



Red Hat

Calendar year

2



2



**Community
and Social
Responsibility**

Calendar year

20
20



Community and Social Responsibility



Letter from Paul Cormier

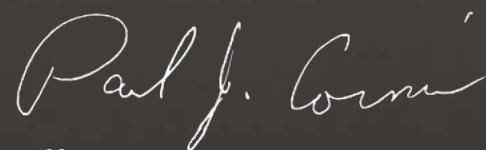
When we think back on 2020, what most people will remember is uncertainty and change, but what stands out to me is the resilience and hope that endured. At Red Hat, our values have always centered on our people, our customers, our partners, and our communities. I'm so proud of how our associates lived those values this past year by rising above the challenges, supporting each other, and showing their fortitude.

The Red Hat spirit showed up in so many ways. In a moment when associates became school teachers and caretakers, dealt with drastically reduced social interactions, and grieved the loss of normalcy, they still served customers and helped them be successful. We turned our attention to products and services that our customers need to support remote work, expand digital services, scale to meet demand, become more resilient, and keep innovating. We supported our communities through increased donations and volunteered our technology solutions and talent in the healthcare space to respond to the pandemic.

It also showed up when we transitioned our science, technology, engineering, and mathematics (STEM) program, Co.Lab, to a virtual platform with home kits, so we could continue to introduce students to the principles of open source, even while they were at home. We worked with our diversity and inclusion community, Blacks United in Leadership and Diversity (B.U.I.L.D.), to support equality and justice through donations to nonprofits tackling these issues. We adapted to new working conditions and created new programs to not only maintain our unique culture, but to expand it.

At a time when it was easy to focus on our individual struggles, Red Hatters didn't hesitate to make themselves available to help others. Once again, we proved that we succeed when we help our communities and our customers accomplish their goals.

This report shares more ways that Red Hat came together in 2020 to overcome challenging circumstances and find meaningful ways to make a difference.



Paul Cormier
President and Chief Executive Officer



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Company profile

Red Hat is the world's leading provider of enterprise open source solutions, using a community-powered approach to deliver high-performing Linux®, container, and Kubernetes technologies and to help organizations build successful open hybrid cloud strategies.

Red Hat helps customers standardize across environments, develop cloud-native applications, and integrate, automate, secure, and manage complex environments.

With support and consulting services, as well as award-winning training and certification offerings, Red Hat is a trusted adviser to the Fortune 500. As a strategic partner to cloud providers, system integrators, application vendors, customers, and open source communities, Red Hat helps organizations prepare for the digital future.

In 2019, Red Hat was acquired by IBM for US\$34B, the largest software acquisition to date. Together, IBM and Red Hat are enabling enterprises to innovate anywhere across the hybrid cloud with a broader range of choice and flexibility.



Note:

Due to the change in Red Hat's fiscal year, some data in this report may overlap with data from our previous Community and Social Responsibility report. Our previous Community and Social Responsibility report covered the twelve-month financial reporting period between March 1, 2019, and Feb. 29, 2020. This report covers Jan. 1, 2020, through Dec. 31, 2020, aligning with Red Hat's new fiscal year.



| 2020 context



The pandemic

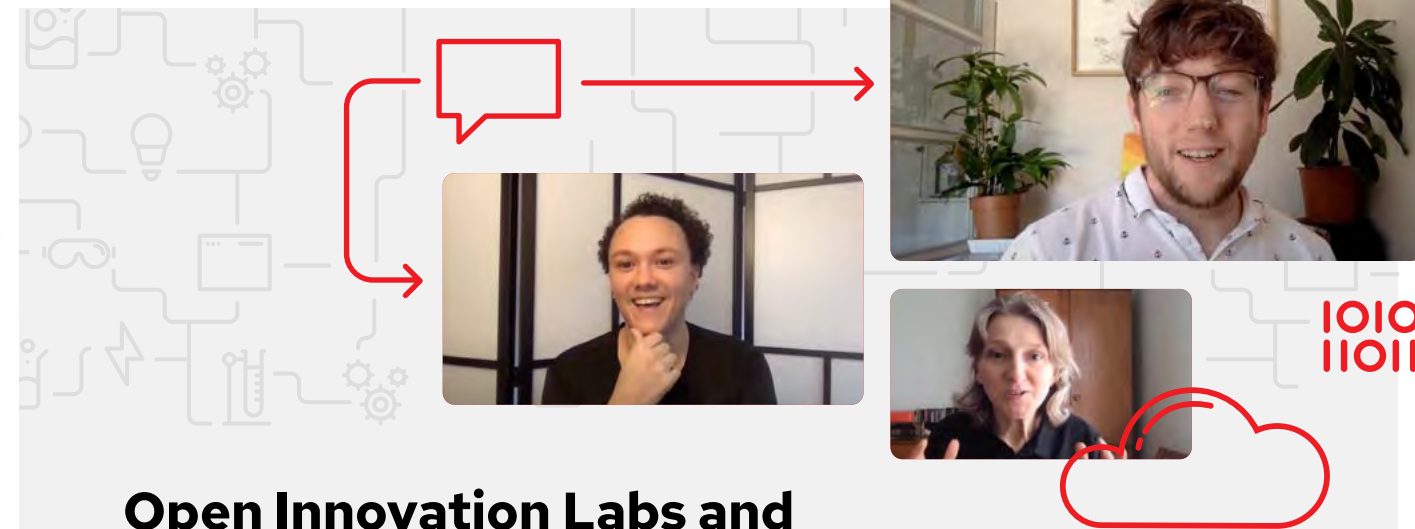
The pandemic changed the way the world approached business, education, and daily life. COVID-19 proved to be an enormous challenge, but one which Red Hatters met with creativity and innovation to support our customers, partners, stakeholders, and the communities where we live and work.

Red Hat's open culture was the foundation of our resilience.

Openness gave associates the confidence to lead and collaborate: working together to adapt existing programs to the new virtual environment, creating strategies and safe spaces to help one another cope with the fears and doubts of the pandemic, and recognizing that the hurdles of 2020 provided an opportunity for us to do more for our communities. It was a difficult year, but we found that we were able to meet the challenges together—the open source way.

Red Hat response

Red Hat applied open source technologies and methodologies to fight COVID-19 and improve healthcare infrastructure through two initiatives in our social innovation program: a collaboration with the World Health Organization (WHO) and Team-19.



Open Innovation Labs and the World Health Organization

With COVID-19 data refreshing almost daily, health workers needed to stay on top of the most up-to-date and accurate information. The WHO, the specialized agency of the United Nations responsible for international public health, realized that they needed to improve their digital capabilities in order to serve the rapidly changing needs of global health workers.

Red Hatters from our Open Innovation Labs team volunteered their time in collaboration with WHO to build a scalable, more flexible DevOps platform to help with activities such as managing, testing builds, analyzing code, and data visualization to enable faster access to relevant healthcare knowledge and to reduce misinformation. This Learning

Experience Platform (LXP) is part of the organization's new state-of-the-art training center.

By basing LXP on an open technology framework, WHO is now better able to adopt emerging architectures and applications iteratively and incrementally, providing real-time value to health workers around the world. In addition, the skills and tools gained from the Red Hat Open Innovation Labs engagement helped lay the foundation for a learning solution that isn't tied to a single person or technology. As a result, the WHO team now has the holistic knowledge and proficiency to manage its new platform and processes in-house, and they can scale LXP as demand grows without dependency on any particular cloud vendor.

"It was an honor to work with the WHO on developing an open source platform that has the potential to shape how the world responds not only to the COVID crisis, but to future healthcare adversity. With the help of Red Hat Open Innovation Labs, the WHO broke down traditional IT barriers by replacing them with DevOps practices and solved challenges through collaboration, hard work, and innovative thinking."

Hans Roth

Senior Vice President and General Manager of Global Services, Red Hat

Team-19

In June, Red Hat announced a company-wide initiative called Team-19, designed to help promising external open source projects dedicated to overcoming the challenges of COVID-19. All Red Hatters were invited to apply their unique skills and expertise to developing solutions that address the pandemic.

OpenEMR is the leading open source electronic medical records system used by healthcare providers to schedule and track patients and their treatment. Team-19 helped OpenEMR with standardization of patient data, text automation, improvement of developer tools, and assistance with the translation of content into Spanish. Additionally, the team modified the docker deployments to run natively on Kubernetes, providing a more robust and scalable option to the organizations that depend on it.

COVID-Net¹ is a suite of deep neural networks used by hospitals and healthcare facilities for COVID-19 detection, assessment of disease progression, and risk stratification. In order to make the system easier for clinicians to use, Red Hat's Team-19, DarwinAI, and the Boston Children's Hospital created a web-based graphical user interface for COVID-Net. In addition, Team-19 moved CHRIS (an open source distributed data and contribution platform) backend services that manage data to OpenShift®, improving system integration and deployment.

