planning across the organization</li> <li>Investment in change management and behaviour change in response to D&amp;I metrics</li> <li>Broad awareness of the financial impacts of D&amp;I.</li> </ul>	<ul style="list-style-type: none"> <li>Consumer voices embedded in business strategy (e.g. experiences, services, products, messages, local assortments)</li> </ul>

<b>Ownership</b> – Business areas with responsibility for incorporating D&I in the organization and with autonomy to activate D&I strategy within their business goals.	<ul style="list-style-type: none"><li>● Passionate individuals with influence but limited to no decision making</li></ul>	<ul style="list-style-type: none"><li>● Functional accountability in existing organizational areas, primarily human resources</li></ul>	<ul style="list-style-type: none"><li>● Broad functional accountability across business units</li><li>● Or Functional leaders have accountability for D&amp;I across business units</li></ul>	<ul style="list-style-type: none"><li>● Processes across the organization to ensure that all employees understand their role in the D&amp;I strategy and feel accountable</li></ul>
<b>Risk &amp; Reputation</b> - management of risk in the organization and understanding of potential risks associated with the D&I strategy including consumer and employer brands	<ul style="list-style-type: none"><li>● Limited responses and communication with little central planning resulting in a lack of credibility with external candidates familiar with organizations taking leadership in D&amp;I</li><li>● Reactive approach to D&amp;I related issues that impact team, marketplace and communities</li></ul>	<ul style="list-style-type: none"><li>● Some planning for risk management but most remains reactive</li><li>● Risk management related to D&amp;I siloed within HR</li></ul>	<ul style="list-style-type: none"><li>● Strategic reputational management</li><li>● Implementation of key performance measures related to D&amp;I across the organization</li></ul>	<ul style="list-style-type: none"><li>● Implementation of predictive strategic reputational management programs and resources</li></ul>
<b>Executive Engagement</b> – Understanding by executives of the importance of D&I from C-Suite to all lower levels of upper management throughout the retail world (legal, supply chain, AP, communications, and public affairs)	<ul style="list-style-type: none"><li>● Limited to no engagement by C-Suite executives</li><li>● Executive involvement limited to levels below the C-suite, and primarily to HR</li></ul>	<ul style="list-style-type: none"><li>● C-suite awareness of D&amp;I but limited support, primarily from HR</li></ul>	<ul style="list-style-type: none"><li>● C-suite and Board alignment on the value and importance of D&amp;I</li><li>● Support from executives across the organization outside of HR</li></ul>	<ul style="list-style-type: none"><li>● C-suite &amp; board advocacy for D&amp;I</li><li>● Business leader ownership including communication of the importance and implementation of related policies across the organization</li><li>● Executives demonstrate visible commitment internally and externally and have action plans that outline where and how they will engage</li></ul>
<b>Talent Strategy</b> – Use of D&I in talent management, recruiting and retention.	<ul style="list-style-type: none"><li>● Recruiting and retention across the organization does not align to any overall D&amp;I strategy</li></ul>	<ul style="list-style-type: none"><li>● HR prioritizes D&amp;I as an element of people strategy throughout the organization</li><li>● HR focus is primarily on recruitment with limited focus on inclusion</li><li>● Talent goals align with available talent in marketplace</li></ul>	<ul style="list-style-type: none"><li>● Collaborative and strategic investments in talent pipelines, employee development and building highly inclusive cultures across the organization</li><li>● Focus on change management to support more diverse and inclusive organization</li></ul>	<ul style="list-style-type: none"><li>● Business leaders set goals and dedicate resources to ensure diverse and inclusive teams</li><li>● Talent strategy informed by evolving consumer demographics with the goal of developing product and marketing mixes to maximize sales</li></ul>
<b>SUCCESSION PLANNING</b> This section covers how an organization approaches succession planning at all levels to build an inclusive and diverse workforce.				
<b>Business Case</b> – recognition of the need for D&I in succession planning, specifically, for cultivating a retail workforce that matches an	<ul style="list-style-type: none"><li>● Completed assessment for gaps in succession planning</li></ul>	<ul style="list-style-type: none"><li>● Track and measure progress toward goals and course correct based on data</li><li>● Baseline diversity metrics in place</li></ul>	<ul style="list-style-type: none"><li>● Organizational talent health indicator (leading, not lagging) set against a mark of what goods like by function.</li><li>● Baseline diversity metrics in place to</li></ul>	<ul style="list-style-type: none"><li>● Intentional investment in developing promising talent to meet changing consumer demands</li><li>● Diversity considered an integral part of</li></ul>

