Microsoft in Washington State

As one of Washington State's largest employers, providing more than 50,000 high quality, family wage jobs, Microsoft has worked for decades to enhance economic growth, create new opportunities for all, and improve quality of life for people living in Washington. This document provides an overview of Microsoft's ongoing work to support and empower communities across Washington State.

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AT HOME

Redmond Campus

As part of Microsoft's ongoing commitment to its employees and the community, Microsoft announced a significant initiative in 2017 to modernize the <u>Redmond campus</u>, encompassing 17 new buildings and 3 million square feet of new workspace and amenities. Combined with prior modernization projects, Microsoft will renovate a total of 6.7 million square feet of workspace and invest in significant transportation infrastructure improvements.



Rendering of Microsoft's updated campus in Redmond, Washington, which is currently under construction.

Microsoft provides more than 50,000 jobs in Washington state. The company is one of the largest employers in Washington state and Washington-based employees account for more than one-third of Microsoft's workforce.

Microsoft's corporate headquarters are located in Redmond, Washington, which

encompasses 520 acres of land and over 100 buildings in the Puget Sound region. The Puget Sound campus has approximately 15 million square feet of office space and labs located in King County that are used for engineering, sales, marketing, and operations, among other general and administrative purposes.

Employee Giving

In 2021, U.S. employees donated \$214 million, inclusive of company match, to a diverse group of organizations around the world, including many in Washington state like United Way of King County, the University of Washington, Seattle Children's Hospital, Hopelink, Fred Hutchinson Cancer Research Center, and Northwest Harvest. In 2020 alone, Microsoft and its employees raised over \$98M for non-profit organizations in Washington state.

In 2021, over 22,000 Microsoft employees donated their time through volunteering. For example, <u>Care for Students</u> is a non-profit started by a Microsoft employee when K-12 public schools shifted to remote learning in spring 2020. By January 2022, the organization grew to over 100 Microsoft volunteers who have contributed over 1,500 hours of virtual tutoring to students in the Puget Sound region. Because of Microsoft's Employee Volunteer Match program, the organization has raised \$85,000 in grants for local schools.

AFFORDABLE HOUSING

In January 2019, Microsoft launched the company's Affordable Housing Initiative to advance housing solutions in the Puget Sound region. In January 2020, Microsoft added an additional \$250 million line of credit to the Washington State Housing Finance Commission (WSHFC), bringing Microsoft's total financial commitment to affordable housing solutions in Washington state to \$750 million.

As of January 2022, Microsoft has successfully allocated \$583 million of its total \$750 million commitment, which will support the preservation or creation of over 9,200 affordable housing units.



95 Burnett apartments in Renton, WA – Microsoft supported the Renton Housing Authority's purchase with a \$17 million investment.

Activities included in the Affordable Housing Initiative include:

- **Innovative financing and development support:** In addition to financial tools that accelerate the construction of affordable housing across the region, Microsoft is working with partners to develop innovative financial models that catalyze housing development and maximize the impact of Microsoft's \$750 commitment.
- **Policy:** Affordable housing solutions require public policy changes alongside capital and investment. These changes may include modifications in zoning to allow more housing development in selected areas, contributions of public land , reducingpermitting timelines and fees, and/or creating new tax incentives for construction.

- **Data**: Microsoft's data science team continues to analyze regional trends in housing costs, job growth, and other metrics that help local decisionmakers understand the challenges and opportunities facing the Puget Sound region.
- **Homelessness**: Microsoft continues to work with public, private, and nonprofit partners to assist the unhoused population in the Puget Sound region.

For more detail, visit Microsoft's Affordable Housing Initiative website.

DIGITAL EQUITY

Microsoft TechSpark

Launched in 2017, Microsoft <u>TechSpark</u> is a civic initiative designed to foster economic opportunity and job creation in partnership with local communities. The program focuses on five areas: digital/computer science education, digital business transformation, career pathways, broadband internet, and nonprofit support.