Team-19 at a glance



88
participants



5,000+
hours donated

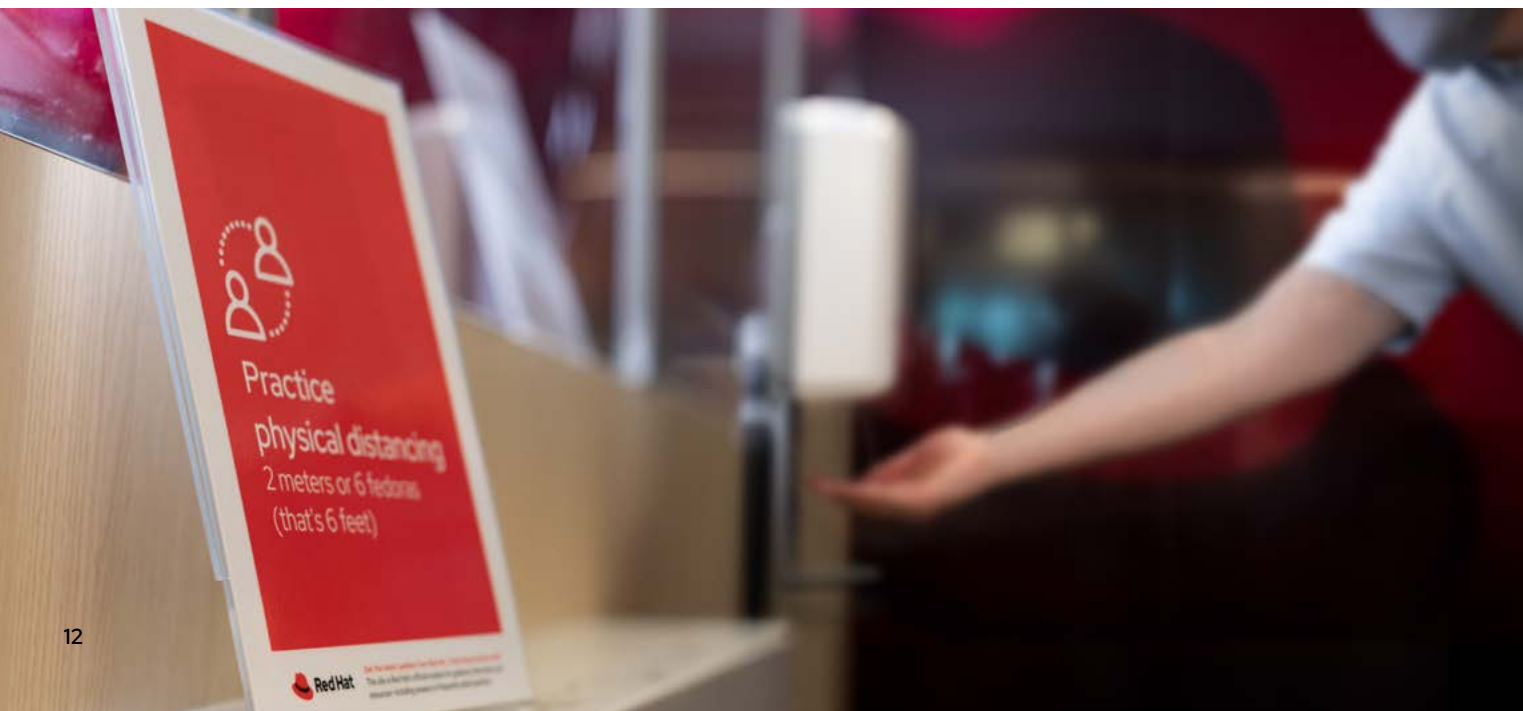
Connected Health is a project that provides a blueprint for connecting, processing and leveraging clinical, financial, administrative, and life sciences data at scale in a consistent manner. The platform harnesses Intelligent Data-as-a-Service to transform the way the healthcare industry interacts with clinical information, financial records, and administrative data, enabling faster decision making. Our associates assisted Connected Health with creating the application program interface, data conversion, and mentorship. The project contributes to the Surveillance Data Platform, which the Centers for Disease Control and Prevention in the United States uses to inform public health officials of current healthcare trends.

PathCheck is a charitable organization dedicated to creating healthy and resilient communities by containing the pandemic, revitalizing the economy, and preserving the privacy of individual citizens. PathCheck developed a free, open source mobile app called Safe Paths for digital contact tracing. Team-19 assisted them in testing their frameworks, streamlining their continuous integration and continuous delivery pipeline, and counseling them on how to manage this new, fast-growing community project.

“COVID-19 impacts us all, and we are proud to have Red Hat OpenShift be an underlying technology in COVID-Net, a platform designed to better help frontline healthcare workers when it comes to understanding this complex disease.”

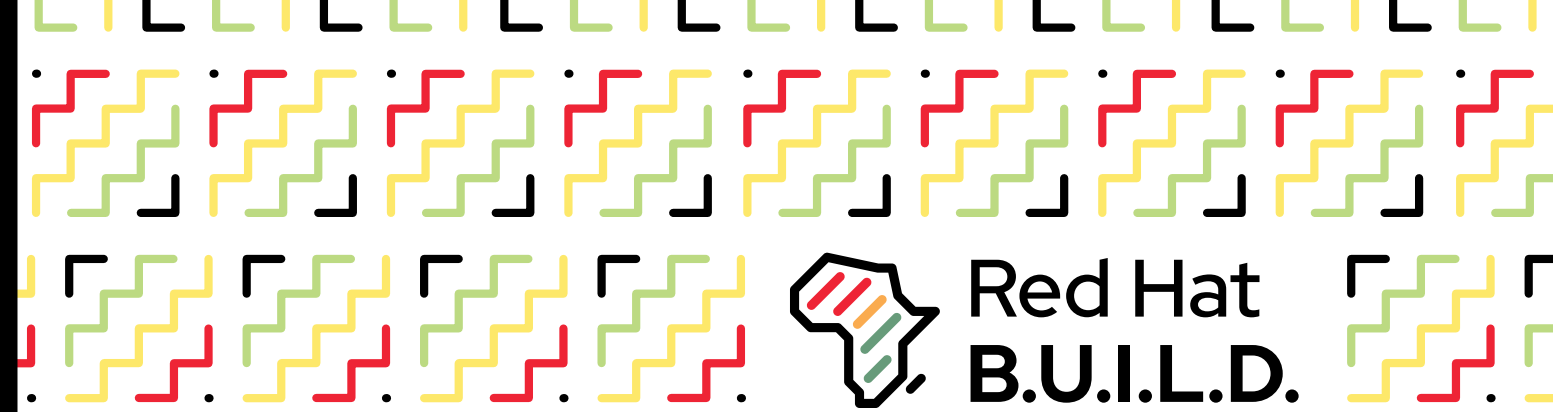
Chris Wright

Senior Vice President and Chief Technology Officer, Red Hat



Black lives matter.

The challenges of 2020 were not limited to the pandemic. Social unrest shook the United States and cities around the world as the death of George Floyd magnified existing fault lines along racial and social divides. Red Hat stood by our commitment to inclusion, and associates chose to lead and be a force for good in the communities we shape.



Along with our initial public and internal statements in support of the Black community, we made financial contributions to organizations selected by our Blacks United in Leadership and Diversity (B.U.I.L.D.) diversity and inclusion community. In support of equality and social justice, B.U.I.L.D. chose the Southern Coalition for Social Justice (SCSJ) and the National Police Accountability Project to receive our contributions.

Red Hat also collaborated on open source projects with SCSJ that associates could contribute to on company time. These projects included mapping, data extraction, and Java™ development for Racial Equality Report Cards, which examine the school-to-prison pipeline; and for the Open Data Policing Project, an effort to increase transparency around stop, search, and use-of-force data in law enforcement.



“This solution allows us to focus more on supporting grassroots campaigns addressing these issues and provides these communities with a user-friendly platform to identify racial disparities that need to be addressed.”

Tyler Whittenberg
Chief Counsel of Justice System Reform, SCSJ

While financial support and volunteer opportunities are a great start, Red Hat recognizes that fostering an open and inclusive environment often means having difficult discussions that force introspection. To that end, B.U.I.L.D. put together a series of virtual events to support healing and reflection for associates. The first event focused on helping Black associates process the emotional trauma of social injustice with a therapist in a private, small-group setting for those needing a safe space to discuss these issues.

The larger, company-wide conversation titled “When words are not enough” provided associates with tools and strategies to help individuals from different backgrounds understand one another in order to create a more inclusive and psychologically safe environment.

Red Hat also turned an analytical gaze inward, looking at ways to make our brand more welcoming for all. In the summer of 2020, the Conscious Language Project was launched, supporting Red Hat’s commitment to remove problematic language from our code, documentation, websites, and open source projects that we are involved with.

