■ Microsoft

Microsoft's Racial Equity Initiative

We are committed to addressing racial injustice and inequity in the United States for Black and African American communities and to helping improve lived experiences at Microsoft, in employees' communities, and beyond. Our Racial Equity Initiative focuses on three multiyear pillars, each containing actions and progress we expect to make or exceed by 2025:

Strengthening our communities
Using data, technology, and partnerships to help improve the lives of Black and African American people in the United States, including our employees and their communities

Engaging our ecosystem
Using our balance sheet and relationships with suppliers and partners to foster societal change and create new opportunity

Increasing representation and strengthening inclusion
Building on our momentum, adding a $150 million investment to strengthen inclusion and double the number of Black, African American, Hispanic, and Latinx leaders in the United States by 2025

Strengthening our communities

Justice reform

Our Justice Reform Initiative is working with **70 organizations in 145 communities** focused on supporting alternatives to incarceration, accelerating adoption of new models of public safety, and expanding access to data-driven insights in the criminal legal system. And we launched the Catalyst Grant program, in partnership with the Urban Institute, to support 30 local nonprofits per year driving change in policing and prosecution practices as well as the prevention of unnecessary justice system involvement.

Skills and education

21 regions
Our Technology Education and Literacy in Schools (TEALS) program has supported nearly 290 high schools across 21 cities to date, with a focus on serving Black and African American students. TEALS is projected to reach **nearly 400 high schools** by fall 2022, providing computer science education to high school students.

18 HBCUs
We have given **$8 million** in largely unrestricted gifts to 18 Historically Black Colleges and Universities (HBCUs) in the past 2 years. We are also collaborating with Advancing Minorities' Interest in Engineering, the Thurgood Marshall College Fund, and the BEYA Conference.

8K people
We completed the first year of programming for 50 nonprofit workforce development and digital skilling groups led by and serving Black and African American communities, accounting for **$15 million** in grants, capacity-building support, and tech enablement services that have reached nearly 8,000 people.

Broadband

The Airband Initiative expanded its remit to address the digital divide—the chasm between those connected and not connected to broadband—especially among Black and African American communities who are disproportionately impacted across the United States. Initially, we launched partnerships and projects that drive adoption of affordable broadband services, access to affordable devices, and digital skilling in **eight focus cities** where significant gaps persist: Atlanta, Cleveland, Detroit, El Paso, Los Angeles, Memphis, Milwaukee, and New York City.[1] We also began addressing broadband availability and adoption across the Black rural South through new connectivity partnerships in Alabama, Georgia, North Carolina, South Carolina, and Virginia,[2] as well as support for Black Churches 4 Digital Equity, a Multicultural Media, Telecom, and Internet Council (MMTC) coalition. Additionally, to influence and target public investments for communities most impacted by the digital divide, we implemented a policy and advocacy strategy and our Digital Equity Playbook for state and local policymakers.

1. City coverage
2. State coverage

Nonprofits

Our Nonprofit Tech Acceleration (NTA) for Black and African American Communities program, which uses data, technology, and partnerships, helped more than **1,500 local organizations** across more than **1,100 communities** to modernize and streamline operations with technical solutions, including technology donations, discounts, and services.

Engaging our ecosystem

Banking

We have exceeded our goal of increasing the percentage of transaction volumes through Black- and African American-owned financial institutions by more than 2.5x prior levels. In addition, we are increasing investment activity with Black- and African American-owned asset managers. We have met our goals of:

- Creating a **$100 million** program focused on mission-driven banks

- Committing **$50 million** to create an investment fund focused on supporting Black- and African American-owned small businesses.

Capital

We continue to scale our **$50 million** Partner Capital Fund, which provides working capital via low- or no-interest loans, and leverage our $20 million Partner Financing Program to support liquidity and short-term cash-flow needs.

AMP'D

Our AMP'D (Advocates, Mentors, Peers for Diverse Suppliers) program, which focuses on supplier mentorship, advocacy, development, and access to capital programs through our banking relationships, has had a strong start. To date, it has hosted 14 live instructor-led learning sessions with more than 500 attendees. We have also witnessed an increase in spending among participating suppliers.

Black Partner Growth Initiative

We have increased the number of identified partners in the Black Partner Growth Initiative by more than **150%**, surpassing our initial goal. We have continued to invest in the partner community through the Black Channel Partner Alliance (BCPA) by supporting events focused on business growth, accelerators, and mentorship. This partnership has successfully supported growth in revenue, contracts, and the number of new hires for partners registered with the BCPA.

Suppliers

>90%

of the way towards reaching our commitment to spend an incremental **$500 million** with **double the number** of Black- and African American-owned suppliers.

82%

participation in a **D&I self-assessment** of our Top 100 suppliers. We have initiated dialogue with each supplier to explore opportunities to drive collective progress in diversity, equity, and inclusion.

Increasing representation and strengthening a culture of inclusion

Leader representation

We have made significant progress toward our commitment to double the number of Black, African American, Hispanic, and Latinx leaders in the United States by 2025. Our 2021 Global Diversity and Inclusion Report is our most recent annual representation report for all demographics and levels. As of May 2022, our progress includes:

Black and African American
People Managers (below Director level)
102% of the way to our goal

Black and African American
Directors+ (People Managers and individuals)
87.9% of the way to our goal

Hispanic and Latinx
People Managers (below Director level)
31% of the way to our goal

Hispanic and Latinx
Directors+ (People Managers and individuals)
53.2% of the way to our goal

Differentiated development programs

We have launched **38 cohorts** of our differentiated development programs for mid-level and senior-level leadership to date, with further staged cohorts planned for next year and beyond. The nine-month experience is opt-in. Direct managers of all participants are required to participate in a parallel track to support and grow how they understand and support their employees.

Inclusive hiring

We will be launching an updated Inclusive Hiring Training that will be available to interviewers and **required for all managers** in FY23.

Employee learning

More than 91% of employees have completed D&I-required learning courses on allyship, covering, privilege, and unconscious bias in the workplace. We have continued our focus on employee learning, introducing the **Race and Ethnicity Learning Path** as the first of four personalized learning experiences for employees' D&I learning journeys.

D&I resources

We are committed to leveraging our resources to help accelerate diversity and inclusion across our ecosystem. We continue to add new thought leadership to our **Inclusion Journey site**, which features external experts who speak to how we can create an inclusive culture for members of the Black and African American community and the Hispanic and Latinx community, how workplace perception and expectations impact members of the Asian community, the evolution and inclusion of families in today's society, and more.