A farm field in Quincy, WA, where Microsoft regional TechSpark manager <u>Lisa Karstetter</u> is based.

- TechSpark Washington focuses its efforts in the North Central Basin of Washington – including Okanogan, Chelan, Douglas, Grant, Adams and Ferry counties.
- The initiative works with non-profit partners like <u>NCW Tech Alliance</u> to bring free online training resources to the area. Through the <u>Apple STEM Network</u>, Microsoft has developed computer science pathways to higher education for local students. The company has also brought <u>DigiGirlz</u> programming to the region and leveraged partnerships with non-profits like Code.org, Girls Who Code, 4-H, and FFA. These organizations empower students in the North Central Basin to learn computer science and digital skills so they can pursue well-paying jobs, grow the economy, and strengthen their communities.
- As TechSpark progresses, Microsoft looks forward to announcing more partnerships and investments that will help advance economic opportunity in the North Central Basin.

Microsoft Airband Initiative

Microsoft's Airband Initiative aims to close the broadband gap and bring access to affordable high-speed internet connectivity to unconnected communities worldwide.

• In the U.S., the goal of the Airband Initiative is to extend broadband access to at least 3 million people in underserved or unserved areas by July 2022. Internationally, it aims to extend internet connectivity to at least 40 million underserved or unserved people by the same deadline.

- Microsoft is deeply committed to expanding access to permanent broadband solutions to the people of Washington state. To do this, Microsoft collaborates with internet service providers Declaration Network Group and Native Network to deliver broadband to rural parts of the state.
- To help address the connectivity crisis exacerbated by the COVID-19 pandemic, Microsoft helped set up hundreds of Wi-Fi hotspots and other wireless connectivity equipment throughout Washington state in collaboration with organizations such as the Washington State Department of Commerce, Washington State University, the Avista Foundation, and the Public Libraries Association.

EDUCATION

Microsoft consistently invests in, advocates for, and supports a high-quality educational system that meets the needs of all students and adequately prepares them for the jobs of today and the future.

Microsoft partnered with communities, employers, and institutions across the state to adopt a goal that 70% of Washington students will complete a post-high school credential by age 26. To support this goal overall and within each racial and ethnic group, Microsoft has deepened its commitment to equitable access for STEM education and opportunities.

Investments

Washington STEM

Microsoft helped co-found and continues to support <u>Washington STEM</u>, an independent nonprofit comprised of education and STEM experts committed to removing barriers to STEM education and postsecondary credentials.

Global Innovation Exchange

The Global Innovation Exchange (GIX) is an academic institute established by the University of Washington and Tsinghua University in Bellevue; it is a tech-focused graduate school and the first physical presence of a Chinese university in the U.S. In 2015, Microsoft donated \$40 million toward the Global Innovation Exchange. By 2025, GIX has the potential to educate 3,000 students.

Washington State Opportunity Scholarship

The <u>Washington State Opportunity Scholarship</u> is a first-of-its-kind, public-private scholarship that supports Washington students from low- and middle-income households attain bachelor's degrees in high-demand fields such as STEM, healthcare, and others.

- Microsoft worked with partners in the public, private, and philanthropic sectors to help create WSOS in 2011, and to date, Microsoft has donated \$50 million to the organization.
- More than 14,000 students have received financial support services from WSOS. 57% are women, 78% are students of color, and 77% are first-generation college students.
- In 2022, Microsoft supported <u>HB</u> <u>1805</u>, which expands WSOS's Rural Jobs Initiative program and



Students enrolled in the Washington State Opportunity Scholarship's Rural Jobs Initiative.

provides access for students aiming to become nurses across the state. The bill passed in March 2022.

Programs

Technology Education and Literacy in Schools (TEALS)

<u>Microsoft TEALS</u> puts technology professionals from across the technology industry into classrooms to team-teach computer science with school instructors. Through TEALS, technology professionals share their knowledge with teachers while students benefit by learning about computer science and its applications in the workplace. TEALS is now in 56 schools (68 classrooms) in Washington state.