With the support of B.U.I.L.D., we announced the removal of problematic terms like master and slave from our source code and documentation in an effort to be more inclusive and thoughtful in the language we use. Many other software companies are also working toward the same goal, and we hope there will be many more to come.



Together we stand, united we rise

Last summer, Red Hat designers reached out to B.U.I.L.D. to collaborate on a mural that would be painted on boards covering windows during social justice protests at the Raleigh headquarters. With direction from the B.U.I.L.D. community, and input from numerous internal teams, we created a design that spoke to our shared passion for racial equity.

The final mural, painted by Red Hat volunteers over the course of two days, read "Together we stand, united we rise," and served as a symbol of solidarity amongst Red Hatters, as well as a reiteration of our commitment to combat racism, discrimination, and bias in our community.



Red Hatters commit

Conversations regarding racial equity and the Red Hat response were led by and centered around our Black associates, but we invited all Red Hatters to stand together against racism. Red Hatters around the world published their personal resolution to diversity and inclusion on an intranet site called "I commit."

I commit to fighting voter suppression.

I commit to growing my understanding of my own privilege and bias.

I commit to listen to and learn from the perspectives of underrepresented minorities.



I commit.

A diverse, inclusive meritocracy is our aspiration for Red Hat. We don't "do" inclusion; we live it.

What will you commit to?

I commit to do my part in creating actual change to dismantle systemic racism.

Me comprometo a fomentar una cultura inclusiva.

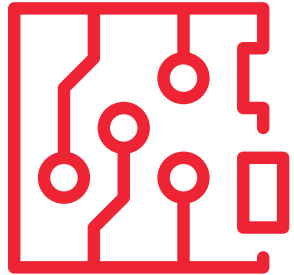
I commit to seeking diverse perspectives.

I commit to amplifying the voices of others to ensure they are heard and recognized.

"I want to say this unambiguously: Red Hat is not indifferent. We stand in solidarity with the Black community—our colleagues, customers, partners, and neighbors—and all who are hurting right now in the fight against racism and injustice."

Paul Cormier

President and Chief Executive Officer, Red Hat



Corporate citizenship

Red Hat is committed to using open source principles to do good in the communities where we live and work. We do our best when we do good together, whether that's through our work supporting nonprofits, the time we spend volunteering (remotely or virtually), or the programs we create to reach the next generation of technologists.





Philanthropy

Red Hat provides targeted corporate contributions to qualified nonprofit organizations in the communities where we operate. Red Hat's historical focus has been on funding programs that provide for basic human needs, health, and STEM education. Though our funding priorities did not change during the pandemic, our program delivery and engagement with Red Hat associates dramatically shifted in a number of ways.

For example, we made several changes to our U.S. annual "holiday" donation in response to the pandemic. Normally this donation happens at the end of the year, but recognizing that charities were in need of immediate assistance, we accelerated the process and donation to July. We also chose to increase our donation and focus on charities directly involved in COVID-19 relief efforts. We still followed our usual open process, asking Red Hatters in the United States to nominate charities, then voting on which charities should receive the donation. In total, Red Hat donated US\$100,000 to five nonprofits directly involved with COVID-19 relief efforts.

Globally, we designed and sold Red Hat-branded masks for associates, raising more than US\$17,000 for the World Health Organization's COVID-19 Solidarity Response Fund.

In addition, when Red Hat offices closed, we were able to reallocate planned office-related expenses and create volunteer drives that supported a wide range of local charities in new ways. Here are some examples.

In the Czech Republic

associates donated unused meal vouchers and cafeteria points to organizations supplying food, medical supplies, and books to those in need.

Offices in the Asia-Pacific region

donated their June activity budgets, allowing each office to select a charity to receive a donation for World Environment Day.

LATAM associates

collected and distributed toys and medical supply kits to organizations working primarily with children in Argentina, Brazil, Colombia, Mexico, and Peru.

Our Singapore office

donated bottles of hand sanitizer to Willing Hearts Singapore and St. Luke's ElderCare.

In total, Red Hat donated more than US\$4.5 million to charitable and educational causes, more than double the previous reported year.

In 2020, Red Hat also matched more than US\$875,000 in Red Hatter donations to 2,000+ charities, a greater than 40% increase over the prior reported year. Some of our top charities for matching included World Central Kitchen, the United Nations Foundation's COVID-19 Solidarity Response Fund, Doctors Without Borders, the NAACP Legal Defense Fund, and a number of local food banks.

Cards for cancer awareness

In October, our U.S. Red Hatters typically participate in cancer awareness events and fundraisers, but with offices closed, our usual in-person activities were canceled. Many Red Hatters expressed that they missed the camaraderie that comes from seeing their colleagues in person, and one group of our associates responded with an idea to create connections that also benefited cancer research.

The Red Hat Cares about a Cure for Cancer community proposed note cards that Red Hatters could send to thank, support, and share with one another. They solicited artwork from fellow associates and sold the cards internally to raise money for cancer charities.

More than 100 original designs were submitted by Red Hatters for the campaign. After narrowing the field down, the

committee asked Red Hatters to vote on which three designs would be made into notecards and sold internally. Through the sale of the notecards and other fundraisers, the Red Hat Cares about a Cure for Cancer community raised more than US\$8,000 for the American Cancer Society and Alex's Lemonade Stand, a nonprofit organization focused on children's cancer.



"Right now, many of us are unable to hug the people we love. So I designed a pattern you can give as a placeholder hug until the world is safer and healthier."

Abigail Ojeda

Marketing Communications Specialist, Red Hat





Primary and secondary education

Red Hat parents—and Red Hat—found creative ways to help students continue their education, even when facing the new challenge of learning from home. When schools started closing, Red Hatters created a community-sourced resource of online education materials. The list, “WFH with the kids,” featured contributions by more than 80 different Red Hatters, each described and categorized by subject area, age level, and language. This list of online learning tools proved to be a popular resource—during one week in March alone, it was consulted by nearly 1,200 Red Hatters.

Meanwhile, Co.Lab, Red Hat’s workshop program that teaches students the principles of open source, shifted focus to providing STEM enrichment kits (with appropriate tutorials) designed so that an average 10- to 13-year-old child would be able to complete the projects in their own home.

Red Hat worked with SparkFun, an open source hardware developer and vendor, to release two Red Hat Co.Lab STEM kits: a robot and an open source farm.

The Co.Lab Robot Kit², released in conjunction with the Open Source Stories documentary, “How to Start a Robot Revolution”, includes everything needed to build an open source robot that can scroll a name in lights, run a maze, and follow a line.

The Co.Lab Farm Kit³ was inspired by our film, “Farming for the Future”, and includes three activities in which students create their own mini-farm while learning circuitry basics. They can also watch the film to learn how open source, agriculture, and education are coming together for a fresh perspective on the food system.

Historically, Co.Lab holds hands-on workshops, conducted at schools or offsite locations like museums and maker spaces. Recognizing the need for a new approach during the pandemic, Co.Lab began planning a series of online workshops so Red Hat could reach students in different ways while continuing our mission of encouraging creative approaches to problem solving.

Co.Lab piloted online, instructor-facilitated workshops where children learned the basics of circuit design by building an LED greeting card. This pilot allowed Co.Lab to refine its approach to teaching hands-on workshops online, as well as providing instructors experience with this new delivery method.

A key component of Red Hat’s brand, and at the heart of our mission statement, is our commitment to serve as a catalyst in communities. As part of our virtual workshop model, we sent students two Co.Lab kits for the workshops: one to build with our team, and one to use while teaching someone else. By giving Co.Lab students the resources they need to become instructors, they are, in turn, giving back to their own communities.

As part of our global expansion of Co.Lab, our LATAM team launched educational repositories in Spanish and Portuguese, giving students localized access to workshops and experiments.

Co.Lab’s program was so successful throughout 2020 that it won the E-Skills Initiative of the Year through the Women in IT Awards. The program was praised for expanding from a small, local project to a global program in two short years, and for making tech education accessible and innovative.

Finally, recognizing that instructors teaching virtual classes had more need than ever for the variety and additional perspective that a guest speaker can provide, Red Hat created the K-12 STEM Speakers Bureau. For years we have worked with schools to provide speakers as requested, but the K-12 STEM Speakers Bureau allows that process to scale. Red Hatters from across the company volunteered their time and expertise to create presentations on the three topics that form the initial speakers bureau offering: Diversity in STEM, Non-traditional Career Paths to STEM, and Introduction to Open Source.

Higher education

Red Hat seeks to positively affect the educational ecosystem through our research collaborations with universities, open source coursework and training programs for academic institutions, and internship experiences for students.

Through our internship programs, we aim to attract, develop, and retain a pipeline of diverse early talent, while providing college students with meaningful work experience. In 2020, we hosted 550 interns globally.