increasingly diversifying consumer base that demands products and services curated for them.			ensure there is no bias in decision making <ul style="list-style-type: none"> <li>Diversity evaluated at all levels to build qualified diverse bench</li> </ul>	workforce and succession planning
<b>Ownership</b> – responsibility throughout the organization for including D&I in succession planning.	<ul style="list-style-type: none"> <li>Talent strategy owned by HR</li> <li>Talent Acquisition without differentiated approach for underrepresented talent</li> </ul>	<ul style="list-style-type: none"> <li>Talent strategy has annual enterprise D&amp;I initiative/moment</li> <li>Talent strategy aligned with strategic goals and business units</li> </ul>	<ul style="list-style-type: none"> <li>Function-specific strategy (e.g. merchandising succession reflects the community the company serves, while IT may need to focus on gender parity, etc.)</li> <li>Function specific responsibility for implementing the strategy</li> </ul>	<ul style="list-style-type: none"> <li>Organization optimizes talent strategy through localized operating models</li> <li>D&amp;I considered a key business requirement for successful people planning</li> </ul>
<b>Risk &amp; Reputation</b> Understanding of potential risks associated with succession planning related to D&I strategy including but not limited to both consumer and employer brands	<ul style="list-style-type: none"> <li>Attrition of under-represented population</li> <li>Negative/Neutral sentiment on talent culture internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>The organization tracks quantitative representation and retention sentiment</li> </ul>	<ul style="list-style-type: none"> <li>Identification of retention and representation focus areas with action plans on how to improve results</li> <li>Leadership engagement in calibration and succession</li> </ul>	<ul style="list-style-type: none"> <li>Succession planning supported with embedded principles processes, routines and predictive analytics for multi-year diverse succession planning aligned to goals</li> <li>Diverse executive talent and leadership suite</li> </ul>
<b>Talent Strategy</b> – Use of D&I in talent management, recruiting and retention for succession planning.	<ul style="list-style-type: none"> <li>D&amp;I compliance monitored separately from talent review discussions</li> <li>Limited or no focus on talent benches or succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Focus of D&amp;I programs limited to diverse talent practices</li> <li>Accountability for diversity in talent pools for specific roles are used as a measure of succession health</li> </ul>	<ul style="list-style-type: none"> <li>intentional placement for diverse talent</li> <li>Intentional diverse talent pipeline discussions are part of strategic consideration</li> <li>Inclusion actively leveraged as a retention mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable diverse representation in roles and pipeline</li> <li>A/B backfill identified by level</li> <li>Strategic game planning across enterprise</li> <li>Succession planning strategy informed by evolving consumer demographics with the goal of developing product and marketing mixes to maximize sales</li> </ul>

**SOCIETAL IMPACT** –This section covers how an organization engages with the community and society more broadly to drive social change with regard D&I issues.

<b>Business Case</b> – understanding and communication of the importance of D&I as it relates to a public marketplace that expects corporate citizens to be active, and vocal with social issues and advocacy	<ul style="list-style-type: none"> <li>Silent on issues happening in society that impact business, team and/or community</li> <li>Limited communication or clarification of what the organization stands for or wants to be known for</li> </ul>	<ul style="list-style-type: none"> <li>Materiality of issues that matter to organizational operating model are assessed and identified but considered highly confidential and communicated internal</li> </ul>	<ul style="list-style-type: none"> <li>Tactical plans that align to issues of importance to the organization are developed and leveraged when needed</li> <li>Proactively communicate internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>Development of strategies, tactics, and stakeholder engagement plans for a broad range of issues of importance to the organization that are managed and modified consistently by functional owners</li> </ul>
<b>Ownership</b> – Business areas with responsibility for understanding the impact of D&I within the	<ul style="list-style-type: none"> <li>No external engagement except for Philanthropy and volunteerism are sole avenues of community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Government Affairs, Employee Relations, and Human Resources monitor and manage where selective organizational assets</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Reputation area responsible for determining how to leverage organizational assets to impact issues material to</li> </ul>	<ul style="list-style-type: none"> <li>Cross functional enterprise governance structure to develop strategy and implementation of proactive engagement</li> </ul>

broader society and is responsible for responses for crisis, advocacy, and community engagement.		would be best applied	business and of high priority to communities and employees <ul style="list-style-type: none"><li>• Clear alignment across business areas on D&amp;I impact issues</li><li>• Alignment of D&amp;I impact issues to business strategy</li></ul>	<ul style="list-style-type: none"><li>• Organizational voice leveraged internally and externally to drive large scale change and long-term global impact</li><li>• Executive awareness and support for strategy and implementation</li></ul>
<b>Risk &amp; Reputation</b> – Organizational understanding about when, and how to engage on relevant societal issues.	<ul style="list-style-type: none"><li>• React and respond crisis management approach</li></ul>	<ul style="list-style-type: none"><li>• Internal mechanism for enterprise perspective in crisis management</li></ul>	<ul style="list-style-type: none"><li>• Processes for proactive risk and reputation strategy and mitigation</li></ul>	<ul style="list-style-type: none"><li>• Proactive processes to assess materiality of social issues relative to the business and to determine if and how to communicate with stakeholders, and actions to take</li></ul>
<b>Executive Engagement</b> – level of understanding and support by executives regarding societal issues.	<ul style="list-style-type: none"><li>• Executives leveraged as “face of” philanthropy, current events, and volunteerism efforts</li></ul>	<ul style="list-style-type: none"><li>• Executives understand the rational for organizational decisions on specific issues related to D&amp;I</li></ul>	<ul style="list-style-type: none"><li>• Specific senior leadership roles are accountable for executive engagement positioning for each issue</li><li>• Senior leadership alignment on the issues, communications, behaviours, and responsibilities that matter most</li></ul>	<ul style="list-style-type: none"><li>• Decisions on positions and communication are made, owned, and evaluated at the most senior levels of the organizations on a regular basis</li><li>• Community Relations and executives discuss top issues and company progress measurement at a regular cadence</li></ul>
<b>Talent Strategy</b> – incorporation of awareness of D&I societal issues into talent strategy.	<ul style="list-style-type: none"><li>• Assessment of current community initiatives and organization involvement</li><li>• Organization has a presence in the community</li></ul>	<ul style="list-style-type: none"><li>• Support for outside stakeholders and third-party organizations that are promoting diverse talent</li></ul>	<ul style="list-style-type: none"><li>• Viewed as a strategic partner within community and builds pipeline to attract diverse talent into the organization</li></ul>	<ul style="list-style-type: none"><li>• Organization promote strategic volunteerism, employee representation of boards and community leadership committees</li><li>• Clear understanding related to differences of employee and team member experiences</li></ul>