Policies

Workforce Education Investment Act

In 2019, Microsoft supported legislation in Washington state that implements a new tax on businesses – including Microsoft – to provide funding for Washington higher education students. The resulting program, the <u>Washington College Grant</u>, invested more than \$160 million into educational opportunity for low- and moderate-income Washington students from 2019 – 2021, and today, the program continues to support students through ongoing financial support. It also provides critical additional funding to high-demand degree programs, from engineering and math programs at UW, to teacher education at Central Washington University, to nursing education at our state's community and technical colleges.

In addition, the Washington Education Investment Act establishes and funds <u>Career Connect</u> <u>Washington</u>, which connects Washington youth with career learning opportunities that prepare them for high-demand, high wage jobs.

Initiatives

Cyber Skills Initiative

Whatcom Community College

In 2021, Microsoft Philanthropies <u>granted \$1.5 million to the National Cybersecurity Training &</u> <u>Education Center (NCyTE)</u>, located at Whatcom Community College, to rapidly increase cybersecurity education and workforce capacity in the US. Programs funded by the grant have a three-fold focus: (1) preparing institutions through cybersecurity program development, ultimately for <u>Center of Academic Excellence in Cyber Defense</u> designation; (2) preparing and diversifying cybersecurity faculty at colleges, and (3) providing resources, mentorship, and partnership to colleges in support of cybersecurity program development.

Big Bend Community College

Microsoft also <u>provides support to Big Bend Community College</u> (BBCC) through their Datacenter Academy initiative, which supplies curriculum guidance, donation of hardware for a datacenter lab, scholarships targeted at underrepresented groups in IT, mentorship from Microsoft data center employees, and internships at Microsoft datacenters.

CASCADIA

Launched in September 2016, the <u>Cascadia Innovation Corridor</u> initiative is built upon a shared spirit of creativity, innovation, and entrepreneurship. The Cascadia Innovation Corridor links British Columbia, Washington state, and Oregon, and offers the opportunity to achieve innovative problem-solving and increased prosperity beyond what each region can achieve independently.

Governments, universities, research institutions and companies, including Microsoft, have joined together to tap the potential of the Cascadia region to create new and exciting economic opportunities while celebrating cultural diversity and inclusion.

In 2020, Microsoft partnered with Challenge Seattle, the Business Council of British Columbia, and Cascadia Innovation Corridor to publish "<u>Cascadia Vision</u> <u>2050</u>," a BCG study detailing how the Cascadia Innovation Corridor can serve as a global model for sustainable growth.



Microsoft President Brad Smith speaking to former Washington Governor Christine Gregoire at the 2021 Cascadia Innovation Corridor Conference.

High-Speed Rail

High-speed rail linking Portland, Seattle and Vancouver is a critical piece of infrastructure for the Cascadia Innovation Corridor that will open the door for stronger working relationships and collaboration throughout the region.

A diverse group of advocates – including the Washington State Department of Transportation (WSDOT), Challenge Seattle, Microsoft, and other regional partners – consistently support efforts to fund <u>high-speed rail in the Cascadia region</u>.

In 2022, the Washington state legislature took a major step towards this goal by allocating \$4 million to support planning for financing, governance, and public engagement of high-speed rail for the Cascadia region. In the same session, lawmakers also allocated \$150 million to serve as the state's match for federal funding to advance the continued development of that system.

RACIAL EQUITY

In June 2020, Microsoft CEO Satya Nadella announced Microsoft's <u>Racial Equity Initiative and</u> <u>commitments to address racial inequity</u>, which includes three pillars designed to support the Black and African American community in the U.S.:

- Increasing Microsoft's representation and culture of inclusion.
- Engaging Microsoft's ecosystem, supply chain, and partnerships to extend the vision of social change.
- Strengthening Microsoft's communities using the power of data, technology, and innovative partnerships.

Specifically, Microsoft announced that it will invest \$150 million in diversity and inclusion, and double the number of Black employees in leadership positions, the number of Black-owned businesses on its supplier list, and its percentage of transactions with Black-owned banks.