The 2020 North American Intern Program held the distinction of being both our largest-ever intern class with 211 interns as well as our first-ever remote internship program. Red Hat shifted to virtual delivery

of the internship program 30 days before our first summer interns were due to start, quickly scheduling orientation and training sessions with the goals of rolling out the remote program format, answering intern questions, and putting the new interns at ease as they adapted to a professional environment in an online setting.

We also developed a new relationship with Shaw University, a renowned historically Black university located in Raleigh, North Carolina. This collaboration aims to help the university grow their computer science department by providing mentoring, training, and opportunities for certifications, as well as internships for their students.

EMEA Graduates Programme

Red Hat's Europe, Middle East, and Africa (EMEA) Graduates Programme is designed to attract, develop, and progress the next generation of Red Hatters, offering recent graduates in pre-sales, services, and user experience design extensive technical and soft-skill training to complement mentorship and meaningful work experience. During the pandemic, the program filled roles through a new, fully virtual hiring process.



Open source community



Mentorship



Red Hat technical certification



Training

2017–2020 cohorts:

58

Graduates hired

37%

Women

7

Countries

France | Germany | Ireland | Spain
Sweden | Switzerland | UK

90%

Graduates still working at Red Hat

2020 cohort:

16

Graduates hired

50%

Women

3

Countries

Ireland | Spain | UK

Red Hat Academy

Red Hat Academy bridges the gap between education and industry by integrating our Red Hat technology training program into curricula across the globe. From four-year universities to vocational schools, membership to Red Hat Academy is offered free of charge to qualifying institutions that are fully accredited, not-for-profit, and degree granting.

The shift to virtual learning caused by the pandemic created challenges for Red Hat Academy students who needed to access our labs outside of physical classrooms, where we offer a free, do-it-yourself lab solution. In collaboration with our lab partners, Network Development Group, Infosec, and IBM, we provided our academic partners with discounted and no-cost options to access Red Hat labs within their cloud environment to accommodate the move to remote learning.

Red Hat sees education as an investment in the next generation, and our Adopt an Academy program amplifies this investment by involving passionate Red Hatters. Using their industry and technical experience, volunteers motivate, guide, and connect with our instructors and students through virtual lectures, student mentorships, online workshops, and other engagements at more than 100 institutions worldwide.

By building closer relationships with academic institutions, collaborating with our academy team and partners, and providing industry-led curriculum through a manageable platform, we empower communities by providing access to necessary IT skills. Even through the challenges that a global pandemic poses, our dedication to open source and educating the next generation of IT leaders on our open source principles remains.

Red Hat Academy at a glance

2,100+

academies across
90 countries

570+

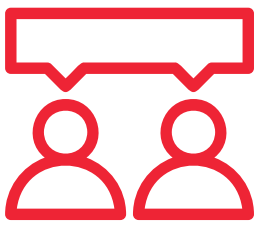
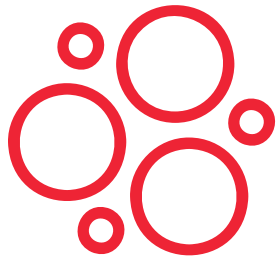
academies teaching
Red Hat courses
across the globe

Nearly

12,000

students learning
Red Hat principles
and technologies

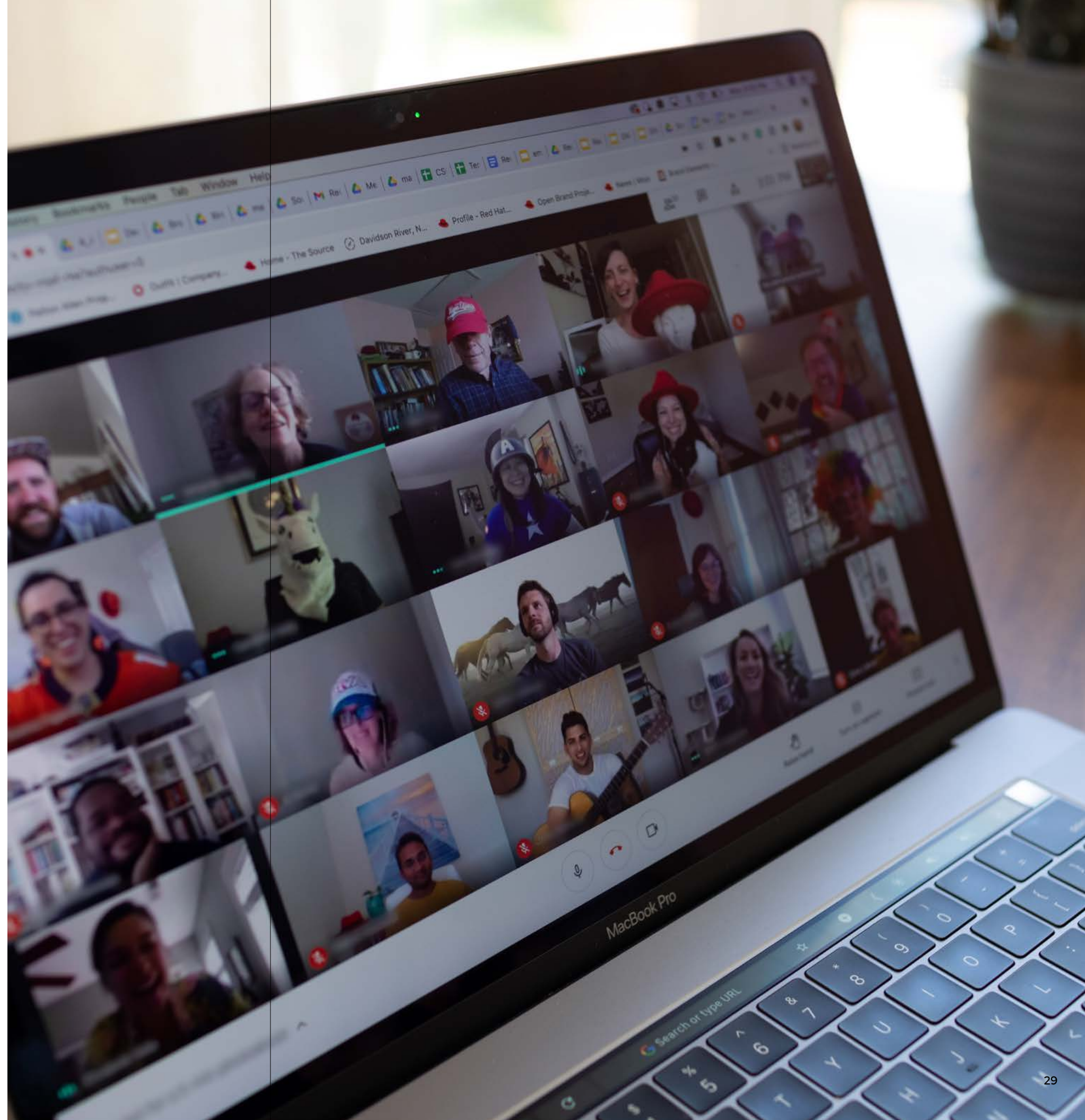




People and company culture

At Red Hat, we believe that open unlocks the world's potential. It is what we strive for—both collectively and in our individual roles—and it's the heart of everything we do.

Our open culture is based on the connections between Red Hatters, and it is what allows them to use their strengths and do their best work. The pandemic presented challenges that often seemed insurmountable, both at work and in our personal lives, but the open practices embedded in our organization allowed Red Hat to support associates so they could continue to lead—at work, at home, and in their communities.



Awards received by Red Hat in 2020.

-  **3rd** on *Forbes* Global 2000 list of the World's Best Employers
-  **48th** on 2020 *Fortune* 100 Best Companies to Work For
-  **9th** in *Fortune* Best Workplaces in Technology
-  **19th** in *Fortune* Best Workplaces for Millennials
-  **58th** in *Fortune* Best Workplaces for Parents
-  **5th** in the IT Employer category by the Czech Republic Association of Students and Graduates
-  **41st** in Great Places to Work in Technology for Red Hat Brazil (a five spot improvement from 2019)

Associates at a glance

 **17,000+**

As of December 2020, we had more than 17,000 associates in 110 locations across 48 countries.

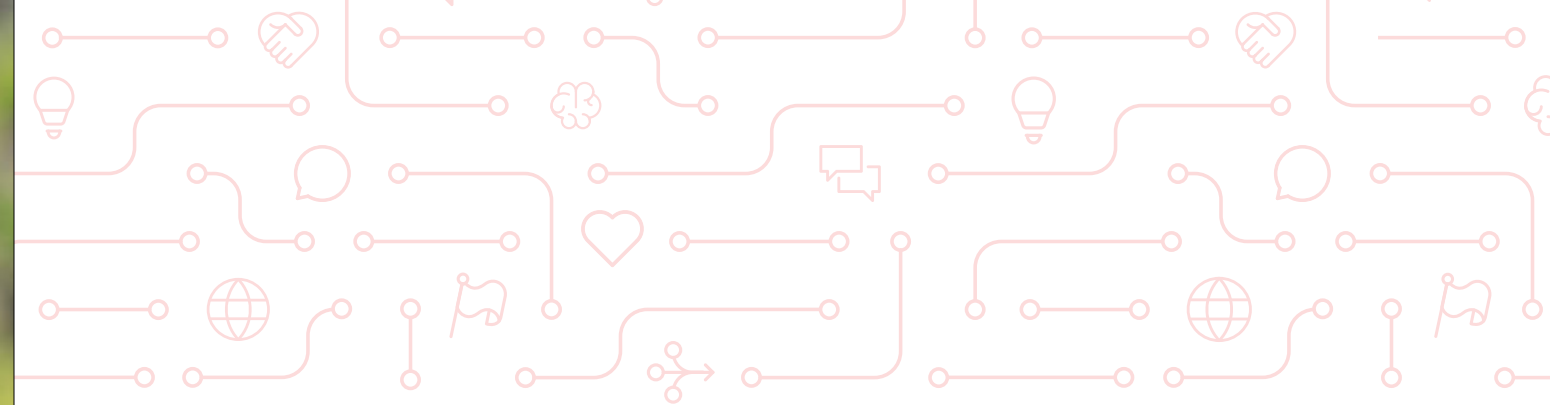
 Red Hat office locations





Diversity and inclusion

Red Hat's culture is deeply rooted in the principles of collaboration, and we believe that an inclusive environment that values diverse perspectives is essential for everyone to contribute their best ideas. We believe having more voices at the table lets us see challenges from new angles, leading to better and more innovative solutions to today's complex problems.



Diversity and inclusion communities

Red Hat diversity and inclusion (D&I) communities are global, associate-led groups focused on fostering diversity and inclusion, knowledge sharing, learning and development, and relationship building.

Red Hat's D&I communities continued to serve as important connections for associates through creative adaptations of events that met pandemic safety guidelines. Highlights included cook-alongs that showcased Hispanic cuisine with Unidos; work/life balance sessions with our Women's Leadership community; a Juneteenth celebration and voter education session with B.U.I.L.D.; a virtual Veteran's Day Race with our Military Veterans; and a series of educational and celebratory events focused on allyship and supporting transgender visibility day hosted by Pride, Red Hat's community for LGBTQA+ associates and allies.

Open sourcing your transition

In both a blog post and internal virtual talk during Pride Month, Red Hatter Allie DeVolder shared how Red Hat's open source principles—transparency, collaboration, release early and often, inclusive meritocracy, and community—impact transitioning, and how she applied these principles to her own experience.

Beginning with legally changing her name and continuing through the process of acquiring a new birth certificate, Allie compiled all of her research into packets

that she shared with local transgender support groups. She also created an editable online document with resources on transitioning, such as U.S. federal processes for name changing, and the name change process within Red Hat.

Through transparency and collaboration, this document has become an ever-expanding resource for the Red Hat Pride community, with contributions from transgender and non-binary Red Hatters and allies all over the world.



"My gender transition was, and continues to be, guided by open source principles. As an early adopter of open source, I've been using the principles to bring value to my life and guide my transition out of the closet."

Allie DeVolder
Principal Technical Support Engineer, Red Hat

D&I education

Throughout 2020, Red Hatters designed, developed, and delivered new and enhanced D&I learning and training through Red Hat University. These courses included:

See bias/Block bias

Associates learn to define bias, differentiate unconscious bias from conscious bias, identify common types of bias, and apply strategies and practical tips for ensuring that performance standards are fairly and consistently applied during talent evaluations. Red Hat managers are encouraged to take this course.

Open management practices create an environment of belonging, respect, and mutual support

One of a seven-part series that aims to teach managers the skills needed to create an environment in which associates feel safe to experiment, challenge the status quo, share information, and support one another while also focusing on high performance.

Unconscious bias

Understanding bias to unleash potential: associates are taught ways to operate more fairly and effectively by identifying unconscious biases and their true impacts. Participants practice skills and commit to actions to address the biases that limit individual performance and the performance of others.

Inclusive team dynamics

Provides tools to promote trust and psychological safety within teams. Associates learn to recognize how diversity on a team spurs innovation, identify roadblocks that may prevent us from tapping the potential of diverse teams, and apply inclusive language and behaviors in the workplace.

Online community caretakers

A live training required for those who have volunteered to monitor and guide Red Hat's internal online forums. This course presents the roles and responsibilities of an online community caretaker, reviewing the intent of our internal open communication platforms and introducing a workflow to help keep the communications that occur on these platforms healthy and relevant.

Right for Red Hat

Lets Red Hatters see and block bias in all phases of the interview process, as well as provide a positive and consistent candidate experience. Upon completion of this course, participants will be able to establish appropriate hiring criteria, prepare for the interview, conduct the interview effectively, evaluate candidates fairly, and onboard the selected candidate.

Becoming a LGBTQ+ ally

Helps associates to understand what being an ally means at Red Hat and provides context to help them be the best ally they can be. Red Hatters learn to communicate Red Hat's commitment to diversity and understand their role as allies to the LGBTQ+ associates at Red Hat.

Mentor's journey updates

A course designed for those who are currently a mentor or thinking about becoming a mentor. Participants are taught the skills needed to form a partnership built on trust and clear expectations. They learn to diagnose a mentee's needs accurately; create sustainable, actionable developmental items; assess progress; and determine how to best conclude the mentoring relationship.



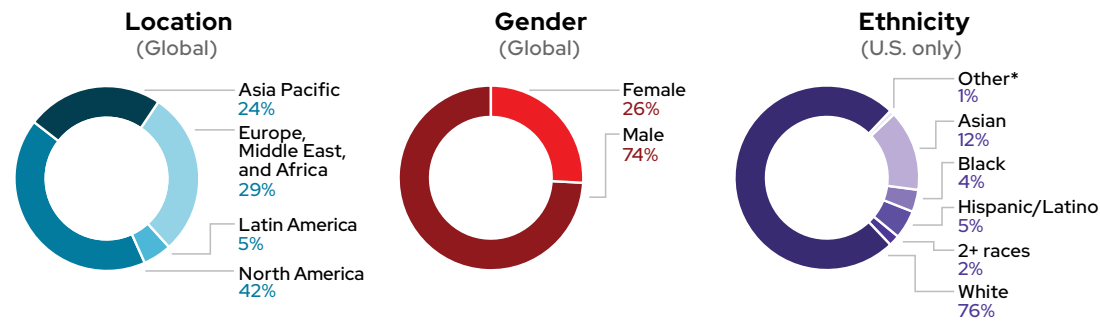
Growing a more diverse tech workforce

In addition to new course offerings, Red Hat is working to encourage the next generation of software developers, with a focus on supporting programs that encourage more diverse participation in science and engineering at the university level. Along with our intern programs, this year Red Hat participated in a new program, the Leadership Academy, launched by University of Massachusetts at Amherst. This program, which was supported by Red Hat along with several other companies, was designed to provide opportunities for students who had seen their internship offers disappear.

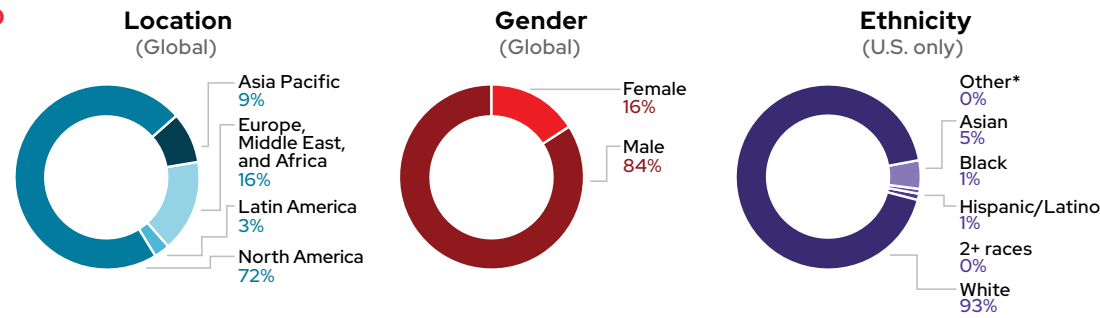
The Leadership Academy offers an online, fast-paced accelerator program for students of color and women to kickstart their journeys in technology and engineering. For many students, but especially those who are traditionally underrepresented in technology, internships play a substantial role in learning and making industry connections. The Leadership Academy helps students develop their professional skills and learn how to communicate in a workplace environment, and assists them in navigating early career challenges. Providing more educational opportunities for underrepresented groups furthers Red Hat's goal of increasing diversity across open source communities.