The company expects to make or exceed these commitments by 2025.

Washington Employers for Racial Equity

In the summer of 2020, Microsoft joined <u>Washington Employers for Racial Equity</u>, a coalition of Washington business and philanthropy leaders that aims to spend \$2 billion over the next five years to advance racial equity. The coalition arose in response to a <u>report</u> commissioned by <u>Challenge Seattle</u> and <u>Washington Roundtable</u> that compiled local and national statistics about racial disparities in workplace environments, education, and other sectors.

SUSTAINABILITY

In 2021, Microsoft supported the Climate Commitment Act in Washington state, which established a cap on carbon emissions and a revenue source for clean transportation, allowing businesses to find the most efficient path to lower carbon emissions.

At Microsoft's Redmond headquarters, a multi-year <u>campus modernization project</u> continues. Microsoft recently completed construction at the company's newest workspace, One Esterra, home to Microsoft's new standard for dining operations, which have fully transitioned from gas to all-electric. The innovative culinary experience features the unique benefits of induction cooking that can save time and effort in the cooking process, and through this switch, Microsoft significantly reduces energy usage, retains energy savings, and helps reduce the company's carbon footprint. Through green skilling investments, food service professionals, electrical engineers, and those involved in the delivery of Microsoft's One Esterra all-electric kitchen – as well as the future all-electric East Campus – Microsoft will benefit the broader industry in its efforts to develop sustainable cooking solutions and reduce emissions.

The larger effort of building all-electric kitchens across the East Campus project will build on this energy reduction and play a part in <u>Microsoft's goal of being Carbon Negative by 2030</u>.

Also in development at Microsoft's Redmond headquarters, a state-of-the-art, all-electric utility plant called the <u>Thermal Energy Center</u> will heat and cool the campus by tapping into the earth's core for temperature adjustments. This is expected to reduce energy consumption by over 50 percent compared with a typical utility plant.

JUSTICE REFORM

In Washington state, Microsoft has also advocated for initiatives to <u>address racial injustice and</u> <u>inequity</u>. In 2018 and 2019, Microsoft supported legislative action to fund Washington state's Criminal Justice Training Center, which works to improve situational de-escalation capabilities and build stronger trust between law enforcement and communities. Microsoft supported this through a \$400,000 investment to pilot the Center's 21st Century Police Leadership program.

Microsoft works with the <u>Law Enforcement Assisted Diversion (LEAD) program</u> to help local law enforcement move from punitive to diversionary tactics when dealing with individuals suffering from mental illness and addiction. LEAD provides community-based care for people who commit law violations related to behavioral health issues or extreme poverty, serving as an alternative to punitive enforcement-based responses.

In 2022, Microsoft supported legislative reforms proposed in the Washington State Legislature to waive legal financial obligations for people who cannot afford to pay fines and fees associated with their conviction, and create new ways to ensure successful reentry and rehabilitation of persons convicted of criminal offenses.

COVID-19 RESPONSE

Maintaining Employee Pay

In March 2020, Microsoft announced that it would continue to pay over 4,500 hourly service providers on its campuses their regular pay even while their full services were not needed. By December 2020, Microsoft spent more than \$110 million in Washington state to pay these wages and <u>announced</u> that it would continue to support hourly workers impacted by COVID-19.

PPE

On March 22, 2020, Microsoft made its first donation of critical PPE equipment to support hospitals in Washington that were strained by an influx of COVID-19 patients. In addition, Microsoft has <u>committed to donating PPE and cleaning supplies</u> to help any school district in Washington state that needs additional supplies to reopen safely.

Donations to Community Partners

In 2020, Microsoft provided more than \$98 million of assistance to non-profits in Washington state, including roughly \$67 million in cash and \$31 million in technology, in-kind support, special discounts, and its COVID-19 response school lunch program. In December 2020, Microsoft <u>announced</u> that it would sustain this level of support for non-profits into 2021.