Diversity at a glance (as of Dec 2020)

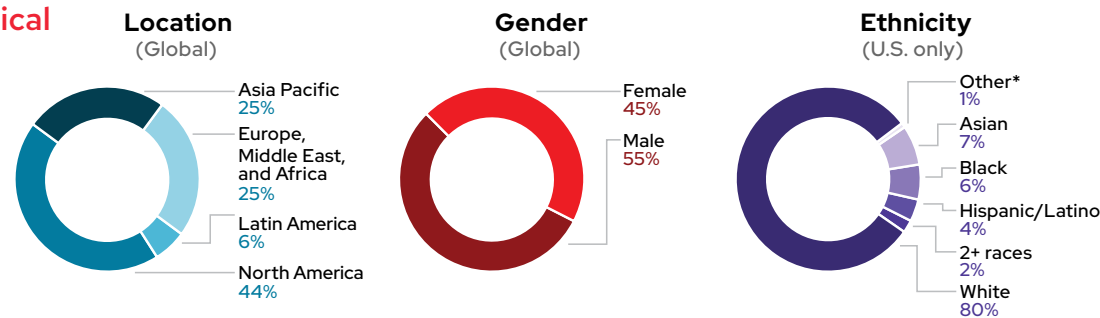
Red Hat overall



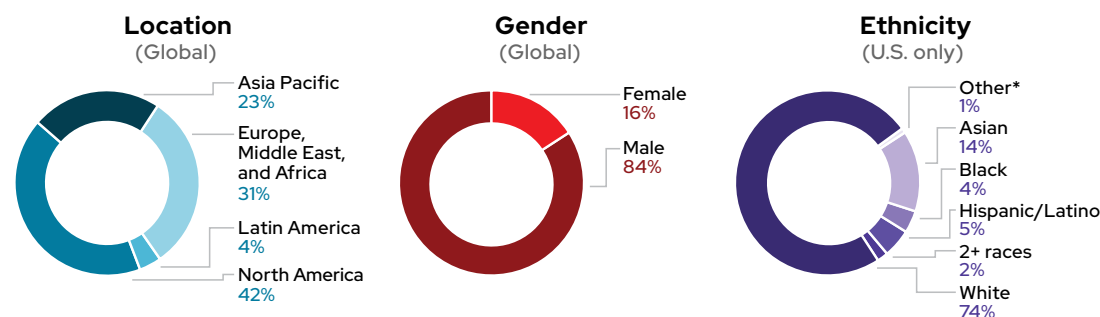
Leadership



Non-technical



Technical



Data is from December 2020. Data for gender represents the global Red Hat population. Data for ethnicity represents only the U.S. Red Hat population, and terms reflect the U.S. government's reporting requirements. Percentages may not add up to 100% due to rounding.

Leadership data includes those at or above the vice president level. Non-technical and Technical data excludes those at or above the vice president level. Other includes American Indian, Alaskan Native, Native Hawaiian, and Pacific Islander.



Our priority: Our people

The unexpected hurdles of 2020 created moments of isolation, doubt, and uncertainty, but Red Hatters came together to support one another. Through stress reduction seminars, grief webinars, town halls, biweekly updates, and management support, we were reminded that we are all in this together.

Supporting associates

Prior to the pandemic, approximately one-third of all Red Hatters were remote workers. Even so, shifting the majority of our associates to remote work presented its own set of challenges. Our associates' health and safety were our primary concerns, and it was our culture of collaboration and transparency that allowed us to be successful.

In addition to learning how to effectively work from home, associates were also adjusting to the blurred lines between their professional and personal lives. Keeping Red Hatters engaged and connected during a time of isolation was imperative to maintaining a positive and inclusive culture.

Members of our communications team worked with contributors across Red Hat to develop a newsletter called "In this together." Sent to the entire company,

each issue begins with a personal note from a different senior leader and features business updates, tips for self-care, information on resiliency, and other relevant resources. The recurring themes of this newsletter were unity and togetherness, and on taking care of one another, our families, and our communities.

Throughout the pandemic, Red Hat's message to associates was consistent: "You are our first priority." To help people deal with their feelings of grief, we brought on a trauma and loss expert to host a webinar series titled "What now, 2020?" The half-hour sessions were attended by hundreds of employees, who were able to speak with the counselor who facilitated the session, as well as share their feelings with one another via chat.

Culture on a Plate

Red Hatters also found new ways to create the sort of connections once made in offices. In EMEA, Red Hatters launched Culture on a Plate, an initiative developed to help Red Hatters in EMEA stay connected, even when working from home. New hires were matched with long-time associates based on individual preferences and scheduled their own time to meet colleagues for a virtual tea or coffee. By September, more than 1,000 associates representing 19 countries had been connected, and the program is slated for global expansion.

“The initiative has helped me a lot with my onboarding. I joined Red Hat in March, and I haven’t had the chance to socialize with Red Hatters face to face. Even though Culture on a Plate meetings are not in-person, they are a nice way to get to know other aspects of the company outside of one’s team/organization.”

Jaime Ramírez

Services Content Architect, Red Hat

Supporting managers

Each year, associates are invited to take part in the annual Red Hat Associate Survey, as well as a supplemental pulse survey in between. Feedback from the summer 2020 pulse survey indicated that managers play a critical role in the daily experiences that Red Hatters have at work.

In 2020, associates came together to articulate a set of Open Management Practices that define what good management looks like at Red Hat, with an emphasis on diversity, inclusion, and belonging. Red Hat University launched a series of seven e-learning courses to create awareness and adoption of the Open Management Practices. The courses serve as a useful guide to help managers lead their teams and focus on the most important aspect of people management: the people.

Throughout the pandemic, managers were encouraged to provide flexibility for associates to balance home and work priorities. In March 2020, a newsletter titled

“Managing in turbulent times” was launched to provide managers with personal support and resources to support their teams.

The newsletter features a personal message from a different people manager each month and includes links to relevant courses, job aids, articles, and other content. Newsletter topics have included empathy, flexibility and balance, grief, resilience, distributed work, fostering connection and inclusion, well-being, psychological safety, gratitude, and recognition.

More than 90% of survey respondents have indicated that the newsletter was valuable to them.

Finally, we developed a program to allow associates to recognize their direct manager or another manager for demonstrating the Open Management Practices and for being supportive through the pandemic. In 2020, 650 electronic thank-you certificates were awarded to people managers.



It's Showtime

The Show, which first aired in 2006, is a quarterly video series created in-house to showcase Red Hat’s culture for associates. From funny skits to business milestones to event highlights, The Show connects associates around the world through storytelling. Prior to the pandemic, many associates would gather in person to watch The Show in their local offices.

In the wake of COVID-19, the team behind The Show transitioned to remote filming, creatively using footage that Red Hatters around the world recorded on video conferencing software and personal cell phones.

Subject matter had to shift along with production techniques. One recurring segment showcasing events happening at offices around the globe became a look into Red Hatters’ home offices. These glimpses into our home lives spawned a segment entirely dedicated to Red Hat pets, where associates submitted photos and videos of their furry coworkers, showing how they make working from home a bit more fun.

In order to build the sort of excitement that in-person viewings once generated, The Show introduced a bingo game to connect associates through friendly competition. Prior to each episode, Red Hatters downloaded a bingo card with squares corresponding to scenes from the episode. Associates who got bingo submitted a photo of their winning card for a chance to win a prize.

As it turned out, going fully remote turned into an opportunity to reach even more associates, as Red Hatters around the world were able to join in on the fun. The Show was such a hit that associates started hosting virtual viewing parties. Chat logs filled with Red Hatter appreciation for this continuation of our company culture, and the positive feedback only seems to increase with each new episode.

“Loved all the adorable pets!!! So much fun, nothing makes me glad to be a Red Hatter quite like The Show does!”

Kaylin Spence

Business Analyst, Red Hat

Benefits

From the beginning of the pandemic, one of Red Hat's top priorities was providing our associates with financial stability and flexibility.

- First-quarter bonuses were paid ahead of schedule, providing an additional financial cushion during a period of economic instability.
- Two financial allowances were provided to Red Hatters so they could buy ergonomic furniture, computer hardware, or similar items needed to create a safe and productive workplace at home.
- Associates in the United States were given an additional month to use the remainder of their 2020 time off, and we provided additional time-off flexibility to many of our global associates.
- Quarterly recharge days were added as a day for all associates to rest and reset. This benefit provided Red Hatters with an extra day off every quarter and was scheduled at the same time for the entire company, allowing everyone the freedom to have a day off without having to worry about emails piling up. The specific date each quarter was chosen by an associate vote from among available options, which were always Fridays or Mondays, creating three-day weekends.

In addition, several other major changes were announced in 2020.