Meals

When COVID-19 began to shut down schools and community centers, <u>Microsoft repurposed</u> <u>food</u> for community distribution, primarily in Washington state. The all-volunteer team produced over 6,000 meals per day with the help of a Microsoft dietician, which were donated to organizations like the Boys and Girls Club, YMCA, Hopelink, and Northwest Harvest.

Schools

In December 2020, <u>Microsoft committed to providing</u> free technology solutions, PPE, transportation options, and data insights to help Washington State schools reopen safely in 2021.

To help address the connectivity crisis exacerbated by the COVID-19 pandemic, Microsoft also helped set up hundreds of Wi-Fi hotspots and other wireless connectivity equipment throughout Washington state in collaboration with organizations such as the Washington State Department of Commerce, Washington State University, the Avista Foundation, and the Public Libraries Association.

Vaccination

In April, 2021, Microsoft partnered with EvergreenHealth, Overlake Medical Center & Clinics, and Public Health – Seattle & King County to stand up a public community vaccination site at Microsoft's campus headquarters in Redmond. The site administered over 175,000 vaccinations during its operation and worked closely with community-based organizations to ensure equitable access to services.



Microsoft employees <u>volunteering at a mass vaccination site</u> in Seattle in 2021.

Ongoing Response to Pandemic Recovery

In addition to the programs and initiatives detailed above, Microsoft has taken action to address other areas of need in Washington state related to COVID-19. For example, Microsoft continues to support the Washington State Department of Health, which <u>maintains a public dashboard</u> – powered by Microsoft's Power BI software – that summarizes key data and trends related to COVID-19. This resourse has been used by state leaders, including Governor Inslee, to make data-driven decisions around COVID-19 in real time.

ADDITIONAL PARTNERSHIPS

AI for Healthcare

<u>Microsoft Cloud for Healthcare</u> is partnering with Seattle Children's Research Institute, St. Jude Children's Research Hospital, DNAnexus, and more to harness the power of data to reimagine healthcare, improve the health of the population, and, ultimately, help save lives. Microsoft's technology is in virtually every healthcare organization in the world, from a nurse-led clinic in Kenya to larger organizations like <u>Kaiser Permanente</u> in the United States and <u>NHS Glasgow and</u> <u>Clyde</u> in the United Kingdom, putting Microsoft in a unique position to build and expand solutions with cloud computing and AI.

Al for Cultural Heritage



In 2020, Microsoft leveraged cloud technology to render a 3D holographic model of Mont-Saint-Michel, a rocky headland off the Normandy coast.

Microsoft also uses cloud technology to preserve and promote cultural heritage in Washington state and abroad. In 2020, Microsoft partnered with Iconem to <u>recreate the 3-D</u> <u>architectural model and in-person</u> <u>site of Mont-Saint-Michel</u>, a rocky headland off the Normandy coast, using a process where artificial intelligence processes hundreds of thousands of photos to render models that are so precise, they look

fully photo-realistic. HoloForge Interactive then used these 3D renderings to build a mixed reality experience that takes viewers back in time. And for the first time ever, the original model traveled outside of France to the Museum of History and Industry (MOHAI) in Seattle, where it was on display for the public. In bringing Mont-Saint-Michel to life in holographic form, Microsoft unlocked a vital kind of storytelling while preserving and revitalizing cultural heritage for new generations – a driving force behind Microsoft AI for Cultural Heritage.

AI for Accessibility

Microsoft also works with the best accessibility researchers worldwide to make technology accessible and make the world accessible through technology. The company's <u>Al for</u> <u>Accessibility Program</u> invests in projects seeking to address this lack of disability data. But this lack of data cannot be solved by Microsoft alone, so the company is partnering across the disability and accessibility community to advance this work. Most recently, Microsoft partnered with the University of Washington's <u>Center for Research and Education on Accessible</u> <u>Technology and Experiences</u> (CREATE), an interdisciplinary center working to build research technology and innovation models that will ultimately drive more accessible technology and inclusive communities.