United States

- Enhanced paid family medical leave
- Additional support for birth mothers by providing short-term disability to recover from birth, in addition to the paid parental leave benefit
- Expanded family support for Red Hatters, including a new surrogacy reimbursement benefit
- Increased adoption reimbursement to align with the lifetime maximum amounts for conception and the new surrogacy benefit

Global

- Associates in 15 countries were given access to participate in the IBM Employee Stock Purchase Program, allowing them to buy stock at 5% off of the average IBM market price on the date of purchase
- Introduced more flexible and aligned benefit solutions in multiple countries, including meal and childcare reimbursement allowances
- Introduced additional retirement plans to support financial wellbeing in Thailand and Poland
- Introduced new benefits to support associate wellbeing, including health checks in Chile and a chronic illness benefit in South Africa
- Expanded maternity leave and paternity leave programs in Brazil



Training and development

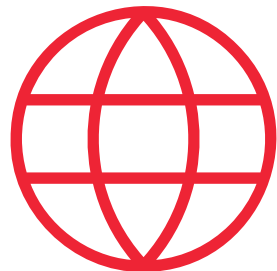
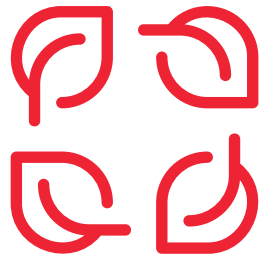
Red Hat University, our in-house training organization, successfully transitioned to an all-virtual delivery of the curriculum, allowing us to reach 10% more associates and offer 14% more classes than in 2019. Our Red Hat University course evaluation survey showed that associate satisfaction with virtual classes steadily increased throughout 2020, and many associates expressed their appreciation that learning and development opportunities remained available despite the global pandemic challenges.

By transitioning 34 in-person classes to online, we were able to adapt them to better fit the needs of Red Hatters balancing work and home life. One-day courses were redesigned and split over multiple days, and internal and external facilitators were rapidly certified to meet the increased demand.

In addition to Red Hat University's e-learning courses for managers, we launched a series of virtual workshops to provide people managers with the tools they need to support scheduled manager activities and address changing business needs. These interactive workshops were held twice to accommodate different time zones and covered topics such as talent review and calibration, onboarding in a virtual environment, effective conversations around performance and development and careers, and Red Hat Associate Survey results. In survey feedback, 93% of respondents indicated that they would recommend the manager workshops to others.

Environment and sustainability

Red Hat strives to reduce our environmental impact through programs that incorporate sustainability into business practices throughout the company. In 2020, the workplace landscape changed, with our global associate population spending a significant proportion of the year working at home rather than in our offices. This had an impact on the carbon footprint associated with operations in our offices, and also presented us with opportunities to collaborate with associates in their own ambitions to be sustainable at home and outside of the office.



Impact on the environment

Red Hat continues to build systems to transparently monitor and report our environmental impacts and emissions across the spectrum of our operations. 2020 was a unique year in reviewing the emissions associated with our operational footprint. Key metrics regarding the efficiency of the buildings we occupy include:

On average, electricity consumption was reduced by 23% last year in directly managed offices across our global portfolio. This variation in reduction has been dependent on a number of factors, including geographic location, differences in occupancy through the year, and use and role of the building.

Water consumption was down across a number of our key global office locations, including a 67% reduction at one of our offices in Bangalore and a 13% reduction at our Raleigh headquarters compared to the same period in 2019.

Travel initiatives

Red Hat also used the restrictions on travel imposed by the pandemic as an opportunity to refine our approach to sustainable travel and manage our travel-related impacts. We collaborated with our business travel management company to ensure their emissions-insight tool analyzed and graphically presented the carbon emissions associated with every journey we make. This tool, which is now live and integrated into our travel booking processes, will help guide our

decisions around when to travel for business, and when travel is necessary, provide us with information to choose lower carbon travel options.

Using this tool, we were able to manage and track our 2020 business travel and associated emissions. Red Hat's air travel peaked at just over 10 million miles in January 2020, then understandably declined to nearly zero by June, remaining there for the rest of the year.



Office initiatives

While our offices were closed, we were able to implement initiatives to address some of our key operational sustainability impacts. Here are some examples.

In Raleigh and Brisbane, we worked with the building owners to turn off office cooling systems during periods of unoccupancy. We also coordinated officewide switch-off programs for all appliances, such as refrigerators and printers.

In Melbourne, we collaborated with our landlord and other building occupants through an environmental network, working to minimize contamination of recycling bins and improve waste recycling streams through the introduction of e-waste collections and an on-site dehydrator that repurposes organic waste streams into soil food for both commercial and domestic use.

In multiple locations, we introduced new waste bins in anticipation of associates' return to the office. These new bins aim to keep particularly problematic waste items out of landfills to mitigate their harmful effect on the environment.

- **Raleigh:** We added new bins exclusively for paper towels so that they can be processed through our dedicated composting waste stream.
- **Melbourne:** Personal protective equipment (PPE) bins have been installed throughout the building. The PPE is collected through the building's clinical waste system and incinerated, thus never reaching the landfill.
- **Brisbane:** Working with a dedicated soft plastics recycling provider, Red Hat has installed dedicated bins to divert grocery bags and candy wrappers from landfills.

World Environment Day

On June 5 each year, Red Hatters around the globe celebrate World Environment Day, which encourages awareness and action for the protection of the environment. The global theme for 2020 was biodiversity.

Because all celebrations were virtual this year, we asked Red Hatters to send two-minute video clips demonstrating how they support or protect biodiversity at home. Associates showed their awareness of biodiversity's importance through videos on a wide

range of topics, including home vegetable gardening and showcasing the diversity of wildlife in their own backyard.

The top videos were compiled to create a montage for Red Hatters to enjoy. Along with their videos demonstrating the importance of biodiversity, associates also shared photos of their local natural scenery, inspiring others to go outdoors and appreciate the beauty that surrounds us.



Jim Craig
Remote, UK

Sustainability at home

Red Hat used one of the weekly "We're in this together" emails to launch a sustainability-at-home information resource, where associates shared ideas on how to stay healthy, reduce costs, and fight climate change. Red Hatters shared lists of sustainable food choices, tips on how to reduce water consumption and minimize daily energy use, methods for increasing natural light throughout the home, plant suggestions to provide greenery and improve air quality, and reminders to take time to go outside and exercise.



Gisa Steiner
Remote, Germany



Sander Snel
Remote, Netherlands



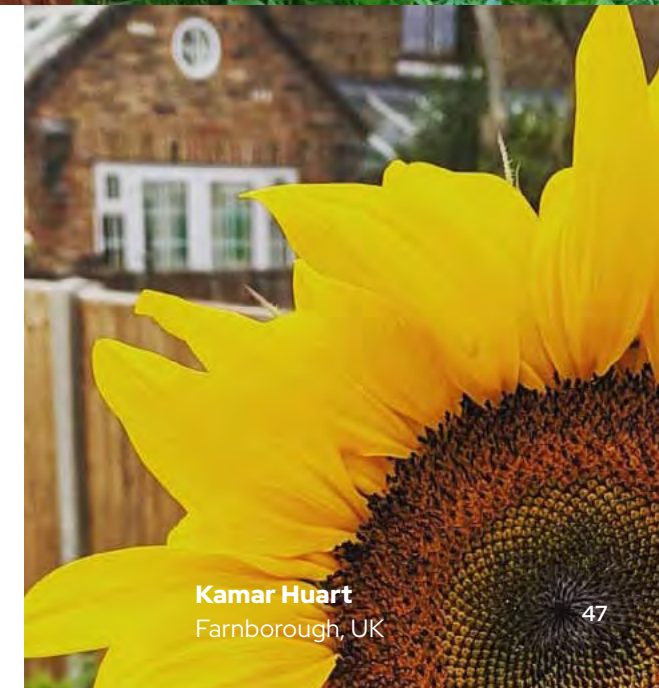
Brigitte Kraft
Remote, Germany



Ryan Mullett
Remote, California

New community of practice

Addressing climate change is an important issue for many Red Hatters, and interest in evolving our business strategy to manage risks and lower our carbon footprint led to a group of Red Hatters coming together in 2020 to found a new associate-led Climate Change Community of Practice. The community's goal is to support Red Hat in developing and implementing sustainability targets and initiatives both operationally and across core business activities.

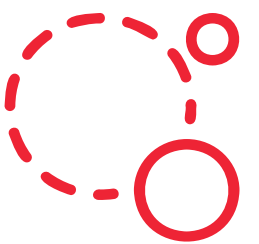


Kamar Huart
Farnborough, UK



Champions of software freedom

Open source software gains its strength from diverse communities of developers around the world. For more than 25 years, Red Hat has invested in open source projects and technologies, protected and promoted initiatives to advance the health of open source licensing, and recruited developers who actively participate in open projects across the IT stack.



General Public License (GPL) Cooperation Commitment

In September 2020, Red Hat announced that 17 additional companies joined the GPL Cooperation Commitment, including Capital One, Comcast, Lenovo, LG Electronics, NetApp, and Volvo Car Corporation.

The GPL Cooperation Commitment was created in 2017 by Red Hat, IBM, Facebook, and Google as a means for owners of GPLv2-licensed code to provide opportunities for licensees to correct license compliance before taking action to terminate the licenses.

Today, there are a total of 60 companies participating in this effort, committed to the belief that open source license enforcement should be conducted fairly, rationally, and predictably. Red Hat's leadership in this initiative is consistent with our goal to protect the open source ecosystem by creating a norm for appropriate license enforcement tactics.

"The continued success of the GPL Cooperation Commitment shows that the open source community is taking a stand against the threats posed by irresponsible litigation, in favor of the long-standing open source principle of collaboration. This commitment seeks to reduce uncertainty and to ensure that enforcement is responsibly exercised. Its momentum sends a clear message across multiple industries that open source compliance should be conducted in a fair and reasonable manner and not for the purpose of monetizing minor infractions."

David Levine

Vice President and Associate General Counsel, Red Hat

Open Invention Network (OIN)'s 15th anniversary

In November 2020, OIN, the world's largest patent non-aggression consortium, celebrated its 15th anniversary. What began as a project between Red Hat, IBM, Novell, Philips, and Sony has grown to more than 3,400 members joined in protecting Linux and related open source software from patent threats.

Last year, OIN expanded the protected zone of open source technologies to include core packages from Hyperledger, Apache Avro, Kafka, Spark, Hadoop, Automotive Grade Linux (AGL), Robot Operating System (ROS), KDE Frameworks, Android AOSP 10, Eclipse Paho, Eclipse Mosquitto, and others.

The OIN license also includes Linux implementations of the Extended File Allocation Table file system (exFAT), which is now available royalty-free to OIN members. This expansion includes 520 new software components, bringing the number of Linux System-protected packages to more than 3,300.

Today, OIN's members together hold over 2.6 million patents, which are cross-licensed royalty-free to other OIN members. This ensures that the patents are not used offensively against other OIN members for Linux system protected packages.

Red Hat is a proud contributor to all aspects of the software stack, from the operating system and developer toolchain, to middleware, desktop, and cloud. We financially support a number of open source organizations who help us create and maintain better open source software. We also contribute to a wide range of standardization efforts that help define future, interoperable technologies.

Organizations we joined in 2020 include:

- BIAN (Banking Industry Architecture Network)
- Fintech Open Source Foundation (FINOS)
- Open Source Security Foundation (OpenSSF)
- Enabling Linux in Safety Applications (ELISA)
- MLCommons
- The WIT Network

Additionally, we joined the following working groups within the Eclipse Foundation:

- Adoptium Working Group
- AsciiDoc Working Group
- MicroProfile Working Group

Open Source Program Office (OSPO)

Red Hat's Open Source Program Office (OSPO) comprises Red Hatters with extensive experience creating, developing, and managing open source projects, communities, and standards. The team also translates open source community management expertise into meaningful insights for Red Hat and its associates. This sharing includes extending the same expertise to customers, partners, and others outside the company, and providing a content-rich reference library to the public on redhat.com.

Red Hat has a long history of collaboration and contribution in the open source ecosystem. Red Hat's financial support of the open source ecosystem has generally focused on communities and projects that are part of an open source or open standards foundation. Red Hat extended the support we provide to open source projects in December 2020, when we piloted a program to make donations to open source projects that are important to our work but do not have the formal structure of a foundation.

"2020 was an especially gratifying year for seeing the growth and formalization of open source programs being established in private industry, academia, and now in the public sector."

Deborah Bryant

Senior Director and head of OSPO, Red Hat

Associates were invited to nominate open source projects they felt Red Hat should support, and the OSPO team selected three projects from the nominees. Inkscape, the USENIX Annual Fund, and QEMU each received approximately US\$10,000 to support their ongoing efforts.



| Governance

Our open organization values transparency and accountability at all levels of decision-making. This includes ethical practice from our fellow associates, our leaders, our business partners, and our suppliers.



Privacy and security

Throughout 2020, we continued to enhance Red Hat's data privacy and security programs, particularly focusing on the European Union's General Data Protection Regulation, California's Consumer Privacy Act, and Brazil's Lei Geral de Proteção de Dados Pessoais.

We worked to improve Red Hat's alignment with prevailing industry practices in data privacy and security, including implementation of reasonable safeguards commensurate with the sensitivity of the data processed by our systems.

Ethics

Red Hat updated its Code of Business Conduct and Ethics in 2020 by including additional detail on several important topics previously covered elsewhere, such as guidance on working with government-owned or controlled entities.

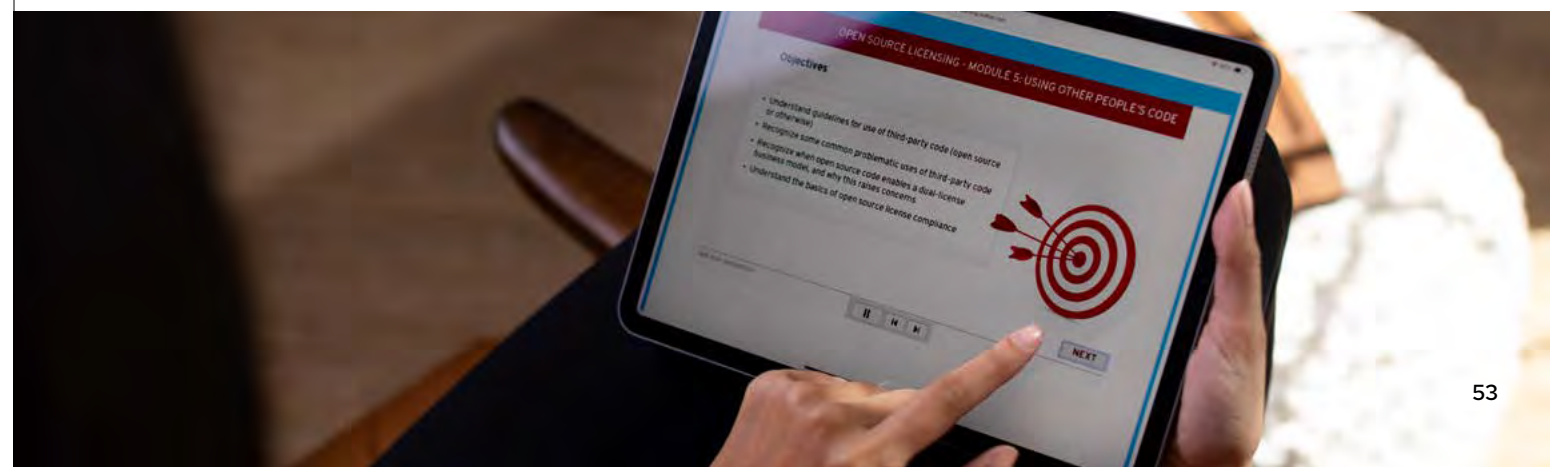
A compliance awareness session on the refreshed code was conducted during the company's annual We Are Red Hat Week, our largest internal event of the year. Additionally, associates certified their adherence to the code during Red Hat's annual compliance and ethics training. To assist Red Hatters in maintaining the highest level of ethics, we continued to provide associates with an ethics hotline, allowing them a place to voice their concerns without fear of professional repercussions.

Supply chain

Red Hat is committed to purchasing goods and services from diverse suppliers, including minority business enterprises, Women's Business Enterprises, People with Disabilities, Lesbian, Gay, Bisexual, or Transgender, HubZone small business concerns, and U.S. Historically Black Colleges and Universities and Minority Institutions.

As Red Hat grows, our impact on the environment and the community grows as well. In addition to purchasing goods from diverse suppliers, Red Hat is committed to creating a better world by doing business with suppliers who demonstrate they are environmentally and socially responsible. Red Hat believes strategic sourcing is essential for the economic success of Red Hat and the community. It is our intention to offer these businesses the opportunity to compete on an equal basis.

Our Supplier Code of Conduct is designed to ensure that our suppliers uphold the highest ethical standards and requires that Red Hatters who work with them should endeavor to deal honestly, ethically, and fairly in these relationships. In 2020, we worked with our suppliers to identify compliance issues, initiating steps to create a dashboard where we can track each phase in the supply chain and quickly spot lapses in compliance and correct them before they escalate.





“The pandemic is still impacting the world, and organizations are still feeling the effects. The challenges aren’t going away, but we’ve shown resilience, and that needs to be a trait that we keep as we move ahead. While the future holds many unknowns, one thing that is not unknown is our path forward is clear.

We must continue to take care of ourselves and each other.”

Paul Cormier
President and Chief Executive Officer

Endnotes

- 1. COVID-Net**
<https://red.ht/COVID-NetCollaboration>
- 2. Co.Lab Robot Kit**
<https://www.sparkfun.com/products/16424>
- 3. Co.Lab Farm Kit**
<https://www.sparkfun.com/products/17061>

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